

12. FINANCIAL INFORMATION (Cont'd)

12.2.1 Overview of results

We are primarily involved in the manufacturing, processing and trading of gloves. With our current six (6) production lines, our current production capacity is only sufficient to accommodate the production of latex examination gloves which are made from natural rubber latex. As such, we mainly focus on the manufacturing of latex examination gloves under our own "Rubbercare®" and "Guardian" brand names. We also manufacture latex examination gloves on contract manufacture basis for third party labels.

Due to the limitation on our existing production capacity, we currently outsource the production of nitrile and vinyl gloves as well as surgical gloves to third party manufacturers. We will then inspect and/or process these gloves, when required to meet our customers' quality requirements and specifications. These gloves are sold under our own "Rubbercare®", "Careplus", "MasterClean Comfort" and "MasterClean Protection" brand names, as well as other third party labels.

Our gloves can be used in highly diverse industry sectors, which includes, amongst others, hospitals, dental clinics, private healthcare, social services, research and scientific laboratories, food and beverages manufacturing, automotive industry and high technology manufacturing, such as semiconductor and electronic manufacturing. With our extensive distribution network, our products are exported to over 20 countries worldwide, including Australia, Chile, Colombia, Cyprus, Czech Republic, Ethiopia, Greece, Honduras, Hong Kong, India, Indonesia, Israel, Japan, Kuwait, Mexico, New Zealand, Nigeria, Peru, the PRC, Singapore, South Korea, Switzerland, Syria, the Philippines, UK and US, as well as to the domestic market. This indirect distribution strategy enables us to utilise the existing network of our intermediaries, which are primarily major trading houses, major distributors and importers of gloves, to expand our market coverage without incurring high capital investment in developing and maintaining retail infrastructure, including the setting up of sales and marketing offices in other countries.

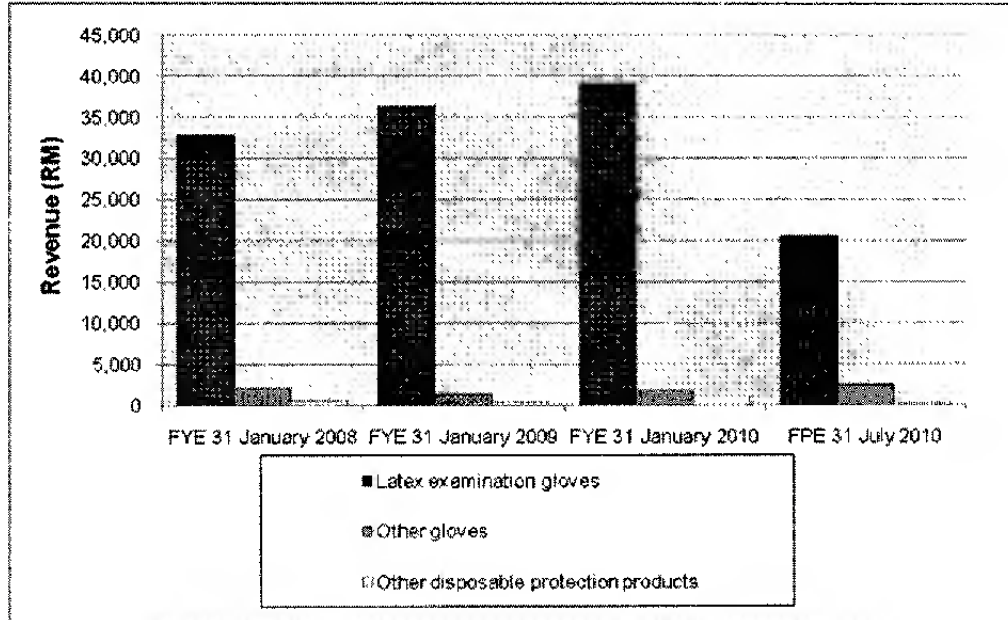
To complement our glove products, we are also involved in the trading of other products such as facemasks, respirators and latex dental dams under our own "Careplus", "Rubbercare®" and "Sunshine" brand names, which we have outsourced the manufacturing of these products to third parties. We are also involved in the trading of other disposable protection products such as gowns, caps and shoe covers for other third party labels.

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12. FINANCIAL INFORMATION (Cont'd)

Revenue

The following chart depicts our Group's revenue for the past three (3) financial years up to the FYE 31 January 2010 and six (6)-month FPE 31 July 2010:



Our Group's revenue increased from approximately RM35.55 million for the FYE 31 January 2008 to approximately RM41.87 million for the FYE 31 January 2010. We continue to record proportionately higher revenue of approximately RM23.33 million for the six (6)-month FPE 31 July 2010.

Our revenue was mainly generated from the sales of latex examination gloves over the past three (3) financial years/period under review. Revenue contributed from the sales of latex examination gloves represented 91% to 95% of our Group's revenue over these financial years/periods under review, whilst the remaining were contributed from the sale of other types of gloves, such as nitrile and vinyl gloves, surgical gloves and cleanroom gloves, as well as other disposable protection products, such as facemasks, respirators, latex dental dams, gowns, caps and shoe covers.

12. FINANCIAL INFORMATION (Cont'd)

The breakdown of our revenue by our products is also set out as follows:

	Pro forma audited						Pro forma unaudited		Audited	
	FYE 31 January						Six (6)-month			
	FPE 31 July									
	2008		2009		2010		2009		2010	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Latex examination gloves										
- OBM	8,051	22.65	7,620	20.03	10,023	23.94	5,740	28.04	6,434	27.58
- OEM	24,751	69.63	28,618	75.21	29,033	69.35	12,944	63.23	14,843	63.63
Other gloves	2,126	5.98	1,364	3.58	1,752	4.18	1,578	7.71	1,748	7.50
Other disposable protection products	619	1.74	448	1.18	1,058	2.53	210	1.02	301	1.29
	35,547	100.00	38,050	100.00	41,868	100.00	20,472	100.00	23,326	100.00

Due to the limitation on our existing production capacity, we only recorded a marginal growth in our revenue with a compounded annual growth rate (CAGR) of 8.52% over the past three (3) financial years up to the FYE 31 January 2010. During the past three (3) financial years up to the FYE 31 January 2010, our six (6) production lines were running at almost full capacity. This can be illustrated based on the table below that sets out our annual production capacity, production output and utilisation level for our latex examination gloves for the past three (3) financial years up to the FYE 31 January 2010:

	No. of lines (unit)	Annual production capacity ('000 pieces)*	Production output ('000 pieces)	Utilisation level (%)
FYE 31 January 2008	6	420,000	365,331	87.0
FYE 31 January 2009	6	420,000	354,514	84.4
FYE 31 January 2010	6	420,000	400,329	95.3

Nota:

* Based on 24 hours a day and 28 days per month.

The major factors affecting our revenue over the past financial years/periods under review are as follows:

- fluctuation in raw materials prices, which mainly refers to the natural rubber latex; and
- fluctuation in foreign exchange rates, which our sales are substantially denominated in USD.

12. FINANCIAL INFORMATION (Cont'd)

As such, we have also set out below the average and closing exchange rates for USD/RM for each of the financial years/periods under review:

	USD/RM	
	Average*	Closing
FYE 31 January 2008	3.4178	3.2360
FYE 31 January 2009	3.3553	3.6085
FYE 31 January 2010	3.5033	3.4130
Six (6)-month FPE 31 July 2009	3.5777	3.5200
Six (6)-month FPE 31 July 2010	3.2732	3.1875

Note:

* The average exchange rate between USD and RM is calculated using the daily closing exchange rates during each financial year/period.

(Source: Bank Negara Malaysia's website of www.bnm.gov.my)

For the FYE 31 January 2009, we recorded higher revenue of approximately RM38.05 million compared to the FYE 31 January 2008 of approximately RM35.55 million. This was mainly due to the passing on of the increase in the prices of latex and natural gas, being our main materials used in the production of our gloves, to our customers.

The latex prices reached its highest level in July 2008 when it hits a 56-year peak of USD3.25 per kilogram. The selling prices for our gloves had also subsequently increased (lagging by a few months) and caught up towards the end of calendar year 2008.

With the onset of H1N1 in April 2009 and the increase in demand for gloves, there were insufficient supplies of gloves, thereby causing the price of gloves to hold steady, or to cause the decline in glove prices to fall much slower, albeit the latex prices had fallen quite substantially from July 2008. The stronger USD during the FYE 31 January 2010 also explained our higher revenue of approximately RM41.87 million.

For the six (6)-month FPE 31 July 2010, our revenue increased by 13.94% compared to the six (6)-month FPE 31 July 2009. This was mainly due to the increase in the prices of latex which we have partially passed on to our customers.

As mentioned earlier, we mainly focus on the manufacturing of latex examination gloves under our own "Rubbercare®" and "Guardian" brand names, as well as manufacturing latex examination gloves on contract manufacture basis for third party labels. Presently, our existing six (6) production lines are running at almost full capacity and we are not able to achieve economies of scale by manufacturing all types of gloves. Hence, we primarily focus on the manufacturing of latex examination gloves and outsource the production of nitrile and vinyl gloves as well as surgical gloves to third party manufacturers. We then subsequently inspect and/or process these gloves, when required to meet our customers' quality requirements and specifications. To complement our glove products, we also trade other disposable protection products, such as facemasks, respirators, latex dental dams, gowns, caps and shoe covers.

12. FINANCIAL INFORMATION (Cont'd)

As such, we set out below the breakdown of our revenue by activities as follows:

	Pro forma audited						Pro forma unaudited		Audited	
	FYE 31 January						Six (6)-month			
	FPE 31 July									
	2008		2009		2010		2009		2010	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Manufacturing	32,802	92.28	36,238	95.24	39,056	93.29	18,684	91.27	21,277	91.21
Processing and trading										
- Processing (powdering)	-	0.00	191	0.50	272	0.65	169	0.82	391	1.88
- Trading	2,745	7.72	1,621	4.26	2,538	8.06	1,619	7.91	1,658	7.11
	<u>35,547</u>	<u>100.00</u>	<u>38,050</u>	<u>100.00</u>	<u>41,866</u>	<u>100.00</u>	<u>20,472</u>	<u>100.00</u>	<u>23,326</u>	<u>100.00</u>

Our operations are carried out through our wholly-owned subsidiaries as follows:

- **Careplus (M)**, which is principally involved in the sourcing of gloves from other suppliers either to supplement our product range or when PPG is unable to produce sufficient quantities, trading of gloves manufactured by PPG and gloves purchased from other suppliers, as well as trading of other disposable protection products;
- **PPG**, which is principally involved in the manufacturing and processing activities for our glove products; and
- **Masterclean Tech**, which is principally involved in the manufacturing of cleanroom gloves.

The breakdown of our revenue by the companies within our Group is set out as follows:

	Pro forma audited						Pro forma unaudited		Audited	
	FYE 31 January						Six (6)-month			
	FPE 31 July									
	2008		2009		2010		2009		2010	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Careplus	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Careplus (M)	28,972	81.50	30,399	79.89	32,020	76.48	16,496	80.58	17,212	73.79
PPG	34,200	96.21	36,450	95.80	39,226	93.70	19,635	95.91	21,332	91.45
Masterclean Tech	2,971	8.36	918	2.41	1,143	2.73	601	2.94	458	1.96
	<u>66,143</u>	<u>186.07</u>	<u>67,767</u>	<u>178.10</u>	<u>72,389</u>	<u>172.91</u>	<u>36,732</u>	<u>179.43</u>	<u>39,002</u>	<u>167.20</u>
Less: Inter-company transactions	<u>(30,596)</u>	<u>(86.07)</u>	<u>(29,717)</u>	<u>(78.10)</u>	<u>(30,523)</u>	<u>(72.91)</u>	<u>(16,280)</u>	<u>(79.43)</u>	<u>(15,876)</u>	<u>(67.20)</u>
	<u>35,547</u>	<u>100.00</u>	<u>38,050</u>	<u>100.00</u>	<u>41,866</u>	<u>100.00</u>	<u>20,472</u>	<u>100.00</u>	<u>23,326</u>	<u>100.00</u>

12. FINANCIAL INFORMATION (Cont'd)

Our gloves are exported to over 20 countries worldwide and are sold in the domestic market. As such, we set out below the breakdown of our revenue by geographical area as follows:

	Pro forma audited						Pro forma unaudited		Audited	
	FYE 31 January						Six (6)-month FPE 31 July			
	2008		2009		2010		2009		2010	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Local*	6,249	17.58	7,555	19.86	8,315	19.86	3,981	19.45	4,653	19.95
Overseas										
▪ Our main export markets										
> Hong Kong^	5,383	15.14	7,078	18.60	8,337	19.91	4,347	21.24	4,272	18.32
> US	7,160	20.14	8,088	21.26	6,668	15.93	3,650	17.83	4,763	20.42
> The Philippines	2,875	8.09	2,723	7.16	3,044	7.27	1,312	6.41	2,588	11.09
> Colombia	1,747	4.92	1,806	4.74	2,995	7.15	1,237	6.04	871	3.73
> UK	2,551	7.18	2,275	5.98	2,259	5.40	1,128	5.51	1,231	5.28
	19,716	55.47	21,970	57.74	23,303	55.66	11,674	57.03	13,725	58.84
▪ Other countries in Asia Pacific										
> South Korea	1,405	3.95	1,219	3.20	930	2.22	354	1.73	1,058	4.54
> Indonesia	379	1.07	521	1.37	318	0.76	203	0.99	370	1.59
> Australia	167	0.47	85	0.22	193	0.46	92	0.45	99	0.42
> New Zealand	88	0.25	-	0.00	187	0.45	85	0.41	-	0.00
> PRC	154	0.43	304	0.80	146	0.35	-	0.00	-	0.00
> Singapore	318	0.89	120	0.32	52	0.12	28	0.13	26	0.11
> Japan	14	0.04	44	0.12	-	0.00	-	0.00	135	0.58
> India	-	0.00	12	0.03	-	0.00	-	0.00	-	0.00
	2,525	7.10	2,305	6.06	1,826	4.36	760	3.71	1,688	7.24
▪ Other Central and South America	2,206	6.20	2,307	6.06	4,107	9.81	1,849	9.03	1,971	8.44
▪ Other countries	4,851	13.65	3,913	10.28	4,315	10.31	2,208	10.78	1,289	5.53
	35,547	100.00	38,050	100.00	41,866	100.00	20,472	100.00	23,326	100.00

Notes:

* All of our local customers are intermediaries which exported our products to overseas markets.

^ A substantial portion of our products are supplied to Japan by our Hong Kong intermediary.

For the past financial years/periods under review, our revenue in the local region increased mainly due to the increase in orders from one (1) of our major customers, namely USE Electronics (M) Sdn Bhd. In addition, for the past three (3) financial years under review, the increase in the revenue generated from Central and South America regions was mainly due to stronger demand of our glove products from four (4) of our customers who are located at Peru, Honduras, Colombia and Chile. However, as one (1) of our customers in Colombia had overly stocked up during the FYE 31 January 2010, this explained the decrease in revenue generated from Colombia for the six (6)-month FPE 31 July 2010.

12. FINANCIAL INFORMATION (Cont'd)

During the FYE 31 January 2010, we stopped supplying to one (1) of our customers which is located at Florida, US as collections from this particular customer were slow. Nonetheless, the amount due from the said customer has been fully collected. As such, for the FYE 31 January 2010, our revenue in the US region decreased. However, our revenue in the US region was proportionately higher for the six (6)-month FPE 31 July 2010 as we have transacted with a new customer from US.

Gross profit

Our cost of sales mainly comprises the cost of raw materials, direct labour and production overheads. The components of cost of sales for the financial years/periods under review were as follows:

	Pro forma audited						Pro forma unaudited		Audited	
	FYE 31 January						Six (6)-month			
	2008		2009		2010		2009		2010	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
Raw materials purchased	23,950	75.15	26,057	76.44	24,781	79.80	10,585	68.19	15,527	81.87
Direct labour	3,081	9.67	2,805	8.23	3,117	10.04	1,430	9.21	1,609	8.48
Production overheads	5,024	15.76	4,282	12.56	5,152	16.59	2,443	15.74	2,477	13.06
Inventories	(184)	(0.58)	946	2.77	(1,998)	(6.43)	1,064	6.86	(646)	(3.41)
	<u>31,871</u>	<u>100.00</u>	<u>34,090</u>	<u>100.00</u>	<u>31,052</u>	<u>100.00</u>	<u>15,522</u>	<u>100.00</u>	<u>18,967</u>	<u>100.00</u>

Cost of raw materials accounted for a significant portion, ranging from 68.19% to 81.87% of our cost of sales for the past financial years/periods under review. For further information on the principal raw materials used by our Group, please refer to Section 6.9 of this Prospectus. The cost of materials for our products is affected by fluctuation in the prices of our raw materials, mainly the natural rubber latex and natural gas, which in turn depends on supply and demand factors. However, we are of the opinion that we are generally able to pass these higher costs to our customers, which is in line with the industry norm.

Direct labour mainly comprises salaries, wages, bonus and other staff-related costs of employees who are directly involved in our manufacturing activities. These labour costs are affected by wage levels, number of production staff employed, number of working hours and labour market condition.

Production overheads mainly comprise factory utilities charges, depreciation of property, plant and machinery, repair and maintenance of plant machinery, as well as packaging materials.

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12. FINANCIAL INFORMATION (Cont'd)

The breakdowns of our gross profit by our products, activities, the companies within our Group and geographical area for the financial years/periods under review are set out as follows:

	Pro forma audited						Pro forma unaudited		Audited	
	FYE 31 January						Six (6)-month			
	2008		2009		2010		2009		2010	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
By products										
Latex examination gloves										
- OBM	989	26.92	769	19.42	2,729	25.24	1,398	28.24	1,282	29.41
- OEM	2,467	67.10	3,046	76.92	7,748	71.64	3,334	67.35	2,823	64.76
Other gloves	170	4.63	109	2.78	210	1.94	193	3.90	217	4.98
Others disposable protection products	50	1.35	36	0.90	127	1.18	25	0.51	37	0.85
	3,676	100.00	3,960	100.00	10,814	100.00	4,950	100.00	4,359	100.00
By activities										
Manufacturing	3,456	94.02	3,815	96.34	10,477	96.88	4,732	95.60	4,105	94.18
Processing and trading										
- Processing (powdering)	-	0.00	17	0.43	34	0.32	21	0.42	49	1.12
- Trading	220	5.98	128	3.23	303	2.80	197	3.98	205	4.70
	3,676	100.00	3,960	100.00	10,814	100.00	4,950	100.00	4,359	100.00
By companies										
Careplus	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Careplus (M)	1,185	32.24	1,476	37.27	1,950	18.03	623	12.59	1,271	29.16
PPG	2,269	61.72	1,864	47.07	7,943	73.45	3,826	77.29	2,771	63.57
Masterclean Tech	222	6.04	820	15.66	921	8.52	501	10.12	317	7.27
	3,678	100.00	3,960	100.00	10,814	100.00	4,950	100.00	4,359	100.00
Less: Inter-company transactions	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Total	3,676	100.00	3,960	100.00	10,814	100.00	4,950	100.00	4,359	100.00

12. FINANCIAL INFORMATION (Cont'd)

	Pro forma audited						Pro forma unaudited				Audited	
	FYE 31 January						Six (8)-month				FPE 31 July	
	2008	2009	2010	2009	2010	2009	2010	2009	2010	(RM'000)	%	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
By geographical areas												
Local*	518	14.09	800	20.20	2,185	20.21	1,007	20.34	930	21.34		
Overseas												
▪ Our main export markets												
➤ Hong Kong [^]	436	11.86	714	18.03	2,133	19.72	1,084	21.90	860	19.73		
➤ US	787	20.87	948	23.94	1,625	15.03	834	18.85	837	19.20		
➤ The Philippines	302	8.22	257	6.49	753	6.98	299	6.04	494	11.33		
➤ Colombia	212	5.77	182	4.60	833	7.70	308	6.22	176	4.04		
➤ UK	318	8.65	230	5.81	626	5.79	288	5.78	246	5.65		
	2,035	55.36	2,331	58.87	5,970	55.20	2,811	56.79	2,613	59.95		
▪ Other countries in Asia Pacific												
➤ South Korea	68	1.85	87	2.20	242	2.24	63	1.27	212	4.86		
➤ Indonesia	46	1.25	52	1.31	82	0.76	49	0.99	71	1.63		
➤ Australia	13	0.35	7	0.18	23	0.21	11	0.22	12	0.27		
➤ New Zealand	5	0.14	-	0.00	48	0.44	21	0.43	-	0.00		
➤ PRC	6	0.16	25	0.63	37	0.34	-	0.00	-	0.00		
➤ Singapore	24	0.65	8	0.20	12	0.11	4	0.08	4	0.09		
➤ Japan	1	0.03	4	0.10	-	0.00	-	0.00	27	0.62		
➤ India	-	0.00	1	0.03	-	0.00	-	0.00	-	0.00		
	163	4.43	184	4.65	444	4.10	148	2.99	328	7.47		
▪ Other Central and South America	349	9.50	214	5.40	1,109	10.28	458	9.25	363	8.33		
▪ Other countries	611	16.62	431	10.88	1,108	10.23	526	10.83	127	2.91		
	3,676	100.00	3,960	100.00	10,814	100.00	4,950	100.00	4,359	100.00		

Notes:

* All of our local customers are intermediaries which exported our products to overseas markets.

[^] A substantial portion of our products are supplied to Japan by our Hong Kong intermediary.

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12. FINANCIAL INFORMATION (Cont'd)

The breakdowns of our gross profit margin by our products, activities and geographical area for the financial years/periods under review are set out as follows:

	Pro forma audited			Pro forma unaudited	Audited
	FYE 31 January			Six (6)-month	
	2008	2009	2010	2009	2010
	%	%	%	%	%
By products					
Latex examination gloves					
- OBM	12.28	10.09	27.23	24.36	19.93
- OEM	9.97	10.64	26.68	25.76	19.02
Other gloves	8.00	7.99	11.99	12.23	12.41
Others disposable protection products	8.08	8.04	12.00	12.38	12.29
By activities					
Manufacturing	10.54	10.53	26.83	25.33	19.29
Processing and trading					
- Processing (powdering)	0.00	8.90	12.34	12.43	12.53
- Trading	8.01	7.90	11.94	12.23	12.36
By geographical areas					
Local*	8.29	10.60	26.28	25.30	19.99
Overseas					
▪ Our main export markets					
➤ Hong Kong^	8.10	10.09	25.59	24.94	20.13
➤ US	10.71	11.72	24.37	22.85	17.57
➤ The Philippines	10.50	9.44	24.73	22.79	19.09
➤ Colombia	12.12	10.09	27.82	24.90	19.98
➤ UK	12.46	10.09	27.70	25.35	19.98
▪ Other countries in Asia Pacific					
➤ South Korea	4.83	7.10	25.96	17.80	20.04
➤ Indonesia	12.27	10.02	27.75	24.14	19.19
➤ Australia	8.03	7.97	12.01	11.96	12.12
➤ New Zealand	6.01	0.00	25.54	24.70	0.00
➤ PRC	3.57	8.10	25.54	0.00	0.00
➤ Singapore	7.48	6.90	23.26	15.38	15.38
➤ Japan	8.48	7.97	0.00	0.00	20.00
➤ India	0.00	9.24	0.00	0.00	0.00
▪ Other Central and South America	15.83	9.30	27.00	24.77	18.42
▪ Other countries	12.61	11.00	25.64	23.77	9.92

Notes:

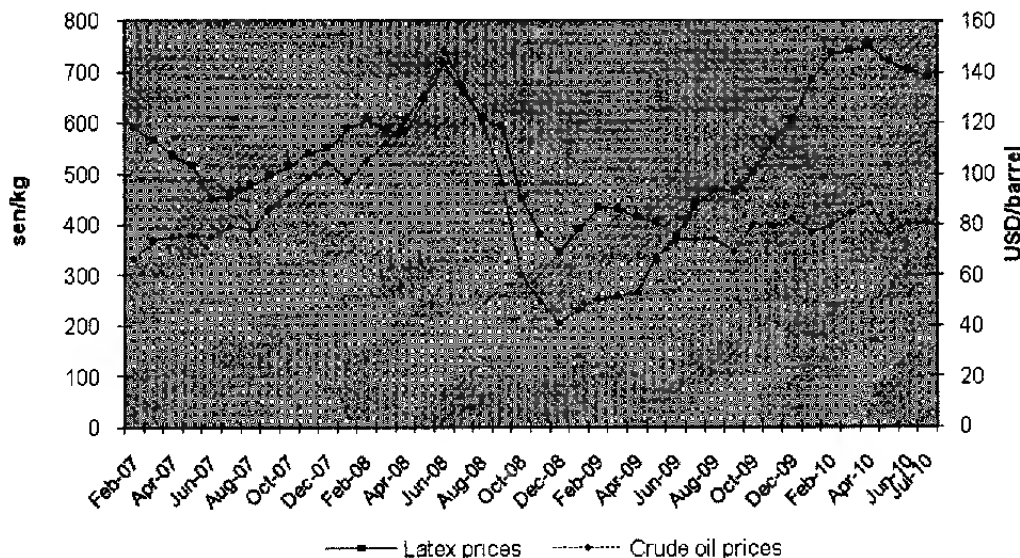
* All of our local customers are intermediaries which exported our products to overseas markets.

^ A substantial portion of our products are supplied to Japan by our Hong Kong intermediary.

12. FINANCIAL INFORMATION (Cont'd)

For further illustration on our gross profit and gross profit margins over the past financial years/periods under review, we set out below the average monthly latex and crude oil prices from February 2007 to July 2010:

Average monthly latex and crude oil prices



	Average monthly latex prices (sen/kg)	Average monthly crude oil prices (USD/barrel)		Average monthly latex prices (sen/kg)	Average monthly crude oil prices (USD/barrel)
2007			2008		
- February	590.5	88.5	- December	346.0	40.8
- March	566.5	73.7	2009		
- April	536.0	75.1	- January	391.0	46.2
- May	515.5	75.8	- February	432.8	50.2
- June	452.0	75.3	- March	430.3	51.8
- July	455.0	79.2	- April	414.0	52.9
- August	478.0	77.9	- May	404.0	66.9
- September	496.5	86.3	- June	378.5	74.2
- October	515.0	92.7	- July	437.8	73.9
- November	540.0	98.5	- August	467.3	74.3
- December	549.5	104.3	- September	467.0	68.9
2008			- October	502.5	80.1
- January	588.0	96.9	- November	566.3	79.2
- February	606.0	105.0	- December	606.5	82.4
- March	584.0	111.9	2010		
- April	582.0	121.6	- January	684.0	78.6
- May	647.0	131.2	- February	735.8	79.5
- June	714.5	148.2	- March	742.8	84.4
- July	680.0	134.4	- April	749.8	88.3
- August	608.0	120.6	- May	720.5	75.7
- September	592.5	96.3	- June	703.5	80.4
- October	450.5	60.2	- July	691.5	80.4
- November	379.5	49.5			

Note:

* Natural gas prices correlate with the crude oil prices as they are mostly produced from crude oil wells.

(Source: Bloomberg LP)

12. FINANCIAL INFORMATION (Cont'd)

Based on the preceding chart and table, the latex prices have generally moved in tandem with the crude oil prices. The cost element is quite significant as the natural rubber latex and natural gas make up more than 50% of our total cost of sales, with other chemicals, labour and overheads making up the balance.

FYE 31 January 2009 compared to FYE 31 January 2008

Our gross profit increased from approximately RM3.68 million for the FYE 31 January 2008 to approximately RM3.96 million for the FYE 31 January 2009. This was mainly due to the increase in revenue, which was resulted from the increase in the selling prices of our gloves. During the first half of the calendar year 2008, the latex and natural gas prices, which are our major materials used in our production, were on an uptrend. In view of this, we have largely passed on the higher raw material prices to our customers. As such, despite the increase in our revenue and our gross profit, our gross profit margins of 10.34% and 10.41% for the FYE 31 January 2008 and FYE 31 January 2009 respectively did not vary substantially. Our gross profit margins for our latex examination gloves and other glove products also did not vary substantially for both the FYE 31 January 2008 and FYE 31 January 2009.

However, the gross profit margin for our latex examination gloves sold under OBM decreased from 12.28% for the FYE 31 January 2008 to 10.09% for the FYE 31 January 2009. This was due to the longer time lag in adjusting our selling prices for our OBM latex examination gloves than for our OEM latex examination gloves, as these brands are generally more reputable than our own brands.

FYE 31 January 2010 compared to FYE 31 January 2009

The latex price peaked at RM7.20/kg in July 2008, and had fallen quite substantially from July 2008. Likewise, the crude oil prices had also fallen in tandem with the latex prices since July 2008.

Since the H1N1 outbreak has been raised to pandemic level in April 2009, the governments of developed countries, such as US and Europe have urged all healthcare multinational corporations to stock up on rubber gloves. As such, this has created a strong demand of rubber gloves globally.

In addition, with US tightening FDA regulations that were effective in December 2008, the number of glove defects per batch was reduced to qualify for entry to the US market. This reduced the supply of rubber glove exports to US due to the retention of "unqualified" gloves at the ports and hence creating new sales opportunities for the established rubber glove manufacturers.

(Source: Sector Update: Up Close with 4 Glove Plants dated 6 August 2009 by OSK Research Sdn Bhd)

In view that the supply of gloves was insufficient to meet the global demand for gloves, the selling price of gloves during the FYE 31 January 2010 was hold steady or fall much slower, albeit the latex and natural gas prices had fallen quite substantially from July 2008. As such, for the FYE 31 January 2010, our gross profit and gross profit margin increased substantially to approximately RM10.81 million and 25.83% respectively.

12. FINANCIAL INFORMATION (Cont'd)

Six (6)-month FPE 31 July 2010 compared to six (6)-month FPE 31 July 2009

For the six (6)-month FPE 31 July 2010, our Group recorded lower profit margin of approximately 18.69%, as opposed to 24.18% for the six (6)-month FPE 31 July 2009. During this six (6)-month period, the H1N1 pandemic being no longer a factor driving demand growth in the rubber gloves industry. As such, the demand for rubber gloves has normalised, rubber gloves manufacturers, in general, would not be able to enjoy the same gross profit margin as a year ago, and would not be able to pass on entirely all the negative effects associated with high latex prices, unfavourable exchange rate and other costs to its customers. Hence, this also applies to our Group.

It has been more than a year since the H1N1 was declared a pandemic. The disease outbreak triggered a wave of massive stocking of gloves to make them available to meet the needs of the global population. However, for the time being, almost all the healthcare multinational corporations have stocked up to a satisfactory level. This has in turn contributed to a softer demand compared to a year ago.

On the other hand, the variances in our gross profit margins by geographical areas are based on the fact that our profit margins are subject to the volumes purchased by our respective customers and the different brand owners and/or intermediaries our Group transacts with.

Order book

In line with most other players in the rubber gloves manufacturing industry, the average order book of our Group for the manufacturing of our latex gloves ranging from 45 to 60 days. As such, we do not carry a significant order book as we typically do not receive long-term orders from our customers. We receive confirmed orders from our customers which are supported by purchasing orders issued to us, with specifications such as product types or species, sizes, quality selection, quantities and types of finishing.

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12. FINANCIAL INFORMATION (Cont'd)**Other operating income**

The components of other operating income for the financial years/periods under review were as follows:

	<----- Pro forma audited ----->			Pro forma unaudited	Audited
	FYE 31 January			<----Six (6)-month ---->	
	2008	2009	2010	FPE 31 July	
	(RM'000)	(RM'000)	(RM'000)	2009	2010
				(RM'000)	(RM'000)
Gain on disposal of property, plant and equipment	7	169	30	30	7
Rental income	-	-	27	6	13
Interest income	33	26	35	7	7
Gain on foreign exchange					
- realised	-	73	22	168	118
- unrealised	-	141	-	86	5
Dividend income	-	73	45	-	1
Gain on disposal of other investment	-	-	-	-	3
Fair value gain on derivatives	-	-	-	-	222
Writeback of allowance for doubtful debts	-	-	-	-	6
Others	39	50	118	29	11
	<u>79</u>	<u>532</u>	<u>277</u>	<u>324</u>	<u>393</u>

Other operating income mainly comprises gain on disposal of property, plant and equipment, interest income, gain on foreign exchange, both realised and unrealised and dividend income from our former associate, Sawah Testing Sdn Bhd. We recorded higher other operating income during the FYE 31 January 2009. This was mainly due to the gain on disposal of two (2) oil palm lands, gain on foreign exchange and dividend income, amounting to approximately RM169,000, RM214,000 and RM73,000 respectively.

During the six (6)-month FPE 31 July 2010, our Group recognised a gain of approximately RM222,000 arising from fair value changes of the forward foreign currency contracts that we had entered into. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

12. FINANCIAL INFORMATION (Cont'd)

Administrative expenses

The components of administrative expenses for the financial years/periods under review were as follows:

	Pro forma audited			Pro forma unaudited	Audited
	FYE 31 January			Six (6)-month FPE 31 July	
	2008 (RM'000)	2009 (RM'000)	2010 (RM'000)	2009 (RM'000)	2010 (RM'000)
Salaries and related expenses	341	390	550	151	155
Office expenses	212	168	154	72	91
Insurance, professional and legal fees	108	190	387	135	55
Directors' fees	107	90	80	34	53
Directors' remuneration	305	293	700	137	149
Regulatory compliance related expenses	19	19	40	1	29
Bank charges	83	89	109	61	54
Travelling expenses	132	49	30	20	21
Rental	30	30	47	15	15
Others	165	161	165	83	113
	1,502	1,479	2,262	709	735

Our administrative expenses mainly comprise salaries and related expenses, office maintenance, insurance, professional and legal fees, directors' fees, directors' remuneration, traveling expenses as well as bank charges. It constituted approximately 4.23%, 3.89%, 5.40% and 3.15% of our revenue for the FYE 31 January 2008, 2009, 2010 and the six (6)-month FPE 31 July 2010 respectively.

For the FYE 31 January 2009, we recorded administrative expenses of approximately RM1.48 million, which was fairly consistent with the FYE 31 January 2008 of approximately RM1.50 million. Our administrative expenses for the six (6)-month FPE 31 July 2010 were fairly consistent too. However for the FYE 31 January 2010, administrative expenses increased to approximately RM2.26 million due to, inter-alia, the increase in staff costs and directors' remuneration by approximately RM160,000 and RM407,000 respectively, mainly due to higher bonus payments in view of the improved financial performance during 2010. The increase in administrative expenses for the FYE 31 January 2010 was also due to the increase in professional and legal fees by approximately RM197,000 being incurred for the acquisition of a leasehold land situated in Lot 17479, Jalan Senawang Empat, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus for our next expansion plan, and its related expenses.

12. FINANCIAL INFORMATION (Cont'd)**Other expenses**

The components of other expenses for the financial years/periods under review were as follows:

	<----- Pro forma audited ----->			Pro forma unaudited	Audited
	FYE 31 January			<----Six (6)-month ---->	
	2008 (RM'000)	2009 (RM'000)	2010 (RM'000)	FPE 31 July 2009 (RM'000)	2010 (RM'000)
Allowance for doubtful debts	-	-	49	-	-
Bad debts written off	-	53	5	-	-
Depreciation of investment property	-	-	32	-	16
Depreciation for property, plant and equipment	122	108	154	47	74
Plant and equipment written off	-	-	6	-	-
Loss on foreign exchange					
- realised	404	223	17	-	612
- unrealised	120	-	183	-	259
Listing expenses	-	-	-	-	580
	646	384	446	47	1,541

Our other expenses mainly comprise depreciation of property, plant and equipment, plant and equipment written off and the loss on foreign exchange. It constituted approximately 1.82%, 1.01%, 1.07% and 6.61% of our revenue for the FYE 31 January 2008, 2009, 2010 and the six (6)-month FPE 31 July 2010 respectively.

We recorded higher other expenses for the FYE 31 January 2008 of approximately RM646,000 as compared to the FYE 31 January 2009 and FYE 31 January 2010 of approximately RM384,000 and RM446,000 respectively. This was mainly due to the net loss of foreign exchange of approximately RM524,000 incurred during the FYE 31 January 2008, as opposed to the net loss on foreign exchange incurred during the FYE 31 January 2009 and FYE 31 January 2010 of approximately RM 223,000 and RM200,000 respectively.

For the six (6)-month FPE 31 July 2010, we also recorded higher other expenses of approximately RM1.54 million due to the net loss of foreign exchange of approximately RM871,000 and the listing expenses of approximately RM580,000 incurred during the period in conjunction with our listing exercise.

Please also refer to Section 12.2.2 of this Prospectus for further information on the gain or loss on foreign exchange that we incurred during the past financial years/periods under review.

Finance costs

Our finance costs mainly comprise interest charges on our borrowings. Our borrowings comprise bank overdrafts, bills payable, export credit refinancing, hire purchase facilities and term loans. Details of the interest rates charged based on these borrowing facilities are set out in Section 12.5.5 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)

PBT

Our PBT for the FYE 31 January 2009 increased by approximately RM995,000 or 70.27% over our PBT for the FYE 31 January 2008. Our PBT margin also improved from 3.98% for the FYE 31 January 2008 to 6.34% for the FYE 31 January 2009. These improvements in our PBT and PBT margin were mainly due to the following:

- improvement in our gross profit margin from 10.34% for the FYE 31 January 2008 to 10.41% for the FYE 31 January 2009; and
- improvement in the loss on foreign exchange by RM515,000.

Our PBT and PBT margin for the FYE 31 January 2010 continued to increase, and we recorded PBT and PBT margin of approximately RM8.29 million and 19.81% for the FYE 31 January 2010. These improvements in our PBT and PBT margin were mainly due to the substantial improvement in our gross profit margin from 10.41% for the FYE 31 January 2009 to 25.83% for the FYE 31 January 2010. As mentioned earlier, this was mainly attributable to the onset of H1N1 in April 2009 and the tightening of FDA regulations, which resulted in the demand for gloves outweighed the supply of gloves, thereby causing the price of gloves to hold steady or fall much slower, albeit the latex and natural gas prices had fallen quite substantially from July 2008. With the supply of latex and natural gas at low prices, and quantities and prices of gloves holding steady at high level, this gives rise to the substantial increase in gross profit margin for the FYE 31 January 2010, and hence, the substantial increase in PBT margin for the same year.

However, for the six (6)-month FPE 31 July 2010, we recorded proportionately lower PBT and PBT margin of approximately RM2.39 million and 10.22% respectively. This was mainly due to the normalising of rubber gloves demand due to H1N1 pandemic, being no longer a factor driving the demand growth. As a result, this had affected our ability to pass on entirely all the negative effects associated with high latex prices, unfavourable exchange rate and other costs to our customers.

We set out below the breakdowns of our PBT by the companies within our Group for the financial years/periods under review:

	Pro forma audited						Pro forma unaudited				Audited	
	FYE 31 January						Six (6)-month				FPE 31 July	
	2008		2009		2010		2009		2010		2010	
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%
By companies												
Careplus	-	0.00	-	0.00	-	0.00	-	0.00	(585)	(24.53)		
Careplus (M)	18	1.27	1,216	50.44	3,320	40.03	533	11.89	7,787	326.50		
PPG	1,347	95.13	718	29.78	6,403	77.21	3,506	78.23	2,537	106.37		
Masterclean Tech	51	3.60	477	19.78	769	9.27	443	9.88	228	9.56		
	1,416	100.00	2,411	100.00	10,492	128.51	4,482	100.00	9,967	417.90		
Less: Inter-company transactions*	-	0.00	-	0.00	(2,199)	(26.51)	-	0.00	(7,582)	(317.90)		
Total	1,416	100.00	2,411	100.00	8,293	100.00	4,482	100.00	2,385	100.00		

Note:

- * The elimination of inter-company transactions for the FYE 31 January 2010 and the six (6)-month FPE 31 July 2010 are in respect of inter-company dividends and gain on disposal of subsidiaries which resulted from the Internal Reorganisation.

12. FINANCIAL INFORMATION (Cont'd)

Effective tax rate

All tax expenses represent tax charges provided in respect of assessable profits derived from our operations, which are solely in Malaysia. As a result, our operations were taxed in accordance with the prevailing tax regulations in Malaysia. Our tax expense comprises current tax payable and deferred tax.

Our effective tax rates, being tax expenses as a percentage of our PBT for the financial years/periods under review are as follows:

	←----- Pro forma audited -----→			Pro forma	Audited
	FYE 31 January			←-- Six (6)-month --→	
	2008	2009	2010	2009	2010
	%	%	%	%	%
Effective tax rate	13.56	18.21	25.49	24.70	(19.50)
Malaysian statutory tax rate	26.00	25.00	25.00	25.00	25.00

For the FYE 31 January 2008 and 2009, the effective tax rates of our Group were lower than the statutory tax rates mainly due to the investment allowances to offset against the profit for the year 2008 and the utilisation of deferred tax assets which were not recognised in the previous financial year respectively.

For the FYE 31 January 2010, the effective tax rate of our Group was marginally higher than the statutory tax rate due to certain expenses, such as professional and legal fees being not deductible for income tax purposes. For the six (6)-month FPE 31 July 2010, there was an overprovision of tax expense arising from Reinvestment Allowance which was approved during the six (6)-month FPE 31 July 2010 in respect of the previous financial years.

PAT

We set out below the breakdowns of our PAT by the companies within our Group for the financial years/periods under review:

	←----- Pro forma audited -----→						Pro forma	Audited	
	FYE 31 January						←----- Six (6)-month -----→		
	2008	2009	2010	2009	2010	2009	2010		
	(RM'000)	%	(RM'000)	%	(RM'000)	%	(RM'000)	%	
By companies									
Careplus	-	0.00	-	0.00	-	0.00	-	(585)	(20.53)
Careplus (M)	5	0.41	1,005	50.96	3,039	49.18	338	7,773	272.74
PPG	1,179	96.32	588	29.72	4,742	76.75	2,676	3,062	107.44
Masterclean Tech	40	3.27	381	19.32	597	9.66	363	182	6.39
	1,224	100.00	1,972	100.00	8,378	135.59	3,375	10,432	386.04
Less: Inter-company transactions*	-	0.00	-	0.00	(2,199)	(35.59)	-	(7,582)	(266.04)
Total	1,224	100.00	1,972	100.00	6,179	100.00	3,375	2,850	100.00

Note:

* The elimination of inter-company transactions for the FYE 31 January 2010 and the six (6)-month FPE 31 July 2010 are in respect of inter-company dividends and gain on disposal of subsidiaries which resulted from the Internal Reorganisation.

12. FINANCIAL INFORMATION (Cont'd)

Factors and trends affecting future financial condition and results

After taking into consideration the risk factors relating to our industry and business, and our ability to mitigate such risk factors as set out in Sections 4.1 and 4.2 of this Prospectus, we are of the opinion that our future financial condition and results will remain favourable, premised on the following:

- increase in population growth;
- increase in demand for rubber gloves in recent years which was attributable to the requirements for better healthcare services, arising from increasing affluence, promotion of health and higher expectations of the general public in the quality of medical treatment;
- increase in outsourcing of the multinational corporations' production to contract manufacturers or OEMs;
- emerging public health threats such as severe acute respiratory syndrome (SARS), avian influenza, bioterrorism and chemical attacks;
- expansion of our production facilities to capture greater market share;
- our ability to improve our gloves and develop new products, with the aim to be a one-stop centre to our customers for the purchase of an extensive range of natural natural rubber and synthetic gloves;
- our ability to widen our distribution network locally and abroad, and strengthen our presence in the markets where we are already making inroads to, with the aim to increase our revenue generated from the export of our gloves to these countries; and
- our ability to achieve economies of scale and improve the efficiency of our manufacturing and processing activities to enable us to reduce our costs of production.

Our competitive advantages as set out in Section 6.5 of this Prospectus provide the foundation for us to maintain our edge over our existing and new competitors, as well as the sustainability of our business and financial growth.

Furthermore, the threat from new entrants is relatively low due to high barriers of entry such as follows:

- long period of audits required on human capital, operating facilities, financial background and management quality systems;
- cost declines associated with learning curve;
- ability to achieve high economies of scale;
- an established track record; and
- high degree of innovation in developing automation.

(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)

Our future plans as set out in Section 6.23 of this Prospectus, to constantly improve our gloves and develop new products, as well as expand our production facilities and market, will further contribute to sustainable growth in our financial performance.

12. FINANCIAL INFORMATION (Cont'd)

Premised on the prospects and outlook of the rubber gloves manufacturing industry as outlined in the Executive Summary of the Independent Market Research Report under Section 7 of this Prospectus, we are of the opinion that our future financial condition and results of operations will remain favourable in the long-run.

12.2.2 Factors and trends affecting our financial condition and results of operations

In addition to the factors and trends set out in Section 12.2.1 above, our Group's financial condition and results of operations have been, and will continue to be affected by amongst others, the following key factors:

(a) Supply of raw materials and fluctuation in the prices of raw materials

Although Malaysia is a producer of natural rubber, the cost of sourcing this raw material for the production of our latex gloves are subject to the fluctuations in world prices. On the other hand, the prices of natural gas, which is mainly used to generate heat to dry the gloves in the ovens in the factories are affected by the petroleum prices, which is also a commodity that is subject to the fluctuations in world prices.

Year 2008 to the third quarter of 2010 were challenging years for the rubber gloves manufacturing industry, due to the volatility of natural rubber latex and petroleum prices. Any increase in natural gas pricing is expected to affect the rubber gloves manufacturers twice, once through natural gas and secondly via electricity tariffs, as there is an added impetus for the power generating industry to pass through the added costs to industrial customers. The erratic unfavourable weather conditions such as heavy tropical storms, land slides and floods in the major production countries like Thailand, Indonesia and Malaysia will also affect the natural rubber production.

(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)

As part of our expansion plan to venture into the production of nitrile gloves, increases in the prices of petroleum will also lead to a corresponding increase in the prices of synthetic rubber, and hence, this will also affect our profitability in the future. This is mainly due to petroleum being used as a feedstock for the production of petrochemicals such as butadiene, from which nitrile gloves are derived from. In addition, tyre manufacturers are compelled to substitute natural rubber for synthetic rubber, thus pushing up prices of natural rubber latex. *(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)*

However, as all the rubber glove manufacturers are and will be equally affected by the increase in prices of raw materials, most rubber glove manufacturers are generally able to pass on the cost increases of raw materials to their customers and hence, maintain their margins. Therefore, it is not expected to have any material impact on our Group's future revenue and profits should the raw material prices continue to increase.

12. FINANCIAL INFORMATION (Cont'd)**(b) Fluctuation in foreign exchange rates**

Our Group is exposed to foreign exchange risks as a significant portion of our business transactions, which include purchases of raw materials and the export of our products, are transacted in foreign currencies, especially in USD.

We currently adopt prudent foreign currency management procedures in hedging against foreign currency fluctuations through the locking in of foreign currency rates at/or around the time of order placement. Furthermore, our foreign receipts and expenses, to some extent serve as a natural hedge and reduce our cost of carrying currency conversion.

Notwithstanding the steps that we have taken, there is no assurance that we will be able to effectively and sufficiently minimise our foreign exchange rate exposure. For the past three (3) financial years up to the FYE 31 January 2010 as well as the six (6)-month FPE 31 July 2009 and 2010, we recorded the following gain or loss on foreign exchange as follows:

	Pro forma audited			Pro forma unaudited	
	<----->			<--Six (6)-month-->	
	FYE 31 January			FPE 31 July	
	2008	2009	2010	2009	2010
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Gain/(loss) on foreign exchange					
- realised	(404)	(150)	5	166	(494)
- unrealised	(120)	141	(183)	86	(254)

(c) Competition

Our Group faces competitions from various competitors including local and foreign companies in the rubber gloves manufacturing industry. In the global markets, the competition in the manufacture of latex gloves mainly comes from Thailand and Indonesia. These two (2) countries have plenty of natural rubber that may enable them to produce latex gloves at a lower cost. However, as the cost structure of both Thailand and Indonesian rubber gloves manufacturers is less efficient than Malaysia, the rubber gloves manufacturing industry in Malaysia is expected to continue to dominate the global market over the next few years. The rubber gloves manufacturing industry is also one of very few world class industries to have emerged from Malaysia. *(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)*

The established rubber gloves companies in Malaysia was built on the ingenuity and management skills of a handful of entrepreneurs who practised tight cost controls and invested in R&D in mechanical and chemical engineering. Through their efforts, they managed to design high speed machinery, ramped up capacity to produce in high volumes, automated production to reduce labour and developed high quality gloves.

(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)

12. FINANCIAL INFORMATION (Cont'd)

On the other hand, the main industry players in Malaysia include companies such as Top Glove Corporation Berhad, Supermax Corporation Berhad, Kossan Rubber Industries Berhad, WRP Asia Pacific Sdn Bhd, Latexx Partners Berhad, Rubberex Corporation (M) Berhad and Comfort Rubber Gloves Industries Sdn Bhd. Other main foreign players include companies such as Safe Glove Co. Ltd., Siam Sempermed Corp. Ltd. and Thai Rubber Latex Corp. Plc, in Thailand, as well as PT WRP Buana Multicopora, PT Medisafe Technologies and PT Shamrock Manufacturing Corp. in Indonesia.

(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)

Competition within the rubber gloves manufacturing industry is based on the following critical success factors:

- possession of ISO standards;
- quality products;
- sufficient working capital requirements;
- time-to-retool; and
- value-added activities that are undertaken to manufacture enhanced and improved versions of rubber gloves for the market.

(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)

Our Board believes that we can leverage on our competitive strengths to mitigate the competition from the existing and potential competitors. Please also refer to Section 6.5 of this Prospectus for further information on our competitive strengths.

Furthermore, the threat from new entrants is relatively low due to high barriers of entry such as follows:

- long period of audits required on human capital, operating facilities, financial background and management quality systems;
- cost declines associated with learning curve;
- ability to achieve high economies of scale;
- an established track record; and
- high degree of innovation in developing automation.

(Source: Independent Market Research Report of the Rubber Gloves Manufacturing Industry prepared by D&B)

(d) Dependence on certain customers and Intermediaries

For the FYE 31 January 2010, our top four (4) customers, namely A.R. Medicom Inc (Asia) Limited, USE Electronics (M) Sdn Bhd, Dynarex Corporation and Value-RX Inc. contributed approximately 15.97%, 13.15%, 7.68% and 7.22% of our Group's total revenue respectively. For the six (6)-month FPE 31 July 2010, A.R. Medicom Inc (Asia) Limited, USE Electronics (M) Sdn Bhd and Value-RX Inc. continue to contribute substantially to our Group's total revenue of 19.02%, 15.93% and 11.09% respectively. As such, we may be considered to be fairly dependent on these customers and intermediaries.

12. FINANCIAL INFORMATION (Cont'd)

Furthermore, majority of our products are sold to our intermediaries, which are primarily major trading houses, major distributors and importers of gloves distributors. Our intermediaries are responsible for managing their local and international network of retail locations for our glove products. As such, our growth is dependent on our ability to work with more intermediaries, their business performance and how quickly they can expand their network.

We have established a good relationship with our intermediaries since our involvement in the business since 1988. To-date, we have not experienced any material losses of major customers and intermediaries.

We strive to work closely with these intermediaries to explore and penetrate into new market, as well as to establish new marketing networks in the future as to minimise our dependence on these intermediaries. To-date, our customer base currently consists of 27 active customers across more than 20 countries worldwide, including Malaysia, all of them are brand owners and/or intermediaries. Our intermediaries are responsible for managing their local and international network of retail locations for our glove products.

12.2.3 Material changes in sales/revenue

A discussion on the reasons on material changes in our revenue for the past three (3) financial years up to the FYE 31 January 2010 as well as the six (6)-month FPE 31 July 2009 and 2010 is set out in Section 12.2.1 of this Prospectus.

12.2.4 Impact of foreign exchange/interest rates/commodity prices***Foreign exchange risks***

We have business transactions in foreign currencies in the normal course of our business, which include purchases of raw materials and the export of our products. These transactions are substantially denominated in USD. Our plans to further penetrate into the existing overseas market where we are already making inroads to and expand into other overseas markets may also further increase our exposure to foreign exchange risks.

Hence, we currently adopt prudent foreign currency management procedures in hedging against foreign currency fluctuations through the locking in of foreign currency rates at/or around the time of order placement. The details of our position in hedging against foreign exchange fluctuations are set out in Section 12.5.5 of this Prospectus. Furthermore, our foreign receipts and expenses, to some extent serve as a natural hedge and reduce our cost of carrying currency conversion.

Commodity price risks

We are exposed to upward fluctuations in the price and availability of the primary raw materials which we require for our manufacturing process, primarily natural rubber latex. We usually confirm on the purchase price of natural rubber latex with our suppliers before agreeing on the selling price with our customers. We also periodically monitor the raw material prices and may purchase sufficient inventories for longer periods if prices of natural rubber latex are low and we envisage price increases in the future. Conversely, we may purchase smaller volumes of natural rubber latex if we expect that the prices of natural rubber latex will decrease in the future. We do not currently use any derivative instruments or enter into any hedging arrangements to manage our exposure to price increases in our raw materials.

12. FINANCIAL INFORMATION (Cont'd)

However, as is the industry norm, any price increase in raw materials is passed onto our customers, who then pass on the price increases to end-users. As such, we are not materially affected by fluctuations on commodity prices and hence, we are generally able to maintain our margins.

A discussion on how our historical financial performance for the past three (3) financial years up to the FYE 31 January 2010 as well as the six (6)-month FPE 31 July 2009 and 2010 was affected by the fluctuation in foreign exchange and commodity prices is set out in Sections 12.2.1 and 12.2.2 of this Prospectus. For the financial years/periods under review, our historical financial performance was not materially affected by interest rates.

12.2.5 Impact of inflation

For the financial years/periods under review, our historical financial performance has not been materially affected by the impact of inflation. Although we are able to pass on any increase in the price of raw materials to our customers, we cannot assure you that any future increases in inflation rates will not have an impact on our business and performance.

12.2.6 Government/Economic/Fiscal/Monetary policies

Risks relating to government, economic, fiscal and monetary policies, which may materially affect our operation, are set out Sections 4.4.1 and 4.4.2 of this Prospectus. For the financial years/periods under review, our historical financial performance was not materially affected by the government, economic, fiscal and monetary policies.

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12. FINANCIAL INFORMATION (Cont'd)

12.3 Reporting Accountants' Letter on the Pro Forma Consolidated Financial Information

(Prepared for inclusion in this Prospectus)



29 October 2010

The Board of Directors
Careplus Group Berhad
Third Floor, No. 79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Kuala Lumpur Office
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12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Main +6 03 2166 0000
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www.crowehorwath.com.my
info@crowehorwath.com.my

Dear Sirs

CAREPLUS GROUP BERHAD ("CAREPLUS" OR "THE COMPANY") PROFORMA CONSOLIDATED FINANCIAL INFORMATION

We have reviewed the proforma consolidated financial information of CAREPLUS and its subsidiaries ("CAREPLUS Group" or "the Group") for the financial years ended 31 January 2008 to 2010 and the six months financial period ended 31 July 2010, together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the accompanying statements (initialled by us for the purpose of identification only) prepared for the purpose of inclusion in the prospectus of CAREPLUS to be dated 16 November 2010.

It is our responsibility to form an opinion on the proforma consolidated financial information as required by the Prospectus Guidelines issued by the Securities Commission and to report our opinion to you.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the proforma consolidated financial information with the audited financial statements, considering the evidence supporting the adjustments, and discussing the proforma consolidated financial information with the Directors of the Group.

As the proforma consolidated financial information has been prepared for illustrative purposes only, such information may not, because of its nature, reflect the actual financial position, results and cash flows of the Group. Further, such information does not purport to predict the future financial position, results and cash flows of the Group.

In our opinion,

- (a) the proforma consolidated financial information has been properly prepared on the bases set out in the accompanying notes to the proforma consolidated financial information and such bases are consistent with the accounting policies of the CAREPLUS Group unless otherwise stated;
- (b) the financial statements used in the preparation of the proforma consolidated financial information were prepared in accordance with Financial Reporting Standards in Malaysia; and
- (c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing such proforma consolidated financial information.

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Offices in Malaysia:

Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Muar • Penang

12. FINANCIAL INFORMATION (Cont'd)




We understand that this letter will be used solely for the purpose stated above. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

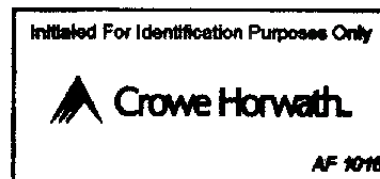


Crowe Horwath
Firm No: AF 1018
Chartered Accountants



Lee Kok Wal
Approval No: 2760/06/12(J)
Chartered Accountant

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION

1. PROFORMA GROUP AND BASIS OF PREPARATION

1.1 Proforma Group

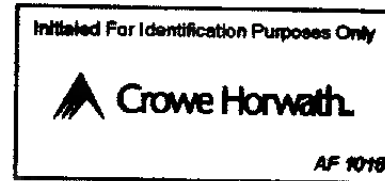
The proforma consolidated financial information of Careplus Group Berhad ("CAREPLUS") and its subsidiaries ("CAREPLUS Group" or "the Group"), comprising the financial information of the following companies, are presented for the purpose of illustration only:-

- (a) CAREPLUS
- (b) Careplus (M) Sdn. Bhd. ("CAREPLUS (M)")
- (c) Perusahaan Pelindung Getah (M) Sdn. Bhd. ("PPG")
- (d) Masterclean Technologies Sdn. Bhd. ("Masterclean Tech")

The relevant financial periods for the purpose of this report ("Relevant Financial Period") are as follows:-

Company	Relevant Financial Period
CAREPLUS	Financial period from 30 March 2010 (date of incorporation) to 31 July 2010 ("FPE 2011").
CAREPLUS (M)	Financial years ended 31 January ("FYE") 2008 to FYE 2010 and financial period from 1 February 2010 to 31 July 2010 ("FPE 2011").
PPG	FYE 2008 to FYE 2010 and FPE 2011.
Masterclean Tech	FYE 2008 to FYE 2010 and FPE 2011.

CAREPLUS was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 30 March 2010 under the name of Careplus Group Sdn. Bhd. CAREPLUS was converted into a public limited company on 5 April 2010 and assumed its present name, Careplus Group Berhad.

12. FINANCIAL INFORMATION (Cont'd)**CAREPLUS GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.1 Proforma Group (Cont'd)**

The proforma consolidated financial information of the CAREPLUS Group is prepared on the assumption that the CAREPLUS Group had been in existence throughout the FYE 2008 to 2010 and FPE 2010. The proforma consolidated financial information comprises the following:-

Section 2 - Proforma Consolidated Statements of Comprehensive Income for the Relevant Financial Period;

Section 3 - Proforma Consolidated Statements of Financial Position as at 31 July 2010; and

Section 4 - Proforma Consolidated Statement of Cash Flow for the FPE 2011.

1.2 Basis of Preparation

The proforma consolidated financial information is prepared based on the audited consolidated financial statements of CAREPLUS and CAREPLUS (M) for the Relevant Financial Period.

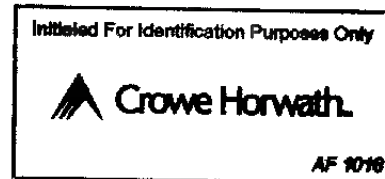
Prior to the Acquisition and Internal Reorganisation (as defined below), CAREPLUS (M) has two (2) wholly-owned subsidiaries, namely PPG and Masterclean Tech, and a 50% owned associate, namely Sawah Testing Sdn. Bhd., (collectively known as the "CAREPLUS (M) Group").

CAREPLUS Group only existed during FPE 2011, upon the completion of the Acquisition and Internal Reorganisation by CAREPLUS of CAREPLUS (M) Group on 1 July 2010 and 3 July 2010 respectively, whilst Sawah Testing Sdn. Bhd. was disposed of on 8 June 2010. Hence, there are no consolidated financial statements of CAREPLUS for FYE 2008, 2009 and 2010.

The proforma consolidated financial information of CAREPLUS for the FYE 2008, 2009 and 2010 is prepared on the assumption that the CAREPLUS Group had been in existence throughout the FYE 2008, 2009 and 2010.

The proforma consolidated financial information has been prepared in accordance with Financial Reporting Standards in Malaysia consistent with those previously adopted in the preparation of the audited consolidated financial statements of CAREPLUS for the FPE 2011, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 Basis of Preparation (Cont'd)

Prior to 1 February 2007, the CAREPLUS (M) Group prepared its financial statements using Private Entity Reporting Standards. The change of accounting standards did not have any material financial effects on the financial statements of the CAREPLUS (M) Group except for FRS 3 - Business Combinations. The effects of adopting FRS 3 - Business Combinations had resulted in the negative goodwill as at 1 February 2007 which amounted to RM1,054,000 being derecognised with a corresponding adjustment to the retained profits.

From 1 February 2007, the CAREPLUS (M) Group had adopted all the new and revised Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB").

During the FPE 2011, CAREPLUS undertook the following transactions:-

(a) Acquisition

On 1 July 2010, the Company entered into a conditional Share Purchase Agreement with the vendors of CAREPLUS (M) for the acquisition of 1,595,339 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of CAREPLUS (M), for a total consideration of RM14,495,838 based on the audited consolidated net assets ("NA") of CAREPLUS (M) as at 31 January 2010 which amounted to RM14,495,838. The purchase consideration was satisfied by the issuance of 144,949,900 new ordinary shares of RM0.10 each in the Company ("CAREPLUS Shares" or "Shares") at an issue price of approximately RM0.10 per Share. The Acquisition was completed on 1 July 2010.

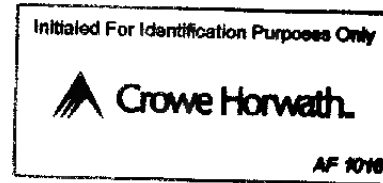
(b) Internal Reorganisation

On 3 July 2010, the Company undertook an internal reorganisation by entering into a Share Transfer Agreement with CAREPLUS (M) for the acquisitions of the following:

- (i) 1,311,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of PPG, for a total consideration of RM7,326,750 based on the audited NA of PPG as at 31 January 2010 which amounted to RM7,326,750; and
- (ii) 100,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Masterclean Tech, for a total consideration of RM443,209 based on the audited NA of Masterclean Tech as at 31 January 2010 which amounted to RM443,209.

The Internal Reorganisation was completed on 3 July 2010.

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.2 Basis of Preparation (Cont'd)

The proforma consolidated balance sheets together with the accompanying notes thereto, have been prepared solely for illustrative purposes, to show the effects of the following scheme had the scheme been implemented and completed on 31 July 2010:-

(a) Public Issue

Pursuant to the Public Issue, the Company shall issue 65,050,000 new Shares at an issue price of RM0.23 per Share to be allocated in the following manner:

- (i) 15,650,000 public issue shares will be made available for application by eligible directors, employees and business associates of the Group who have contributed to the success and development of the Group;
- (ii) 38,900,000 public issue shares will be allocated by way of private placement to identified investors; and
- (iii) 10,500,000 public issue shares will be made available for application by the Malaysian public, to be allocated via ballot, of which at least 50% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

Upon completion of the Public Issue, the issued and paid-up share capital of CAREPLUS will increase from RM14,495,000 comprising 144,950,000 Shares to RM21,000,000 comprising 210,000,000 Shares.

(b) Listing

Upon completion of the Public Issue, the Company shall list its entire enlarged issued and paid-up share capital on the ACE Market of Bursa Malaysia Securities Berhad.

12. FINANCIAL INFORMATION (Cont'd)

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CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

2. PROFORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF CAREPLUS

	AUDITED FYE 2008 RM'000	AUDITED FYE 2009 RM'000	AUDITED FYE 2010 RM'000	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Revenue	35,547	38,050	41,866	20,472	23,326
Cost of sales	(31,871)	(34,090)	(31,052)	(15,522)	(18,967)
Gross profit ("GP")	3,676	3,960	10,814	4,950	4,359
Other Income	79	532	277	324	393
	3,755	4,492	11,091	5,274	4,752
Administrative expenses	(1,502)	(1,479)	(2,262)	(709)	(735)
Other expenses	(646)	(384)	(446)	(47)	(1,541)
Profit from operations	1,607	2,629	8,383	4,518	2,476
Finance costs	(191)	(218)	(90)	(36)	(91)
Profit before taxation ("PBT")	1,416	2,411	8,293	4,482	2,385
Income tax expense	(192)	(439)	(2,114)	(1,107)	465
Profit after taxation ("PAT")/Total comprehensive income	1,224	1,972	6,179	3,375	2,850
GP margin (%)	10.34	10.41	25.83	24.18	18.69
PBT margin (%)	3.98	6.34	19.81	21.89	10.22
PAT margin (%)	3.44	5.18	14.76	16.49	12.22
Effective tax rate (%)	13.56	18.21	25.49	24.70	(19.50)
Interest coverage (times)	8.41	12.06	93.14	125.50	27.21
Assumed number of ordinary shares in issue of RM0.10 each ('000)*	144,950	144,950	144,950	144,950	144,950
Gross earnings per share ("EPS") (sen)	0.98	1.66	5.72	3.09	1.65
Net EPS (sen)	0.84	1.36	4.26	2.33	1.97

Note:-

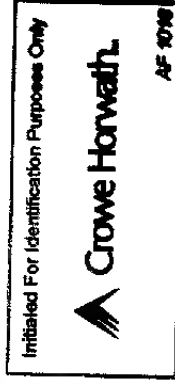
* - The number of shares assumed in issue is the number of issued and paid-up share capital of RM0.10 each immediate prior to the Public Issue.

12. FINANCIAL INFORMATION (Cont'd)

CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CAREPLUS AS AT 31 JULY 2010



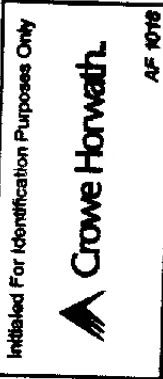
	Note	Proforma I			Proforma II	
		Audited as at 31 July 2010	Adjustments for Public Issue	Public Issue	Adjustments for Utilisation of Proceeds	After Proforma i and Utilisation of Proceeds
ASSETS		RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS						
Property, plant and equipment	3.3	11,638		11,638	10,000	21,638
Goodwill on consolidation		342		342		342
Investment property		276		276		276
		<u>12,256</u>		<u>12,256</u>		<u>22,256</u>
CURRENT ASSETS						
Inventories		4,499		4,499		4,499
Trade receivables		7,813		7,813		7,813
Other receivables, deposits and prepayments	3.4	542		542	(225)	317
Amount owing by a related party		16		16		16
Derivative assets		222		222		222
Cash and bank balances	3.5	1,279	14,962	16,241	(11,700)	4,541
		<u>14,371</u>		<u>29,333</u>		<u>17,408</u>
TOTAL ASSETS		<u>26,627</u>		<u>41,589</u>		<u>39,664</u>

12. FINANCIAL INFORMATION (Cont'd)

CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CAREPLUS AS AT 31 JULY 2010 (CONT'D)



	Note	Proforma I			Proforma II	
		Audited as at 31 July 2010	Adjustments for Public Issue	Public Issue	Adjustments for Utilisation of Proceeds	After Proforma I and Utilisation of Proceeds
		RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES						
Share capital	3.6	14,495	6,505	21,000		21,000
Share premium	3.7	1,380	8,457	9,837	(844)	8,993
Merger deficit	3.8	(12,900)		(12,900)		(12,900)
Retained profits		12,999		12,999	(276)	12,723
TOTAL EQUITY		<u>15,974</u>		<u>30,936</u>		<u>29,816</u>
NON-CURRENT LIABILITIES						
Long-term borrowings		2,454		2,454		2,454
Deferred tax liabilities		127		127		127
		<u>2,581</u>		<u>2,581</u>		<u>2,581</u>

12. FINANCIAL INFORMATION (Cont'd)

CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CAREPLUS AS AT 31 JULY 2010 (CONT'D)

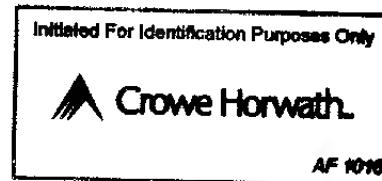
	Note	Proforma I			Proforma II	
		Audited as at 31 July 2010	Adjustments for Public Issue	Public Issue	Adjustments for Utilisation of Proceeds	After Proforma I and Utilisation of Proceeds
		RM'000	RM'000	RM'000	RM'000	RM'000
CURRENT LIABILITIES						
Trade payables		3,246		3,246		3,246
Other payables and accruals	3.9	848		848	(805)	43
Short-term borrowings		2,751		2,751		2,751
Provision for taxation		766		766		766
Bank overdrafts		461		481		461
		<u>8,072</u>		<u>8,072</u>		<u>7,267</u>
TOTAL LIABILITIES		<u>10,653</u>		<u>10,653</u>		<u>9,848</u>
TOTAL EQUITY AND LIABILITIES		<u>26,627</u>		<u>41,589</u>		<u>39,664</u>
<i>Number of ordinary shares of RM0.10 each in issue ('000)</i>		144,950		210,000		210,000
<i>Net assets ("NA") (RM'000)</i>		15,974		30,936		29,816
<i>NA per ordinary share (sen)</i>		11.02		14.73		14.20

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12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CAREPLUS AS AT 31 JULY 2010 (CONT'D)

3.1 Proforma I

Proforma I incorporates the effects of the Public Issue of 65,050,000 new CAREPLUS Shares, at an indicative Initial Public Offering ("IPO") price of RM0.23 per CAREPLUS Share, payable in full on application.

3.2 Proforma II

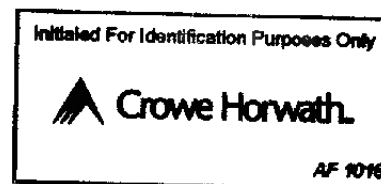
Proforma II incorporates the effects of Proforma I and the Utilisation of Proceeds. The proceeds will be utilised as follows:-

	RM'000
Capital expenditure on plant and machinery	10,000
Working capital	3,262
Estimated listing expenses *	1,700
	14,962

Note:

* - The total estimated listing expenses for the issue of new Shares is RM1,700,000 of which RM844,000 will be written off against the share premium account under Section 60 of the Companies Act, 1965. The balance of the estimated listing expenses of RM856,000 will be expensed off against the statements of comprehensive income and this represents a one-off expenditure pursuant to the IPO. During the FPE 2011, the listing expenses of RM580,000 has been expensed off against the statements of comprehensive income.

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CAREPLUS AS AT 31 JULY 2010 (CONT'D)

3.3 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are illustrated below:-

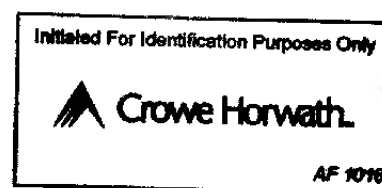
	Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Buildings	348	(43)	305
Capital work-in-progress	1,678	-	1,678
Factory and office extension	1,191	(1,154)	37
Factory equipment	25	(23)	2
Forklift	257	(130)	127
Freehold land	109	-	109
Furniture and fittings	70	(58)	12
Leasehold land and building	6,190	(486)	5,704
Motor vehicles	611	(300)	311
Office equipment	290	(216)	74
Plant and machinery	10,108	(6,829)	3,279
As at 31.7.2010/As per Proforma I	20,877	(9,239)	11,638
Utilisation of Proceeds	10,000	-	10,000
As per Proforma II	30,877	(9,239)	21,638

3.4 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The details of the other receivables, deposits and prepayments are as follows:-

	RM'000
Other receivables	121
Deposits	37
Prepayments	384
As at 31.7.2010/As per Proforma I	542
Less: Listing expenses	(225)
As per Proforma II	317

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CAREPLUS AS AT 31 JULY 2010 (CONT'D)

3.5 CASH AND BANK BALANCES

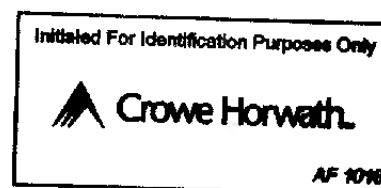
	RM'000
As at 31 July 2010	1,279
Add: Proceeds from Public Issue	14,962
As per Proforma I	16,241
Utilisation of Proceeds:	
- estimated listing expenses	(1,700)
- purchase of property, plant and equipment	(10,000)
As per Proforma II	4,541

3.6 SHARE CAPITAL

The movements in the issued and paid-up share capital of CAREPLUS are as follows:-

	Number of Ordinary Shares ('000)	Amount of Share Capital RM'000
Ast at 31 July 2010	144,950	14,495
Public Issue	65,050	6,505
As per Proforma VII	210,000	21,000

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CAREPLUS AS AT 31 JULY 2010 (CONT'D)

3.7 SHARE PREMIUM

The movements in the share premium account are as follows:-

	RM'000
As at 31 July 2010	1,380
Public Issue	8,457
As per Proforma I	9,837
Estimated listing expenses *	(844)
As per Proforma II	8,993

Note:

* - The total estimated listing expenses for the issue of new Shares is RM1,700,000 of which RM844,000 will be written off against the share premium account under Section 60 of the Companies Act, 1965. The balance of the estimated listing expenses of RM856,000 will be expensed off against the statements of comprehensive income and this represents a one-off expenditure pursuant to the IPO. During the FPE 2011, the listing expenses of RM580,000 has been expensed off against the statements of comprehensive income.

3.8 MERGER DEFICIT

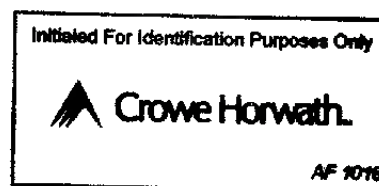
The merger deficit arose from the acquisition of CAREPLUS (M) using the merger method of accounting.

3.9 OTHER PAYABLES AND ACCRUALS

The details of the other payables and accruals are as follows:-

	RM'000
Other payables	658
Accruals	190
As at 31 July 2010/Proforma I	848
Less: Listing expenses accrued	(805)
As per Proforma II	43

12. FINANCIAL INFORMATION (Cont'd)



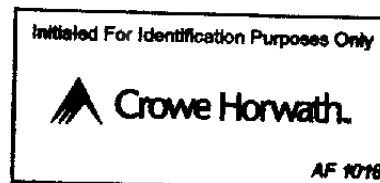
CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOW OF CAREPLUS FOR THE FPE 2011

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Note		
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before taxation	4,482	2,385
<u>Adjustments for:-</u>		
Depreciation of investment property	-	16
Depreciation of property, plant and equipment	468	493
Interest expense	36	91
Unrealised (gain)/loss on foreign exchange	(88)	254
Dividend income	-	(1)
Fair value gain on derivatives	-	(222)
Gain on disposal of property, plant and equipment	(30)	(7)
Gain on disposal of other investment	-	(3)
Interest income	(7)	(7)
Writeback of allowance for doubtful debts	-	(6)
Operating profit before working capital changes	4,863	2,993
Decrease/(Increase) in inventories	1,064	(646)
Increase in trade and other receivables	(1,222)	(690)
(Decrease)/Increase in trade and other payables	(165)	459
Decrease/(Increase) in amount owing by a related party	76	(16)
CASH FROM OPERATIONS	4,616	2,100
Interest paid	(36)	(91)
Income tax refundable/(paid)	7	(430)
NET CASH FROM OPERATING ACTIVITIES	4,587	1,579
BALANCE CARRIED FORWARD	4,587	1,579

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOW OF CAREPLUS FOR THE FPE 2011 (CONT'D)

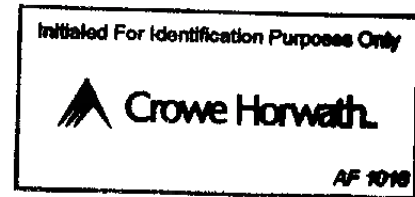
	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
BALANCE BROUGHT FORWARD	4,587	1,579
<u>CASH FLOW FOR INVESTING ACTIVITIES</u>		
Dividend received	-	1
Interest received	7	7
Proceeds from disposal of an associate	-	7
Proceeds from disposal of investment held for sale	-	400
Proceeds from disposal of other investment	-	58
Proceeds from disposal of property, plant and equipment	30	65
Acquisition of investment held for sale	(400)	-
Advance to related parties	(13)	-
Purchase of property, plant and equipment	(1,115)	(2,211)
NET CASH FOR INVESTING ACTIVITIES	(1,491)	(1,673)
<u>CASH FLOW FOR FINANCING ACTIVITIES</u>		
Repayment of bills payable, net	(1,164)	-
Drawdown of export credit refinancing, net	-	2,449
Dividends paid	(500)	(4,000)
Proceeds from issuance of shares	800	*
Repayment of hire purchase obligations	(229)	(118)
Repayment of term loan	(27)	(59)
NET CASH FOR FINANCING ACTIVITIES	(1,120)	(1,728)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,976	(1,822)
EFFECTS OF FOREIGN EXCHANGE, NET	86	45
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,075	2,595
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	4.1 4,137	818

Note :

* - Represents RM10.

The Proforma Consolidated Cash Flow Statement of CAREPLUS has been prepared before taking into account the proceeds from the Public Issue and Utilisation of Proceeds.

12. FINANCIAL INFORMATION (Cont'd)



CAREPLUS GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOW OF CAREPLUS FOR THE FPE 2011 (CONT'D)

4.1 CASH AND CASH EQUIVALENTS

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Fixed deposits with licensed banks	1,950	-
Cash and bank balances	2,890	1,279
Bank overdrafts	(703)	(461)
	4,137	818

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 29 October 2010.

On behalf of the Board,

Lim Kwee Shyan

Yew Nieng Choon

12. FINANCIAL INFORMATION (Cont'd)

12.4 Capitalisation and Indebtedness

You should read the financial information presented below together with the Reporting Accountants' letter on our Pro forma Consolidated Financial Information and the Reporting Accountants' Report, together with the notes, assumptions and bases thereto, as set out in Sections 12.3 and 13 of this Prospectus respectively.

The following table sets out our pro forma consolidated cash and cash equivalents, capitalisation and indebtedness as at 31 July 2010 to show the effects of our Flotation Exercise and the use of proceeds arising from the IPO on the assumptions that the transactions had been effected on that date:

	As at 31 July 2010 (RM'000)	After the IPO and utilisation of proceeds (RM'000)
Cash and cash equivalents	818	4,080
Indebtedness		
Short-term indebtedness		
- Secured	3,212	3,212
- Unsecured	-	-
Long-term indebtedness		
- Secured	2,454	2,454
- Unsecured	-	-
Total indebtedness	5,666	5,666
Total shareholders' equity	15,974	29,816
Total capitalisation and indebtedness	21,640	35,482

As at 31 July 2010, our borrowings are secured by several leasehold lands and certain buildings of our Group as well as jointly and severally guaranteed by certain Directors of our respective subsidiaries and our Promoter, Thinking Cap Sdn Bhd. The indirect and contingent liabilities of our Group are set out in Section 12.5.6 of this Prospectus.

12.5 Liquidity and Capital Resources

12.5.1 Working capital

We have been financing our operations through cash generated from our operating activities and external sources of funds. Our external sources of funds mainly comprise bank borrowings.

Our principal sources of liquidity as at 31 July 2010 are set out below:

	(RM'000)
Cash and bank balances	1,279
Bank borrowings	5,666

12. FINANCIAL INFORMATION (Cont'd)

As at 31 July 2010, we have total current assets of approximately RM14.37 million and current liabilities of approximately RM8.07 million, translated to approximately RM6.30 million of net working capital and a current ratio of 1.78 times. The current assets mainly comprise inventories, trade receivables, other receivables, deposits and prepayment, derivatives assets as well as cash and cash equivalents. Please refer to Section 12.5.9 of this Prospectus for the key financial ratios of our trade receivables, trade payables and inventories.

We are of the opinion that, after taking into consideration of our current cash flow position together with the proceeds arising from the Public Issue and banking facilities available, as well as our capacity to obtain further institutional financing based on our debt to equity ratio of 0.19 times (based on our pro forma consolidated statements of financial position as at 31 July 2010 after incorporating the effects of our Flotation Exercise and the use of proceeds arising from the IPO), we will have sufficient working capital for a period of twelve (12) months from the issue date of this Prospectus.

12.5.2 Cash flow

Our Group's consolidated statement of cash flows for the FYE 31 January 2010 and six (6)-month FPE 31 July 2010 is set out below:

	Pro forma FYE 31 January 2010 (RM'000)*	Audited Six (6)-month FPE 31 July 2010 (RM'000)*
Net cash generated from operating activities	5,216	1,579
Net cash used for investing activities	(5,416)	(1,673)
Net cash generated from/(used for) financing activities	703	(1,728)
Net increase/(decrease) in cash and cash equivalents	503	(1,822)
Effect of foreign exchange, net	17	45
Cash and cash equivalents at the beginning of year/period	2,075	2,595
Cash and cash equivalents at the end of year/period	2,595	818

Note:

- * Our pro forma consolidated statements of cash flow have been prepared before taking into account the Public Issue and utilisation of proceeds.

Cash flows generated from operating activities

During the FYE 31 January 2010, our Group generated net cash flow before working capital changes of approximately RM9.63 million. After accounting for an increase in inventories of approximately RM2.00 million which was mainly due to insufficient inventory during the FYE 31 January 2009, increase in trade and other receivables of approximately RM2.09 million which is in line with the increase of our revenue, and income tax paid of approximately RM546,000, our net cash generated from operating activities was approximately RM5.22 million.

12. FINANCIAL INFORMATION (Cont'd)

During the six (6)-month FPE 31 July 2010, our Group generated net cash flow before working capital changes of approximately RM2.99 million. After accounting for the major components such as an increase in inventories of approximately RM646,000, increase in trade and other receivables of approximately RM690,000, increase in trade and other payables of RM459,000 and income tax paid of approximately RM430,000, our net cash generated from operating activities was approximately RM1.58 million.

Cash flows used for investing activities

During the FYE 31 January 2010, we have expanded our operations by acquiring a leasehold land situated in Lot 17479, Jalan Senawang Empat, 70450 Seremban, Negeri Sembilan Darul Khusus, as well as acquiring certain plant and machinery, motor vehicles and equipments amounting to approximately RM4.75 million. With the ongoing construction of our new factory, we continue to record a higher cash outflow for the construction of our new factory and acquisition of plant and machinery during the six (6)-month FPE 31 July 2010.

During the FYE 31 January 2010, our Group had on 2 July 2009 acquired a 50% equity interest in Terra Sands Sdn Bhd ("Terra Sands") for a total cash consideration of RM400,000. Initially, our Group intended to venture into the palm oil sector which Terra Sands is involved in. However, we have decided to remain focus as a manufacturer of gloves and hence, on 30 June 2010, we disposed our entire interests in Terra Sands to some of the certain former shareholders of Careplus (M), namely Yew Nieng Choon, Lim Kwee Shyan, Ng Shu Si, Lim Kau @ Lim Kwee Wu and Loo Teck Looi at the total original cost of investment of RM404,000.

Cash flow generated from/(used for) financing activities

During the FYE 31 January 2010, our Group's net cash generated from our financing activities was mainly due to the drawdown of term loan to fund our expansion of our new factory, and proceeds from issuance of shares amounting to approximately RM2.52 million and RM830,000 respectively. These amounts were partly set-off by repayment of some of our borrowings amounting to approximately RM1.55 million as well as dividend paid to our existing shareholders amounting to RM1.10 million.

During the six (6)-month FPE 31 July 2010, we also drawdown the export credit refinancing to fund our operations. During the same period, we have also paid dividends amounting to RM4.0 million to our existing shareholders.

12.5.3 Borrowings

As at 31 July 2010, we have total outstanding local borrowings, all of which are interest-bearing, amounting to approximately RM5.67 million comprising the following:

	<u>(RM'000)</u>
Short-term borrowings *	3,212
Long-term borrowings	2,454
	<u>5,666</u>
Gearing ratio as at 31 July 2010 (times)	0.35
Gearing ratio after IPO and utilisation of proceeds (times)	0.19

Note:

* Includes bank overdraft.

12. FINANCIAL INFORMATION (Cont'd)

We have no outstanding foreign interest-bearing borrowings as at 31 July 2010.

We have not defaulted on any payment of interest or principal sum throughout the past one (1) financial year preceding the date of this Prospectus.

12.5.4 Breach of terms and conditions/covenants associated with credit arrangement/ bank loan

To the best of our Board's knowledge, as at LPD, we are not in breach of any term and condition or covenant associated with credit arrangement or bank loan, which can materially affect our financial results or business operations, or the investments by holders of securities in our Group.

12.5.5 Types of financial instruments used

As at LPD, the types of financial instruments that we used are as follows:

Type of financial instruments used	Maturity date	Interest rate
Term loan	180 monthly installments commencing from 15 October 2009	1.25% above bank's base-lending rate
Bank overdraft	Not applicable	Within 1% to 1.75% above the bank's base-lending rate
Bills payable (Inclusive of Export Credit Refinancing, Bank Acceptance, Letter of Credit, Trust Receipt, Bank Guarantee)	Between 90 to 180 days	Within 1% to 1.50% above the bank's base-lending rate or cost of funds as may be applicable
Hire purchase	Not applicable	Ranging from 4.5% to 7.0% per annum

A significant portion of our business transactions are carried out in foreign currencies, which are substantially denominated in USD. As such, we have procured banking facilities for foreign exchange contracts amounting to equivalent of RM19.50 million from certain financial institutions. As at LPD, we have taken position for RM6.77 million to hedge against foreign exchange fluctuations.

The details of our outstanding commitments can be summarised as follows:

Currency	Contract rates	Total notional amount (RM'000)	Maturity within 1-year (RM'000)
USD	RM3.08 to RM3.48	6,767	6,767

In addition to the hedging against foreign currency fluctuations through the locking in of foreign currency rates at/or around the time of order placement, such as entering into forward contracts, our foreign receipts and expenses, to some extent serve as a natural hedge and reduce our cost of carrying currency conversion.

12. FINANCIAL INFORMATION (Cont'd)**12.5.6 Indirect/Contingent liabilities**

As at LPD, we do not have any indirect or material contingent liability that may have a material and adverse impact on our financial position.

12.5.7 Material capital commitments

Save for the construction costs of the buildings erected on the leasehold land situated in Lot 17479, Jalan Senawang Empat, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus and the purchase of plant and machinery as discussed in Section 3.9 of this Prospectus, as at LPD, we do not have any material capital commitment, which upon becoming enforceable may have a material and adverse impact on our financial position. The said construction costs and capital expenditure would be financed through our internally-generated funds, bank borrowings and/or proceeds to be raised from the Public Issue.

12.5.8 Material litigation/arbitration

As at LPD, we are not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has or might have material effects on our business or financial position, and our Directors do not know of any proceeding pending and threatened, and of any fact likely to give rise to any proceeding which might materially and adversely affect our business or financial position.

12.5.9 Key financial ratios

The key financial ratios of our Group are as follows:

	<----- Pro forma ----->			Audited Six (6)- month FPE 31 July 2010
	FYE 31 January			
	2008	2009	2010	
Trade receivables turnover (days)	49	52	64	61
Trade payables turnover (days)	49	37	37	38
Inventory turnover (days)	32	20	45	43
Current ratio (times)	1.41	2.01	1.79	1.78

Trade receivables

We practice close monitoring of our credit policy and take reasonable steps to ensure collections are within the credit period granted. Our normal credit period given to our customers ranges from 30 to 120 days. However, longer credit periods are given to selective customers based on the strong creditworthiness of certain trade debtors in order to maintain a good relationship with them.

Our trade receivables turnover has been on an increasing trend for the FYEs 31 January 2008 to 2010. This was mainly due to the longer credit period given to some of our customers in view of our long-term relationships with them and their good payment records in the past years. However, it should be highlighted that part of our credit transactions are transacted through trade financing from the financial institutions of our respective customers as well as coverage by Malaysian Export Credit Insurance Berhad (MECIB), hence mitigating such non-collectability risk.

12. FINANCIAL INFORMATION (Cont'd)

During the six (6)-month FPE 31 July 2010, allowance for doubtful debts of approximately RM42,000 has been recognised in the audited consolidated financial statements for the long outstanding debts where the management is of the opinion that the recoverability of these amount are uncertain. Save for the above, no provision for doubtful debts or bad debts written off has been made for trade receivables in our pro forma consolidated financial statements.

As at 31 July 2010, our trade receivables ageing analysis is as follows:

	<----- Within credit period ----->				<Exceeding credit period>			Total (RM'000)
	0-30 days (RM'000)	31-60 days (RM'000)	61-90 days (RM'000)	91-120 days (RM'000)	5-6 months (RM'000)	7-12 months (RM'000)	> 12 months (RM'000)	
Trade receivables	3,356	1,746	818	1,368	461	64	42	7,855
Less: Provision for doubtful debts	-	-	-	-	-	-	(42)	(42)
	<u>3,356</u>	<u>1,746</u>	<u>818</u>	<u>1,368</u>	<u>461</u>	<u>64</u>	<u>-</u>	<u>7,813</u>
% of total trade receivables	42.95	22.35	10.47	17.51	5.90	0.82	0.00	100.00

As at LPD, we have collected approximately RM6.34 million, representing approximately 81.15% of the trade receivables. Out of the RM525,000 of trade receivables which have exceeded our Group's normal credit period, approximately RM459,000 or 87.4% has been collected as at LPD. Our Directors are of the opinion that our outstanding trade receivables are recoverable in full after taking into consideration the well-established relationship between our Group and our customers.

Trade payables

The normal credit period granted to us by our suppliers ranges from 30 to 120 days. Our trade payables turnover period decreased from 49 days for the FYE 31 January 2008 to 38 days for the six (6)-month FPE 31 July 2010. This was mainly due to the improvement in our financial performance and cash flow position since 2009, in which we have settled our trade payables earlier.

As at 31 July 2010, our trade payables ageing analysis is as follows:

	<----- Within credit period ----->				<Exceeding credit period>			Total (RM'000)
	0-30 days (RM'000)	31-60 days (RM'000)	61-90 days (RM'000)	91-120 days (RM'000)	5-6 months (RM'000)	7-12 months (RM'000)	>12 months (RM'000)	
Trade payables	2,147	661	345	1	-	-	92	3,246
% of total trade payables	66.14	20.36	10.63	0.03	0.00	0.00	2.84	100.00

Based on the preceding table above, the trade payables exceeding the normal credit period were not significant as at 31 July 2010. As at LPD, we have settled approximately RM2.91 million, representing approximately 89.57% of the trade payables.

In view of the good relationships with our major suppliers, there was no significant matter in dispute with respect to trade payables for the financial years/periods under review. Neither was there any legal action initiated by any of our suppliers to demand for payment.

12. FINANCIAL INFORMATION (Cont'd)***Inventories***

Our normal inventory turnover period ranges from 30 to 60 days which is in line with the industry norm. However, our inventory turnover for the FYE 31 January 2009 is lower due to the beginning of the onset of the H1N1 virus where demand started to spike and many rush orders started to come in.

12.6 Material Capital Expenditure and Divesture

Save as disclosed below, there has been no other material capital expenditure and divestures (including interests in other corporations) made by our Group during the past three (3) financial years up to LPD:

	←----- FYE 31 January -----→			1 February
	2008 (RM'000)	2009 (RM'000)	2010 (RM'000)	2010 up to LPD (RM'000)
Expenditures				
Land and buildings	-	164	3,741	40
Factory and office extension	30	-	75	18
Factory equipment	-	-	-	14
Plant and machinery	1,005	660	670	488
Furniture and fittings	12	1	-	3
Motor vehicles	77	-	340	-
Office equipment	31	-	20	17
Capital work-in-progress	-	-	-	3,142
	1,155	825	4,846	3,722
Divestures				
Disposal of lands	-	521	-	164
Disposal of plant and machinery	15	-	-	58
	15	521	-	222

The above material capital expenditures were financed by term loans, hire purchases and internally-generated funds. All the material capital expenditures and divestures listed above are expenditures and divestures within Malaysia.

As at the date of this Prospectus, our Group does not have any material capital expenditures or divestures outside Malaysia.

12.7 Trend Information

As at LPD, to the best of our Directors' knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (a) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations other than those discussed in this section, Sections 4, 6 and 7 of this Prospectus;
- (b) material commitment for capital expenditure, save as set out in Section 12.5.7 of this Prospectus;

12. FINANCIAL INFORMATION (Cont'd)

- (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, positions and operations of our Group save as disclosed in this section and Section 4 of this Prospectus;
- (d) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Company revenue and/or profits, save for those have been disclosed in this section, Sections 6 and 7 of this Prospectus;
- (e) known events, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those disclosed in this section, Section 4, 6 and 7 of this Prospectus; and
- (f) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of our future performance and position other than those disclosed in this section and in Sections 4 and 6.23 of this Prospectus.

Our Board is optimistic about our future prospects and the outlook of the rubber gloves manufacturing industry as set out in the Executive Summary of the Independent Market Research Report under Section 7 of this Prospectus, in consideration of our competitive advantages as set out in Section 6.5 of this Prospectus, the factors and trends affecting our future financial condition and results as set out in Section 12.2.2 of this Prospectus and our dedication towards the future plans and strategies of our Group as set out in Section 6.22 of this Prospectus.

12.8 Dividend Policy

Our Company may declare dividends upon the recommendation of our Board and upon approval by a majority of our shareholders at our annual general meeting. Going forward, our ability to pay dividends or make other distributions to our shareholders to allow our shareholders to participate in our Group's profits is subject to various factors such as:

- (a) the level of our cash, marketable financial assets and level of indebtedness;
- (b) our required and expected interest expense, cash flows, profits, return on equity and earnings;
- (c) our expected results of operations; and
- (d) our projected levels of capital expenditure and other investment plans.

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13. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)



29 October 2010

The Board of Directors
Careplus Group Berhad
Third Floor, No. 79 (Room A)
Jalan SS21/60
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47400 Petaling Jaya
Selangor Darul Ehsan

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Dear Sirs,

CAREPLUS GROUP BERHAD ("CAREPLUS" OR "the Company") ACCOUNTANTS' REPORT

1. PURPOSE OF REPORT

This report has been prepared by Messrs. Crowe Horwath, an approved company auditor and a public accountant registered in Malaysia, for inclusion in the Prospectus of CAREPLUS to be dated 16 November 2010 in connection with the listing of CAREPLUS on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The details of the reorganisation and listing scheme are disclosed in Section 2.2 of this report.

2. INTRODUCTION

2.1 THE COMPANY

CAREPLUS was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 30 March 2010 under the name of Careplus Group Sdn. Bhd. CAREPLUS was converted into a public limited company on 5 April 2010 and assumed its present name, Careplus Group Berhad. The principal activity of the Company is that of investment holding. Details of its subsidiaries are set out in Section 3 below.

13. ACCOUNTANTS' REPORT (Cont'd)



2. INTRODUCTION (CONT'D)

2.2 REORGANISATION AND LISTING SCHEME

In conjunction with and as an integral part of the listing of CAREPLUS on the ACE Market of Bursa Securities, the Company had undertaken the following transactions:-

(1) Reorganisation Scheme:

(a) Acquisition

On 1 July 2010, the Company entered into a conditional Share Purchase Agreement with the vendors of Careplus (M) Sdn. Bhd. ("CAREPLUS (M)") for the acquisition of 1,595,339 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of CAREPLUS (M), for a total consideration of RM14,495,838 based on the audited consolidated net assets ("NA") of CAREPLUS (M) as at 31 January 2010 which amounted to RM14,495,838. The purchase consideration was satisfied by the issuance of 144,949,900 new ordinary shares of RM0.10 each in the Company ("CAREPLUS Shares" or "Shares") at an issue price of approximately RM0.10 per Share. The Acquisition was completed on 1 July 2010.

(b) Internal Reorganisation

On 3 July 2010, the Company undertook an internal reorganisation, by entering into a Share Transfer Agreement with CAREPLUS (M) for the acquisitions of the following:

- (a) 1,311,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Perusahaan Pelindung Getah (M) Sdn. Bhd. ("PPG"), for a total consideration of RM7,326,750 based on the audited NA of PPG as at 31 January 2010 which amounted to RM7,326,750; and
- (b) 100,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Masterclean Technologies Sdn. Bhd. ("Masterclean Tech"), for a total consideration of RM443,209 based on the audited NA of Masterclean Tech as at 31 January 2010 which amounted to RM443,209.

The Internal Reorganisation was completed on 3 July 2010.

Upon completion of the Acquisition and Internal Reorganisation, the companies within the CAREPLUS group are collectively known as the "CAREPLUS Group".

13. ACCOUNTANTS' REPORT (Cont'd)



2. INTRODUCTION (CONT'D)

2.2 REORGANISATION AND LISTING SCHEME (CONT'D)

(2) Listing Scheme

(a) Public Issue

Pursuant to the Public Issue, the Company shall issue 65,050,000 new Shares at an issue price of RM0.23 per Share to be allocated in the following manner:

- (i) 15,650,000 public issue shares will be made available for application by eligible directors, employees and business associates of the CAREPLUS Group who have contributed to the success and development of the CAREPLUS Group;
- (ii) 38,900,000 public issue shares will be allocated by way of private placement to identified investors; and
- (iii) 10,500,000 public issue shares will be made available for application by the Malaysian public, to be allocated via ballot, of which at least 50% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

Upon completion of the Public Issue, the issued and paid-up share capital of CAREPLUS will increase from RM14,495,000 comprising 144,950,000 Shares to RM21,000,000 comprising 210,000,000 Shares.

(b) Listing

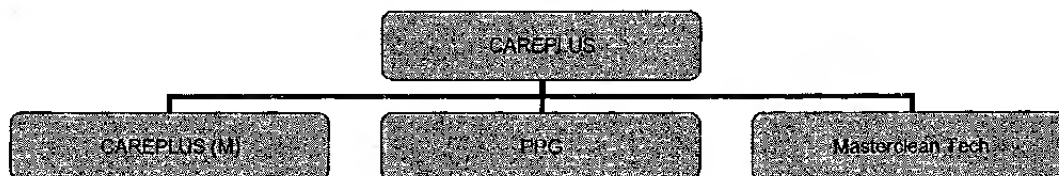
Upon completion of the Public Issue, the Company shall list its entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities.

13. ACCOUNTANTS' REPORT (Cont'd)



3. GROUP STRUCTURE

The group structure of CAREPLUS at the date of this report is as follows:-



Details of the subsidiaries, which are incorporated in Malaysia, are as follows:-

Name of companies	Date of incorporation	Issued and paid-up capital	Effective equity interest	Principal activities
CAREPLUS (M)	18 February 1991	1,595,339	100%	Trading in gloves and other disposable protection products and provision of quality control services for outsourced gloves.
PPG	18 April 1988	1,311,000	100%	Manufacturing of rubber gloves.
Masterclean Tech	19 October 1999	100,000	100%	Manufacturing of cleanroom gloves and trading in gloves.

Offices in Malaysia:

Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Muar • Penang

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13. ACCOUNTANTS' REPORT (Cont'd)



4. RELEVANT FINANCIAL PERIOD

The relevant financial periods for the purpose of this report ("Relevant Financial Period") and the auditors of the respective companies for the Relevant Financial Period are as follows: -

Companies	Relevant Financial Period	Auditors
CAREPLUS	Financial period from 30 March 2010 (date of incorporation) to 31 July 2010 ("FPE 2011")	Messrs. Crowe Horwath
CAREPLUS (M)	Financial year ended 31 January ("FYE") 2008, 2009, 2010 and financial period from 1 February 2010 to 31 July 2010 ("FPE 2011")	Messrs. Crowe Horwath
PPG	FYE 2008, 2009, 2010 and FPE 2011	Messrs. Crowe Horwath
Masterclean Tech	FYE 2008, 2009, 2010 and FPE 2011	Messrs. Crowe Horwath

The financial statements of CAREPLUS (M), PPG and Masterclean Tech for the FYE 2008 and 2009 were previously prepared under Private Entity Reporting Standards and were audited by another firm of auditors without any audit qualification.

For the purpose of the Company's listing exercise, the financial statements of CAREPLUS (M), PPG and Masterclean Tech for the FYE 2008 and 2009 have been reprepared in accordance with Financial Reporting Standards. We have audited these financial statements and a set of consolidated financial statements of CAREPLUS (M) Group was issued for the FYE 2008, 2009 and 2010. Our auditors' report on the consolidated financial statements is set out in Appendix I and did not contain any audit qualification.

The consolidated financial statements of CAREPLUS for the FPE 2011 did not contain any audit qualification. Our auditors' report on the consolidated financial statements is set out in Appendix II.

13. ACCOUNTANTS' REPORT (Cont'd)**5. ACCOUNTING STANDARDS AND POLICIES****5.1 BASIS OF PREPARATION**

CAREPLUS was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 30 March 2010 under the name of Careplus Group Sdn. Bhd. CAREPLUS was converted into a public limited company on 5 April 2010 and assumed its present name, Careplus Group Berhad.

CAREPLUS Group only existed during the FPE 2011, upon completion of the acquisition by CAREPLUS of CAREPLUS (M) Group and the internal reorganisation on 1 July 2010 and 3 July 2010 respectively. Hence, there are no consolidated financial statements of CAREPLUS Group for FYE 2008, 2009 and 2010. For the purpose of this report, the audited financial statements of CAREPLUS (M) Group for FYE 2008, 2009 and 2010 are also presented where CAREPLUS (M) Group had existed.

The financial statements of CAREPLUS Group and CAREPLUS (M) Group (as defined below) as presented in Section 6.1 and Section 6.2 respectively, are based on the audited consolidated financial statements, modified as appropriate, for the purpose of this report.

This report covers the financial information derived from the audited consolidated financial statements of CAREPLUS Group and CAREPLUS (M) Group for the Relevant Financial Period. Prior to the Acquisition and Internal Reorganisation, CAREPLUS (M) has two (2) wholly-owned subsidiaries, namely PPG and Masterclean Tech, and a 50% owned associate, namely Sawah Testing Sdn. Bhd. (collectively known as the "CAREPLUS (M) Group").

The financial statements of the subsidiaries, CAREPLUS (M), PPG and Masterclean Tech have been consolidated using the merger method of accounting as disclosed in Note 5.3(c) of the consolidated financial statements. Accordingly, the results of the CAREPLUS Group incorporated the results of CAREPLUS (M), PPG and Masterclean Tech from 1 February 2010 to 31 July 2010. The unaudited consolidated financial statements of the CAREPLUS Group for the financial period from 1 February 2009 to 31 July 2009 is prepared on the assumption that the CAREPLUS Group had been in existence throughout the financial period from 1 February 2009 to 31 July 2009, and is solely prepared for comparison purposes to the audited consolidated financial statements of CAREPLUS Group for the FPE 2011.

The consolidated financial statements of the CAREPLUS Group and CAREPLUS (M) Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections of this report under significant accounting policies, and are in compliance with Financial Reporting Standards ("FRS") in Malaysia.

Prior to 1 February 2007, the CAREPLUS (M) Group prepared its financial statements using Private Entity Reporting Standards. The change of accounting standards did not have any material financial effects on the financial statements of the CAREPLUS (M) Group except for FRS 3 - Business Combinations. The effects of adopting FRS 3 - Business Combinations are disclosed in Note 5.3(d).

From 1 February 2007, the CAREPLUS (M) Group had adopted all the new and revised FRS issued by the Malaysian Accounting Standards Board ("MASB").

The Acquisition and Internal Reorganisation were completed on 1 July 2010 and 3 July 2010 respectively, accordingly CAREPLUS Group and CAREPLUS (M) Group are referred to as "the Group" hereinafter.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES

5.1 BASIS OF PREPARATION (CONT'D)

- (a) During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

FRSs and IC Interpretations (Including the Consequential Amendments)

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

FRS 123 (Revised) Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES

5.1 BASIS OF PREPARATION (CONT'D)

- (e) During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments) (Cont'd):

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's consolidated financial statements, other than the following:

- (i) FRS 7 requires additional disclosures about the Group's financial instruments. Prior to 1 January 2010, information about financial statements was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosures and Presentation. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the Group's consolidated financial statements for the FPE 2011.

- (ii) The adoption of FRS 139 (including the consequential amendments) did not have any material impact on the Group's consolidated financial statements.
- (iii) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. This new disclosure is made in Note 6.1.36(b) to this report.

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES

5.1 BASIS OF PREPARATION (CONT'D)

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the MASB but are not yet effective for the current financial period:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES

5.1 BASIS OF PREPARATION (CONT'D)

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the MASB but are not yet effective for the current financial period (Cont'd):-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) The revised FRS 3 introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transactions or arrangements.
- (ii) The revised FRS 127 requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transactions or arrangements.
- (iii) Amendments to FRS 7 reinforce existing principles for disclosures about liquidity risk. Also, the amendments require enhanced disclosures about fair value measurements in which a three-level fair value hierarchy is introduced. A company is required to classify fair value measurements using this hierarchy which aims to reflect the inputs used in making the measurement.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES

5.2 CONSISTENCY OF APPLICATION OF ACCOUNTING POLICIES

This report is prepared on a basis consistent with the accounting policies adopted by the CAREPLUS Group and CAREPLUS (M) Group as disclosed in Section 5.3 below. There were no changes in the significant accounting policies adopted by the CAREPLUS Group and CAREPLUS (M) Group during the Relevant Financial Period other than the adoption of all the new and revised FRS issued by the MASB which are relevant to its operations.

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) *Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) *Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair values of these assets and liabilities would affect profit and equity.

(v) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Functional and Foreign Currencies

(i) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the statement of comprehensive income.

(c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 31 January 2008, 2009, 2010 and 31 July 2010.

A subsidiary is defined as an enterprise in which the company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

The acquisition of CAREPLUS (M) Group by CAREPLUS has been accounted for as a business combination amongst entities under common control. Accordingly, the financial statements of the CAREPLUS Group have been consolidated using the merger method of accounting.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit or credit difference is classified as a non-distributable reserve.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Basis of Consolidation (Cont'd)

The subsidiaries of CAREPLUS (M) Group, namely PPG and Mesterclean Tech, are consolidated using the acquisition method of accounting prior to the internal reorganisation undertaken by CAREPLUS. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' NA are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the CAREPLUS (M) Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of the subsidiary to ensure consistency of accounting policies with those of the CAREPLUS Group.

The gain or loss on the disposal of a subsidiary is the difference between the net disposal proceeds and the CAREPLUS Group's share of its NA.

(d) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the CAREPLUS (M) Group's share of the fair values of the identifiable NA of the subsidiaries at the date of acquisition.

Prior to 1 February 2007, the difference between the acquisition cost and the fair values of attributable NA acquired was reflected in the financial statements as either goodwill or discount on acquisition. Discount on acquisition, if any, is retained in the consolidated balance sheet and will be credited to income statement over a suitable period. Where goodwill is considered to be capable of generating future economic benefits, it is capitalised in the financial statements and amortised on the straight line basis over a period of 20 years, otherwise, it is written off in the income statement in the year of acquisition. The carrying amount and amortisation period are reviewed annually and goodwill is written down when its value has deteriorated or when it ceases to have a useful life.

From 1 February 2007, the CAREPLUS (M) Group had adopted FRS 3 - Business Combinations and the accounting policy for goodwill on consolidation is now as follows:-

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Goodwill on Consolidation (Cont'd)

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated statements of comprehensive income. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the CAREPLUS (M) Group's interest in the fair values of the identifiable NA of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated statements of comprehensive income.

In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 February 2007 of RM1,054,000 was derecognised with a corresponding adjustment to the retained profits.

(e) Associates

An associate is one in which the CAREPLUS (M) Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

In the previous financial year, the investment in the associate was not accounted for in the consolidated financial statements using the equity method as the amount involved was not material.

(f) Other Investments

Other investments are held on a long-term basis and are stated at cost less allowance for permanent diminution in value of the investments.

An allowance for diminution in value is made when, in the opinion of the directors, there is a decline other than temporary in the value of such investment, such a decline is recognised as an expense in the period in which the decline is identified.

On the disposal of this investment, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the statement of comprehensive income.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation or amortisation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation or amortisation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives.

Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	63 - 80 years
Buildings	1% - 2%
Factory and office extension	10% - 20%
Factory equipment	10% - 20%
Forklift	20%
Furniture and fittings	8% - 10%
Motor vehicles	16%
Office equipment	10%
Plant and machinery	10% - 20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of Non-financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the statement of comprehensive income immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statement of comprehensive income immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statement of comprehensive income, a reversal of that impairment loss is recognised as income in the statement of comprehensive income.

(i) Assets under Hire Purchase

Plant and equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5.3(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are allocated to the statement of comprehensive income over the periods of the respective hire purchase agreements.

(j) Assets Held For Sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets or disposal group are measured at the lower of their carrying amount and fair value less cost to sell.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Investment Properties

Investment properties are property held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated under the straight line method to write off the depreciable amount of the assets over their estimated useful lives at the principal rate of 10% per annum.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gain or loss on the retirement or disposal of an investment property is recognised in the statement of comprehensive income in the year of retirement or disposal.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(m) Financial Instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial Instruments (Cont'd)

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(n) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss as part of the other operating income when the Group's right to receive payment is established.

(o) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(p) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Liabilities in this category are classified as current liabilities.

(r) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(s) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income Taxes (Cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in the statement of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(t) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the statement of comprehensive income as expenses in the period in which they are incurred.

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(u) Equity Instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(v) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(w) Employee Benefits**(i) Short-term Benefits**

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the statement of comprehensive income in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

13. ACCOUNTANTS' REPORT (Cont'd)

**5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)****5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(x) Related Parties**

For the purpose of these financial statements, a related party is considered to be related if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
 - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the entity; or
 - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

13. ACCOUNTANTS' REPORT (Cont'd)



5. ACCOUNTING STANDARDS AND POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Revenue Recognition

(i) *Sale of Goods*

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, returns and trade discounts.

(ii) *Services*

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) *Interest Income*

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(iv) *Rental Income*

Rental income is recognised on an accrual basis.

(v) *Dividend Income*

Dividend income from investment is recognised when the right to receive dividend payment is established.

13. ACCOUNTANTS' REPORT (Cont'd)

**6. FINANCIAL INFORMATION**

CAREPLUS was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 30 March 2010 under the name of Careplus Group Sdn. Bhd. CAREPLUS was converted into a public limited company on 5 April 2010 and assumed its present name, Careplus Group Berhad.

CAREPLUS Group only existed during the FPE 2011, upon completion of the acquisition by CAREPLUS of CAREPLUS (M) Group and internal reorganisation on 1 July 2010 and 3 July 2010 respectively. Hence, there are no consolidated financial statements of CAREPLUS Group for FYE 2008, 2009 and 2010. For the purpose of this report, the audited financial statements of CAREPLUS (M) Group for FYE 2008, 2009 and 2010 are also presented where CAREPLUS (M) Group had existed.

The financial statements of CAREPLUS Group and CAREPLUS (M) Group as presented in Section 6.1 and Section 6.2 respectively, are based on the audited consolidated financial statements, modified as appropriate, for the purpose of this report.

The audited financial statements of the subsidiaries, namely PPG and Masterclean Tech, for the Relevant Financial Period are not shown separately as they are consolidated in the audited consolidated financial statements of CAREPLUS Group and CAREPLUS (M) Group for the Relevant Financial Period.

The scope of work involved in the preparation of this report does not constitute an audit in accordance with approved standards on auditing in Malaysia.

All information are extracted from the audited financial statements except for those in italics which are prepared based on calculations, representations and/or explanations provided by the management of the CAREPLUS Group and CAREPLUS (M) Group.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP

6.1.1 STATEMENTS OF COMPREHENSIVE INCOME OF THE CAREPLUS GROUP

	Note	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 # RM'000
Revenue	6.1.5	20,472	23,326
Cost of sales		(15,522)	(18,967)
Gross profit ("GP")		4,950	4,359
Other income		324	393
		5,274	4,752
Administrative expenses		(709)	(735)
Other expenses		(47)	(1,541)
Profit from operations		4,518	2,476
Finance costs		(36)	(91)
Profit before taxation ("PBT")	6.1.6	4,482	2,385
Income tax expense	6.1.7	(1,107)	485
Profit after taxation ("PAT")/Total comprehensive income for the financial period		3,375	2,850
<i>GP margin (%)</i>		24.18	18.69
<i>PBT margin (%)</i>		21.89	10.22
<i>PAT margin (%)</i>		16.49	12.22
<i>Effective tax rate (%)</i>		24.70	(19.50)
<i>Interest coverage (times)</i>		125.50	27.21
<i>Weighted average number of ordinary shares in issue of RM0.10 each ('000)</i>		36,238	36,238
<i>Gross earnings per share ("EPS") (sen)</i>		12.37	6.58
<i>Net EPS (sen)</i>		9.31	7.86

Note:

- # - The financial statements of the subsidiaries, namely Careplus (M), PPG and Masterclean Tech have been consolidated using the merger method of accounting. Accordingly, the results of the Group incorporated the results of Careplus (M), PPG and Masterclean Tech from 1 February 2010 to 31 July 2010.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.2 STATEMENT OF FINANCIAL POSITION OF THE CAREPLUS GROUP
AT 31 JULY 2010

	Note	AUDITED 31.7.2010 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6.1.8	11,638
Goodwill on consolidation	6.1.9	342
Investment property	6.1.10	276
		<u>12,256</u>
CURRENT ASSETS		
Inventories	6.1.11	4,499
Trade receivables	6.1.12	7,813
Other receivables, deposits and prepayments		542
Amount owing by a related party	6.1.13	16
Derivative assets	6.1.14	222
Cash and bank balances	6.1.15	1,279
		<u>14,371</u>
TOTAL ASSETS		<u><u>26,627</u></u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.2 STATEMENT OF FINANCIAL POSITION OF THE CAREPLUS GROUP
AT 31 JULY 2010 (CONT'D)

	Note	AUDITED 31.7.2010 RM'000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	6.1.16	14,495
Share premium	6.1.17	1,380
Merger deficit	6.1.18	(12,900)
Retained profits		12,999
TOTAL EQUITY		15,974
NON-CURRENT LIABILITIES		
Long-term borrowings	6.1.19	2,454
Deferred tax liabilities	6.1.22	127
		2,581
CURRENT LIABILITIES		
Trade payables	6.1.23	3,246
Other payables and accruals	6.1.24	848
Short-term borrowings	6.1.25	2,751
Provision for taxation		766
Bank overdrafts	6.1.26	461
		8,072
TOTAL LIABILITIES		10,653
TOTAL EQUITY AND LIABILITIES		26,627
<i>Number of ordinary shares in issue of RM0.10 each ('000)</i>		144,950
<i>Net tangible assets ("NTA") (RM'000)</i>		15,632
<i>NTA per ordinary share (RM)</i>		0.11
<i>Trade receivables turnover ratio (days)</i>		60.6
<i>Trade payables turnover ratio (days)</i>		37.8
<i>Gearing ratio (times)</i>		0.4

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.3 STATEMENTS OF CASH FLOWS OF THE CAREPLUS GROUP

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 # RM'000
Note		
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before taxation	4,482	2,385
<u>Adjustments for:-</u>		
Depreciation of investment property	-	18
Depreciation of property, plant and equipment	468	493
Interest expense	36	91
Unrealised (gain)/loss on foreign exchange	(86)	254
Dividend income	-	(1)
Fair value gain on derivatives	-	(222)
Gain on disposal of property, plant and equipment	(30)	(7)
Gain on disposal of other investment	-	(3)
Interest income	(7)	(7)
Writeback of allowance for doubtful debts	-	(6)
Operating profit before working capital changes	4,863	2,993
Decrease/(Increase) in inventories	1,064	(646)
Increase in trade and other receivables	(1,222)	(690)
(Decrease)/Increase in trade and other payables	(165)	459
Decrease/(Increase) in amount owing by a related party	76	(16)
CASH FROM OPERATIONS	4,616	2,100
Interest paid	(36)	(91)
Income tax refundable/(paid)	7	(430)
NET CASH FROM OPERATING ACTIVITIES	4,587	1,579
<u>CASH FLOW FOR INVESTING ACTIVITIES</u>		
Dividend received	-	1
Interest received	7	7
Proceeds from disposal of an associate	-	7
Proceeds from disposal of investment held for sale	-	400
Proceeds from disposal of other investment	-	58
Proceeds from disposal of property, plant and equipment	30	65
Acquisition of investment held for sale	(400)	-
Advances to related parties	(13)	-
Purchase of property, plant and equipment	(1,115)	(2,211)
6.1.27		
NET CASH FOR INVESTING ACTIVITIES	(1,491)	(1,673)
BALANCE CARRIED FORWARD	3,096	(94)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.3 STATEMENTS OF CASH FLOWS OF THE CAREPLUS GROUP (CONT'D)

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 # RM'000
BALANCE BROUGHT FORWARD	3,096	(94)
<u>CASH FLOW FOR FINANCING ACTIVITIES</u>		
Repayment of bills payable, net	(1,164)	-
Drawdown of export credit refinancing, net	-	2,449
Dividends paid	(500)	(4,000)
Proceeds from issuance of shares	800	*
Repayment of hire purchase obligations	(229)	(118)
Repayment of term loan	(27)	(59)
NET CASH FOR FINANCING ACTIVITIES	(1,120)	(1,728)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,976	(1,822)
EFFECTS OF FOREIGN EXCHANGE, NET	86	45
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,075	2,595
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	6.1.28 4,137	818

Notes:

* - Represents RM10.

- The financial statements of the subsidiaries, namely Careplus (M), PPG and Masterclean Tech have been consolidated using the merger method of accounting. Accordingly, the results of the Group incorporated the results of Careplus (M), PPG and Masterclean Tech from 1 February 2010 to 31 July 2010.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.4 STATEMENT OF CHANGES IN EQUITY OF THE CAREPLUS GROUP

		← Non-Distributable →		Distributable		
	Note	Share capital RM'000	Share premium RM'000	Merger deficit RM'000	Retained profits RM'000	Total RM'000
Balance at 30.3.2010						
- date of incorporation #		14,495	1,380	-	11,649	27,524
Dividends	6.1.29	-	-	-	(1,500)	(1,500)
Merger deficit		-	-	(12,900)	-	(12,900)
Total comprehensive income for the financial period		-	-	-	2,850	2,850
Balance at 31.7.2010		14,495	1,380	(12,900)	12,999	15,974

Note:

- # - The financial statements of the subsidiaries, namely Careplus (M), PPG and Masterclean Tech have been consolidated using the merger method of accounting. Accordingly, the results of the Group incorporated the results of Careplus (M), PPG and Masterclean Tech from 1 February 2010 to 31 July 2010.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.5 REVENUE

Revenue represents the invoiced value of goods sold and services rendered net of trade discounts and returns.

6.1.6 PROFIT BEFORE TAXATION

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Audit fee:		
- for the financial period	-	28
- underprovision in the previous financial period	-	#
Depreciation of investment property	-	16
Depreciation of property, plant and equipment	468	493
Directors' fee	34	53
Directors' non-fee emoluments	137	149
Interest expense:		
- bank overdrafts	13	4
- export credit refinancing	-	21
- hire purchase	22	13
- term loan	1	53
Listing expenses	-	585
(Gain)/loss on foreign exchange		
- realised	(166)	494
- unrealised	(86)	254
Rental of premises	27	39
Staff costs	1,744	1,835
Dividend income	-	(1)
Interest income	(7)	(7)
Fair value gain on derivatives	-	(222)
Gain on disposal of other investment	-	(3)
Gain on disposal of property, plant and equipment	(30)	(7)
Rental income	(6)	(13)
Writeback of allowance for doubtful debts	-	(6)

Note :

- Amount less than RM1,000.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

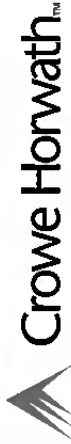
6.1.7 INCOME TAX EXPENSE

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Current tax expense:-		
- for the financial period	1,110	727
- overprovision in the previous financial year	(3)	(1,220)
	<u>1,107</u>	<u>(493)</u>
Deferred tax liabilities (Note 6.1.22):-		
- for the financial period	-	28
	<u>-</u>	<u>28</u>
Total tax expense	<u>1,107</u>	<u>(465)</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the CAREPLUS Group is as follows:-

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Profit before taxation	4,482	2,385
Tax at the statutory tax rate of 25%	1,120	596
Tax effects of:-		
Differential in tax rates	(40)	(46)
Non-deductible expenses	30	249
Non-taxable income	-	(21)
Reinvestment allowances	-	(41)
Deferred tax assets not recognised during the financial period	-	18
Overprovision of current tax in the previous financial year	(3)	(1,220)
Income tax expense	<u>1,107</u>	<u>(465)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.8 PROPERTY, PLANT AND EQUIPMENT

Nat Book Value	Building		Capital work-in-progress		Factory and office extension		Factory equipment		Forklift		Freehold land		Furniture and fittings		Leasehold land end		Motor vehicles		Office equipment		Plant and machinery		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.2.2010	298	-	79	4	148	109	13	5,712	353	64	3,198	9,978												
Additions	9	1,878	18	-	-	-	38	-	-	16	452	2,211												
Disposal	-	-	(58)	-	-	-	-	-	-	-	-	(58)												
Depreciation charge	(2)	-	(2)	(2)	(21)	-	(1)	(48)	(42)	(6)	(371)	(493)												
At 31.7.2010	305	1,878	37	2	127	109	12	5,704	311	74	3,279	11,638												

Nat Book Value	Building		Capital work-in-progress		Factory and office extension		Factory equipment		Forklift		Freehold land		Furniture and fittings		Leasehold land end		Motor vehicles		Office equipment		Plant and machinery		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.7.2010	348	1,878	1,191	25	257	109	70	6,190	611	290	10,108	20,877												
Cost																								
Accumulated depreciation	(43)	-	(1,154)	(23)	(130)	-	(58)	(486)	(300)	(216)	(6,829)	(9,239)												
Net book value	305	1,878	37	2	127	109	12	5,704	311	74	3,279	11,638												

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in property, plant and equipment of the CAREPLUS Group are the following assets acquired under hire purchase terms:-

	AUDITED 31.7.2010 RM'000
Forklift	13
Motor vehicles	161
Plant and machinery	539
	<u>713</u>

Included in property, plant and equipment are the following fully depreciated property, plant and equipment which are still in use:-

	AUDITED 31.7.2010 RM'000
Factory and office extension	1,129
Factory equipment	2
Forklift	50
Furniture and fittings	45
Motor vehicles	88
Office equipment	175
Plant and machinery	2,465
	<u>3,954</u>

Included in the net book value of property, plant and equipment at the end of the reporting period are the following assets pledged to financial institutions as security for banking facilities granted to the CAREPLUS Group:-

	AUDITED 31.7.2010 RM'000
Buildings	253
Factory and office extension	37
Leasehold land and building	5,704
	<u>5,994</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.9 GOODWILL ON CONSOLIDATION

AUDITED
31.7.2010
RM'000

At 31.7.2010 342

During the financial period, the CAREPLUS Group assessed the recoverable amount of the goodwill, and determined that purchased goodwill is not impaired.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of one year. The key assumptions used for value-in-use calculations are:-

Growth rate	10%
Gross margin	78%
Discount rate	11%

Management determined the budgeted gross margin based on past performance and its expectations of market development. The growth rate used is based on the past years' achievements. The discount rate used is pre-tax and was estimated based on the industry weighted average cost of capital.

6.1.10 INVESTMENT PROPERTY

AUDITED
31.7.2010
RM'000

Cost	325
Accumulated depreciation	(49)
Net book value	<u>276</u>
Accumulated depreciation	
At 1.2.2010	(33)
Addition during the financial period	(16)
At 31.7.2010	<u>(49)</u>

The investment property of the CAREPLUS Group has been pledged to a licensed bank as security for banking facilities granted to the CAREPLUS Group.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.11 INVENTORIES

	AUDITED 31.7.2010 RM'000
At cost:-	
Raw materials	424
Work-in-progress	2,464
Finished goods	1,611
	<u>4,499</u>

None of the inventories is carried at net realisable value.

6.1.12 TRADE RECEIVABLES

	AUDITED 31.7.2010 RM'000
Trade receivables	7,855
Allowance for impairment loss	(42)
	<u>7,813</u>
Allowance for impairment loss	
At 1.2.2010	(49)
Writeback during the financial period	7
At 31.7.2010	<u>(42)</u>

The CAREPLUS Group's normal trade credit terms range from 30 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile of the trade receivables at the end of the reporting period is as follows:-

	AUDITED 31.7.2010 RM'000
United States ("US") Dollar	7,418
Singapore Dollar	19
Pound Sterling	<u>371</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.12 TRADE RECEIVABLES (CONT'D)

The ageing analysis of the CAREPLUS Group's trade receivables is as follows:-

	Gross amount RM'000	Individual impairment RM'000	Collective impairment RM'000	Carrying amount RM'000
Audited 31.7.2010				
Not past due	7,288	-	-	7,288
Past due 0 - 30 days	481	-	-	461
Past due more than 30 days	106	(42)	-	64
	<u>7,855</u>	<u>(42)</u>	<u>-</u>	<u>7,813</u>

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the CAREPLUS Group. The CAREPLUS Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

As at 31 July 2010, trade receivables arising from export sales amounting to RM3,530,000 have been arranged to be settled via letters of credit, bank guarantees and export credit insurance issued by reputable financial institutions in countries where the customers are based. The remaining balances of trade receivables that are past due but not impaired are unsecured in nature.

Trade receivables that are past due but not impaired

As at 31 July 2010, trade receivables that are individually determined to be impaired related to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.13 AMOUNT OWING BY A RELATED PARTY

The amount owing by a related party is trade in nature and is subject to the CAREPLUS Group's normal trade credit terms ranging from 30 to 120 days.

6.1.14 DERIVATIVE ASSETS

	AUDITED 31.7.2010 Contract/ Notional amount RM'000	AUDITED 31.7.2010 Assets RM'000
Forward foreign currency contracts	5,586	222

The CAREPLUS Group does not apply hedge accounting.

As at 31 July 2010, the settlement dates on forward foreign currency contracts range between 1 to 12 months.

During the current financial period, the CAREPLUS Group recognised a gain of RM222,000 arising from fair value changes of derivative assets. The fair value changes are attributable to changes in the foreign exchange spot and forward rate.

6.1.15 CASH AND BANK BALANCES

The foreign currency exposure profile of the cash and bank balances at the end of the reporting period is as follows:-

	AUDITED 31.7.2010 RM'000
US Dollar	1,228
Euro	4
Pound Sterling	#

Note :

- Amount less than RM1,000.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.16 SHARE CAPITAL

The movements in the authorised share capital of CAREPLUS are as follows:-

		AUDITED 31.7.2010	
	Par Valua RM	Number Of Shares (^{'000})	Share Capital RM^{'000}
ORDINARY SHARES			
At 30.3.2010			
- date of incorporation	0.10	1,000	100
Increase during the financial period	0.10	499,000	49,900
At 31.7.2010	0.10	500,000	50,000

The movements in the issued and paid-up share capital of CAREPLUS are as follows:-

		AUDITED 31.7.2010	
	Par Value RM	Number Of Shares (^{'000})	Share Capital RM^{'000}
ORDINARY SHARES			
At 30.3.2010			
- date of incorporation	0.10	^	*
Allotment during the financial period	0.10	144,950	14,495
At 31.7.2010	0.10	144,950	14,495

Notes:

* - Represents RM10.

^ - Represents 100 Shares.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.16 SHARE CAPITAL (CONT'D)

The Company was incorporated with an authorised share capital of RM100,000 comprising 1,000,000 ordinary shares of RM0.10 each, of which 100 ordinary shares of RM0.10 each were subscribed for on the date of incorporation.

During the financial period,

- (a) the Company increased its authorised share capital from RM100,000 to RM50,000,000 by the creation of 499,000,000 new ordinary shares of RM0.10 each; and
- (b) the Company increased its issued and paid-up share capital from RM10 to RM14,495,000 by the allotment of 144,949,900 new ordinary shares of RM0.10 each for the acquisition of CAREPLUS (M). The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

6.1.17 SHARE PREMIUM

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965.

6.1.18 MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under the merger accounting principles.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.19 LONG-TERM BORROWINGS

	AUDITED 31.7.2010 RM'000
Hire purchase payables (Note 6.1.20)	128
Term loan (Note 6.1.21)	2,326
	<u>2,454</u>

6.1.20 HIRE PURCHASE PAYABLES

	AUDITED 31.7.2010 RM'000
Minimum hire purchase payments:-	
- not later than one year	205
- between one and five years	142
	<u>347</u>
Less: Future finance charges	(27)
Present value of hire purchase payables	<u>320</u>
Current:	
- not later than one year (Note 6.1.25)	192
Non-current:	
- later than one year and not later than five years (Note 6.1.19)	128
	<u>320</u>

The hire purchase payables bore effective interest rates ranging from 4.5% to 7.0% per annum at the end of the reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.21 TERM LOAN

	AUDITED 31.7.2010 RM'000
Current portion:	
- repayable within one year (Note 6.1.25)	110
Non-current portion:	
- repayable between one to two years	115
- repayable between two to five years	381
- repayable after five years	1,830
Total non-current portion (Note 6.1.19)	2,326
	<u>2,436</u>

The term loan is repayable in 180 monthly instalments of RM18,703 each with effect from 15 October 2009.

The term loan bore an effective interest rate of 4.8% per annum at the end of the reporting period and is secured by:-

- (i) a first legal charge over the leasehold land and certain buildings as disclosed in Note 6.1.8 to this report;
- (ii) a joint and several guarantee of certain directors of CAREPLUS; and
- (iii) a corporate guarantee of a subsidiary of CAREPLUS.

6.1.22 DEFERRED TAX LIABILITIES

	AUDITED 31.7.2010 RM'000
At 1.2.2010	99
Recognised in the statements of comprehensive income (Note 6.1.7)	28
At 31.7.2010	<u>127</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.22 DEFERRED TAX LIABILITIES (CONT'D)

The deferred tax consists of the tax effects of the following items:-

	AUDITED 31.7.2010 RM'000
Deferred tax liabilities:-	
Accelerated capital allowances	108
Unrealised gain on foreign exchange	23
	<hr/> 131
Deferred tax asset:-	
Unrealised loss on foreign exchange	(4)
	<hr/> 127

No deferred tax asset is recognised on the following item:-

	AUDITED 31.7.2010 RM'000
Unrealised loss on foreign exchange	<hr/> 108

6.1.23 TRADE PAYABLES

The normal credit terms granted to the CAREPLUS Group ranged from 30 to 120 days.

The foreign currency exposure profile of the trade payables at end of the reporting period is as follows:-

	AUDITED 31.7.2010 RM'000
US Dollar	<hr/> 823

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.24 OTHER PAYABLES AND ACCRUALS

	AUDITED 31.7.2010 RM'000
Other payables	658
Accruals	190
	<u>848</u>

6.1.25 SHORT-TERM BORROWINGS

	AUDITED 31.7.2010 RM'000
Export credit refinancing	2,449
Hire purchase payables (Note 6.1.20)	192
Term loan (Note 6.1.21)	110
	<u>2,751</u>

The export credit refinancing at the end of the reporting period bore a weighted average effective interest rate of 3.5% per annum and is secured in the same manner as the bank overdrafts disclosed in Note 6.1.26 to this report.

6.1.26 BANK OVERDRAFTS

The bank overdrafts bore a weighted average effective interest rate of 6.7% per annum at the end of the reporting period and are secured by:-

- (i) a first legal charge over the leasehold land and certain buildings as disclosed in Notes 6.1.8 and 6.1.10 to this report;
- (ii) a joint and several guarantee of certain directors of CAREPLUS; and
- (iii) a corporate guarantee of a subsidiary and a related party of CAREPLUS.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.27 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Cost of property, plant and equipment purchased	1,282	2,211
Amount financed through hire purchase	(167)	-
Cash disbursed for purchase of property, plant and equipment	<u>1,115</u>	<u>2,211</u>

6.1.28 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Fixed deposits with licensed banks	1,950	-
Cash and bank balances	2,890	1,279
Bank overdrafts	(703)	(461)
	<u>4,137</u>	<u>818</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.29 DIVIDENDS

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Paid:-		
First interim dividend of approximately RM0.87 per ordinary share less 25% tax	500	-
A final single tier dividend of approximately RM0.94 per ordinary share	-	1,500
	<u>500</u>	<u>1,500</u>

The above are in respect of dividends declared and paid to the previous shareholders of CAREPLUS (M).

6.1.30 DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by Directors of the CAREPLUS Group during the financial period are as follows:-

	UNAUDITED 1.2.2009 to 31.7.2009 RM'000	AUDITED 1.2.2010 to 31.7.2010 RM'000
Directors of the Company		
- Executive:		
- Fee	34	53
- Salaries and other emoluments	137	149
	<u>171</u>	<u>202</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.30 DIRECTORS' REMUNERATION (CONT'D)

The details of emoluments for the directors of the CAREPLUS Group received/receivable for the financial period in bands of RM50,000 are as follows:-

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Executive directors:-		
< RM50,000	3	3
RM50,000 - RM100,000	1	1
	<u>4</u>	<u>4</u>

6.1.31 RELATED PARTY DISCLOSURES

(a) Identities of related parties

- (i) the directors who are the key management personnel; and
- (ii) entities controlled by certain key management personnel, directors and/or substantial shareholders.

(b) In addition to balances detailed elsewhere in the financial statements, the CAREPLUS Group carried out the following transactions with its related parties during the financial period:-

(i) Key management personnel

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Short-term employee benefits (Note 6.1.30)	171	202
	<u>171</u>	<u>202</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.31 RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to balances detailed elsewhere in the financial statements, the CAREPLUS Group carried out the following transactions with its related parties during the financial period (Cont'd):-

(ii) Entities controlled by key management personnel, directors and/or substantial shareholders

	UNAUDITED FPE 2010 RM'000	AUDITED FPE 2011 RM'000
Purchases from a related party	10	10
Sales to a related party	6	19
Quality control and packing services charged by a related party	42	5
Quality control services charged to a related party	28	11
Rental paid to related parties	15	37

6.1.32 CAPITAL COMMITMENT

Authorised capital expenditure not provided for in the financial statements:-

	AUDITED 31.7.2010 RM'000
Contracted but not provided for:	
- Construction of factory	3,817

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.33 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

During the financial period, the Company and a subsidiary of the Company, CAREPLUS (M) undertook the following transactions:-

- (i) on 15 February 2010, CAREPLUS (M) increased its investment in unquoted investment by RM4,000. Subsequently, on 30 June 2010, CAREPLUS (M) completed the disposal of the unquoted investment for a total consideration of RM404,000, being the total original cost of investment in the unquoted investment;
- (ii) on 8 June 2010, CAREPLUS (M) disposed of its associate, Sawah Testing Sdn. Bhd., for a total consideration of RM6,501;
- (iii) on 1 July 2010, the Company entered into a conditional Share Purchase Agreement with the vendors of CAREPLUS (M) for the acquisition of 1,595,339 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of CAREPLUS (M), for a total consideration of RM14,495,838 based on the audited consolidated NA of CAREPLUS (M) Group as at 31 January 2010 which amounted to RM14,495,838. The purchase consideration was satisfied by the issuance of 144,949,900 new CAREPLUS Shares at an issue price of approximately RM0.10 per Share. The Acquisition was completed on 1 July 2010; and
- (iv) on 3 July 2010, the Company undertook an internal reorganisation by entering into a Share Transfer Agreement with CAREPLUS (M) for the acquisitions of the following:
 - (a) 1,311,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of PPG, for a total consideration of RM7,326,750 based on the audited NA of PPG as at 31 January 2010 which amounted to RM7,326,750; and
 - (b) 100,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Masterclean Tech, for a total consideration of RM443,209 based on the audited NA of Masterclean Tech as at 31 January 2010 which amounted to RM443,209.

The Internal Reorganisation was completed on 3 July 2010.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.34 FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	AUDITED 31.7.2010 RM
Pound Sterling	4.97
Euro	4.16
Singapore Dollar	2.34
US Dollar	3.19

6.1.35 SEGMENTAL INFORMATION

Segmental information is presented in respect of the CAREPLUS Group's business and geographical segments. The primary format, business segment, is based on the CAREPLUS Group's management and internal reporting structure. Inter-segment transactions were carried out on terms and conditions not materially different from those obtainable in transactions with independent third parties.

Business segments

The Group has the following main business segments:-

- | | | |
|-------|---------------|---|
| (i) | Manufacturing | Manufacturing of rubber gloves and cleanroom gloves. |
| (ii) | Trading | Trading of gloves and other disposable protection products and provision of quality control services for outsourced gloves. |
| (iii) | Others | Investment holding. |

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.35 SEGMENTAL INFORMATION (CONT'D)

Geographical segments

The CAREPLUS Group has the following principal geographical areas:-

- | | | |
|------|----------|---|
| (i) | Malaysia | Manufacturing of rubber gloves, trading of gloves and other disposable protection products and provision of quality control services for outsourced gloves, manufacturing of cleanroom gloves and investment holding. |
| (ii) | Overseas | Trading of gloves and other disposable protection products. |

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers. Segment assets are based on the geographical location of assets.

(a) By Business Segments

AUDITED FPE 2011	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Group RM'000
REVENUE					
External sales	21,277	2,049	-	-	23,326
Inter-segment sales	15,676	-	-	(15,676)	-
	36,953	2,049	-	(15,676)	23,326
RESULTS					
Segment results	2,800	7,836	(585)	(7,582)	2,469
Finance costs					(91)
Interest income					7
Profit before taxation					2,385
Income tax expense					465
Profit after taxation					2,850

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.35 SEGMENTAL INFORMATION (CONT'D)

(a) By Business Segments (Cont'd)

AUDITED At 31.7.2010	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Group RM'000
ASSETS					
Segment assets #	21,637	18,897	22,491	(36,398)	26,627
Unallocated assets					-
Total assets					26,627
LIABILITIES					
Segment liabilities *	9,970	5,684	8,580	(14,474)	9,760
Unallocated liabilities					893
Total liabilities					10,653
AUDITED FPE 2011 OTHER INFORMATION					
	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Capital expenditure	2,202	9	-	-	2,211
Depreciation of property, plant and equipment	443	50	-	-	493
Depreciation of investment property	-	16	-	-	16
Unrealised (gain)/loss on foreign exchange	(5)	259	-	-	254
Fair value gain on derivatives	(85)	(137)	-	-	(222)
Gain on disposal of property, plant and equipment	(7)	-	-	-	(7)
Gain on disposal of other investment	-	(3)	-	-	(3)
Gain on disposal of subsidiaries	-	(7,582)	-	(7,582)	-
Writeback of allowance of doubtful debts	(6)	-	-	-	(6)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.35 SEGMENTAL INFORMATION (CONT'D)

(a) By Business Segments (Cont'd)

UNAUDITED FPE 2010	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Group RM'000
REVENUE					
External sales	18,684	1,788	-	-	20,472
Inter-segment sales	16,260	-	-	(16,260)	-
	34,944	1,788	-	(16,260)	20,472
RESULTS					
Segment results	4,292	219	-	-	4,511
Finance costs					(36)
Interest income					7
Profit before taxation					4,482
Income tax expense					(1,107)
Profit after taxation					3,375
AUDITED At 31.1.2010					
	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Group RM'000
ASSETS					
Segment assets #	16,638	11,691	-	(2,604)	25,725
Unallocated assets					-
Total assets					25,725
LIABILITIES					
Segment liabilities *	7,383	4,687	-	(2,757)	9,313
Unallocated liabilities					1,788
Total liabilities					11,101

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

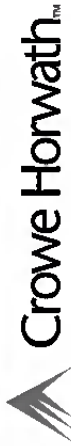
6.1 CAREPLUS GROUP (CONT'D)

6.1.35 SEGMENTAL INFORMATION (CONT'D)

(a) By Business Segments (Cont'd)

UNAUDITED FPE 2010 OTHER INFORMATION	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Capital expenditure	800	482	-	-	1,282
Depreciation of property, plant and equipment	447	21	-	-	468
Unrealised gain on foreign exchange	(3)	(83)	-	-	(86)
Gain on disposal of property, plant and equipment	-	(30)	-	-	(30)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.35 SEGMENTAL INFORMATION (CONT'D)

(b) By Geographical Segments

REVENUE	Local RM'000	North		Central And			Eliminations RM'000	Total RM'000
		America RM'000	Other Asia Pacific RM'000	South America RM'000	Other Asia Pacific RM'000	Others RM'000		
AUDITED FPE 2011	20,329	4,763	2,842	8,548	2,520	(15,676)	23,326	
UNAUDITED FPE 2010	20,241	3,650	3,086	6,419	3,336	(16,260)	20,472	

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.35 SEGMENTAL INFORMATION (CONT'D)

(b) By Geographical Segments (Cont'd)

AUDITED At 31.7.2010	Malaysia RM'000	Overseas RM'000	Group RM'000
ASSETS			
Segment assets #	26,627	-	26,627
Unallocated assets	-	-	-
Total assets	26,627	-	26,627
Capital expenditure	2,211	-	2,211
AUDITED At 31.1.2010			
Segment assets #	25,725	-	25,725
Unallocated assets	-	-	-
Total assets	25,725	-	25,725
Capital expenditure	1,282	-	1,282

- Segment assets comprise total current and non-current assets, less tax refundable.

* - Segment liabilities comprise total current and non-current liabilities, less tax payable and deferred tax liability.

6.1.36 FINANCIAL INSTRUMENTS

The CAREPLUS Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity and cash flow risks, and capital risk management. The CAREPLUS Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.36 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies

The CAREPLUS Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the CAREPLUS Group's business whilst managing its market (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies in respect of the major areas of treasury activity are as follows:-

(I) Market Risks

(i) Foreign Currency Risk

The CAREPLUS Group is exposed to foreign currency risk on sales and purchases that are denominated in foreign currencies, substantially denominated in US Dollar and Pound Sterling. Generally, foreign currency risk is monitored closely and managed to an acceptable level. The CAREPLUS Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

Sensitivity analysis for foreign currency risk

The following table details the sensitivity of the CAREPLUS Group's profit after taxation and equity to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	Effect on Profit After Taxation RM'000	Effect on Equity RM'000
US Dollar:		
- strengthened 5%	402	402
- weakened 5%	(402)	(402)
Pound Sterling:		
- strengthened 5%	19	19
- weakened 5%	(19)	(19)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.36 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risks (Cont'd)

(ii) Interest Rate Risk

The CAREPLUS Group's exposure to interest rate risk relates primarily to the Group's bank borrowings and hire purchase facilities. The CAREPLUS Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the CAREPLUS Group will be placed with licensed financial institutions to generate interest income. Information relating to the CAREPLUS Group's bank borrowings are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

As at the end of the reporting period, a change of one basis point (bp) would have a financial impact on the CAREPLUS Group's profit after taxation and equity by the amounts shown below, with all other variables held constant:-

	Effect on Profit After Taxation RM'000	Effect on Equity RM'000
Increase of one bp	(18)	(18)
Decrease of one bp	18	18

(iii) Equity Price Risk

The CAREPLUS Group does not have any quoted investment and hence is not exposed to price risk.

13. ACCOUNTANTS' REPORT (Cont'd)

**6. AUDITED FINANCIAL STATEMENTS (CONT'D)****6.1 CAREPLUS GROUP (CONT'D)****6.1.36 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk**

The CAREPLUS Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. The carrying amounts of financial assets recorded in the financial statements, net of allowance for impairment losses, represent the CAREPLUS Group's maximum exposure to credit risk.

The CAREPLUS Group's concentration of credit risk relates to the amounts owing by three major customers which constituted 53% of its total receivables as at the end of the reporting period.

(iii) Liquidity and Cash Flow Risks

Liquidity and cash flow risks arise mainly from general funding and business activities. The CAREPLUS Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following tables detail the remaining contractual maturities at the reporting date of the CAREPLUS Group's derivative and non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the CAREPLUS Group can be required to pay:-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.36 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity and Cash Flow Risks (Cont'd)

AUDITED 31.7.2010	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Trade payables	3,246	3,246	3,246	-	-	-
Other payables and accruals	848	848	846	-	-	-
Hire purchase payables	320	347	205	100	42	-
Term loan	2,436	3,446	224	224	673	2,327
Export credit refinancing	2,449	2,476	2,476	-	-	-
Bank overdrafts	461	461	461	-	-	-
	9,760	10,826	7,460	324	715	2,327
AUDITED 31.1.2010						
Trade payables	2,542	2,542	2,542	-	-	-
Other payables and accruals	1,093	1,093	1,093	-	-	-
Hire purchase payables	439	479	255	145	79	-
Term loan	2,485	3,320	224	224	673	2,199
Bank overdrafts	245	245	245	-	-	-
	6,814	7,679	4,359	369	752	2,199

Offices in Malaysia:

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13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.36 FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The primary objective of the CAREPLUS Group's capital management is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The CAREPLUS Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total borrowings divided by equity. The CAREPLUS Group's policy is to keep the ratio between 0.30 and 1.50.

The debt to equity ratios at the end of the reporting period were as follows:-

	Note	AUDITED 31.7.2010 RM'000	AUDITED 31.1.2010 RM'000
Long-term borrowings	6.1.19	2,454	2,576
Short-term borrowings	6.1.25	2,751	357
Bank overdrafts	6.1.26	461	245
Total borrowings		5,666	3,178
Total equity		15,974	14,624
Debt to equity ratio		0.35	0.22

There were no changes in the CAREPLUS Group's approach to capital management during the financial period/year.

The primary objective of the CAREPLUS Group's capital management is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services to commensurate with the level of risk. The management sets the amount of capital in proportion to risk. There were no changes in the approach to capital management during the financial period/year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.36 FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair Value Estimation

All financial instruments are carried at amounts not materially different from their fair values as at 31 July 2010 and 31 January 2010.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(d) Fair Values Of Financial Instruments

The carrying amounts of financial assets and financial liabilities reported in the financial statements approximated their values except for the following:

	Carrying amount RM'000	Fair value RM'000
AUDITED		
31.7.2010		
Hire purchase payables	320	299
	<hr/>	<hr/>
AUDITED		
31.1.2010		
Hire purchase payables	439	407
	<hr/>	<hr/>

The following summarises the methods used in determining the fair value of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The carrying amounts of borrowings approximated their fair values as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.
- (iii) The fair value of the amount owing by a related party is estimated based on the present value of future principal, discounted at the market rate of interest rate at the end of the reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.36 FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments (Cont'd)

The following summarises the methods used in determining the fair value of financial instruments (Cont'd):-

- (iv) The fair value of quoted investments is determined by reference to their quoted closing bid prices at the end of the reporting period.
- (v) The fair value of forward foreign currency contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

The interest rates used to discount estimated cash flows, when applicable, are as follows:-

	AUDITED 31.7.2010	AUDITED 31.1.2010
Hire purchase payables	4.60%	4.60%

(e) Classification of Financial Instruments

	AUDITED 31.7.2010 RM'000
Financial assets	
<u>Fair value through profit or loss</u>	
Derivative assets	222
<u>Loans and receivables financial assets</u>	
Trade receivables	7,813
Other receivables	121
Amount owing by a related party	16
Cash and bank balances	1,279
	<u>9,229</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.1 CAREPLUS GROUP (CONT'D)

6.1.36 FINANCIAL INSTRUMENTS (CONT'D)

(e) Classification of Financial Instruments (Cont'd)

AUDITED
31.7.2010
RM'000

Financial liabilitiesFinancial liabilities at amortised cost

Trade payables	3,246
Other payables and accruals	848
Hire purchase payables	320
Term loan	2,436
Export credit refinancing	2,449
Bank overdrafts	461
	9,760

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP

6.2.1 STATEMENTS OF COMPREHENSIVE INCOME OF THE CAREPLUS (M) GROUP

	Note	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Revenue	6.2.5	35,547	38,050	41,866
Cost of sales		(31,871)	(34,090)	(31,052)
GP		3,676	3,960	10,814
Other income		79	532	277
		3,755	4,492	11,091
Administrative expenses		(1,502)	(1,479)	(2,262)
Other expenses		(646)	(384)	(446)
Profit from operations		1,607	2,629	8,383
Finance costs		(191)	(218)	(90)
PBT	6.2.6	1,416	2,411	8,293
Income tax expense	6.2.7	(192)	(439)	(2,114)
PAT		1,224	1,972	6,179
<i>GP margin (%)</i>		10.34	10.41	25.83
<i>PBT margin (%)</i>		3.98	6.34	19.81
<i>PAT margin (%)</i>		3.44	5.18	14.76
<i>Effective tax rate (%)</i>		13.56	18.21	25.49
<i>Interest coverage (times)</i>		8.41	12.06	93.14
<i>Weighted average number of ordinary shares in issue of RM1.00 each ('000)</i>		636	765	1,234
<i>Gross EPS (sen)</i>		2.23	3.15	6.72
<i>Net EPS (sen)</i>		1.92	2.58	5.01

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.2 STATEMENTS OF FINANCIAL POSITION OF THE CAREPLUS (M) GROUP
AT 31 JANUARY

	Note	2008 RM'000	2009 RM'000	2010 RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	6.2.8	6,823	6,236	9,978
Investment in an associate	6.2.9	7	7	7
Goodwill on consolidation	6.2.10	342	342	342
Investment property	6.2.11	-	-	293
Other Investment	6.2.12	-	-	55
Deferred tax assets	6.2.13	138	-	-
		<u>7,310</u>	<u>6,585</u>	<u>10,675</u>
CURRENT ASSETS				
Inventories	6.2.14	2,801	1,855	3,853
Trade receivables	6.2.15	4,721	5,453	7,332
Other receivables, deposits and prepayments	6.2.16	562	671	625
Tax refundable		46	-	-
Fixed deposits with licensed banks	6.2.17	110	-	2,110
Cash and bank balances	6.2.18	508	2,334	730
		<u>8,748</u>	<u>10,313</u>	<u>14,650</u>
Asset held for sale	6.2.19	-	-	400
		<u>8,748</u>	<u>10,313</u>	<u>15,050</u>
TOTAL ASSETS		<u>16,058</u>	<u>16,898</u>	<u>25,725</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.2 STATEMENTS OF FINANCIAL POSITION OF THE CAREPLUS (M) GROUP AT 31 JANUARY (CONT'D)

	Note	2008 RM'000	2009 RM'000	2010 RM'000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	6.2.20	765	768	1,596
Share premium	6.2.21	1,379	1,379	1,379
Retained profits	6.2.22	7,200	9,070	11,649
TOTAL EQUITY		9,344	11,217	14,624
NON-CURRENT LIABILITIES				
Long-term borrowings	6.2.23	530	358	2,576
Deferred tax liabilities	6.2.13	-	203	99
		530	561	2,675
CURRENT LIABILITIES				
Trade payables	6.2.26	3,200	2,689	2,542
Other payables and accruals	6.2.27	282	641	1,093
Short-term borrowings	6.2.28	2,100	1,500	357
Dividends payable		-	-	2,500
Provision for taxation		-	31	1,689
Bank overdrafts	6.2.29	602	259	245
		6,184	5,120	8,426
TOTAL LIABILITIES		6,714	5,681	11,101
TOTAL EQUITY AND LIABILITIES		16,058	16,898	25,725
<i>Number of ordinary shares in issue of RM1.00 each ('000)</i>				
		765	768	1,596
<i>NTA (RM'000)</i>				
		9,002	10,875	14,282
<i>NTA per ordinary share (RM)</i>				
		11.8	14.2	8.9
<i>Trade receivables turnover ratio (days)</i>				
		48.5	52.3	63.9
<i>Trade payables turnover ratio (days)</i>				
		48.5	37.4	37.2
<i>Gearing ratio (times)</i>				
		0.4	0.2	0.2

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.3 STATEMENTS OF CASH FLOWS OF THE CAREPLUS (M) GROUP

	FYE 2008	FYE 2009	FYE 2010
Note	RM'000	RM'000	RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Profit before taxation	1,416	2,411	8,293
<u>Adjustments for:-</u>			
Allowance for doubtful debts	-	-	49
Bad debts written off	-	53	5
Depreciation of investment property	-	-	32
Depreciation of property, plant and equipment	904	891	1,098
Interest expense	191	218	90
Plant and equipment written off	-	-	6
Dividend income	-	(73)	(60)
Interest income	(33)	(26)	(35)
Unrealised loss/(gain) on foreign exchange	120	(141)	183
Gain on disposal of property, plant and equipment	(7)	(169)	(30)
Operating profit before working capital changes	2,591	3,164	9,631
(Increase)/Decrease in inventories	(184)	946	(1,998)
Increase in trade and other receivables	(1,294)	(574)	(2,087)
Increase/(Decrease) in trade and other payables	73	(153)	306
CASH FROM OPERATIONS	1,186	3,383	5,852
Interest paid	(191)	(218)	(90)
Income tax paid	(25)	(2)	(546)
NET CASH FROM OPERATING ACTIVITIES	970	3,163	5,216
<u>CASH FLOW (FOR)/FROM INVESTING ACTIVITIES</u>			
Dividend received	-	55	45
Interest received	33	26	35
Proceeds from disposal of property, plant and equipment	22	690	30
Purchase of other investment	-	-	(55)
Acquisition of investment held for sale	-	-	(400)
Purchase of investment property	-	-	(325)
Repayment to related parties	(138)	(1)	-
Purchase of plant and equipment	(391)	(645)	(4,746)
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(474)	125	(5,416)
BALANCE CARRIED FORWARD	496	3,288	(200)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.3 STATEMENTS OF CASH FLOWS OF THE CAREPLUS (M) GROUP (CONT'D)

	FYE 2008	FYE 2009	FYE 2010
Note	RM'000	RM'000	RM'000
BALANCE BROUGHT FORWARD	496	3,288	(200)
CASH FLOW FOR FINANCING ACTIVITIES			
Net drawdown/(repayment) of bills payable	218	426	(1,166)
Drawdown of term loan	-	-	2,520
Dividends paid	-	(102)	(1,100)
Proceeds from issuance of shares	1,158	3	828
Repayment of revolving credit	(627)	(198)	-
Repayment of hire purchase payables	(728)	(548)	(327)
Repayment to directors	(522)	-	-
Repayment of term loans	(24)	(631)	(52)
NET CASH FOR FINANCING ACTIVITIES	(525)	(1,050)	703
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(29)	2,238	503
EFFECTS OF FOREIGN EXCHANGE, NET	29	(179)	17
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	16	16	2,075
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6.2.31 16	2,075	2,595

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.4 STATEMENTS OF CHANGES IN EQUITY OF THE CAREPLUS (M) GROUP

	Note	← Non-Distributable →			Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Capital reserves RM'000	Retained profits RM'000	
Balance at 1.2.2007		566	420	1,054	4,922	6,962
Effect of adopting FRS 3	6.2.32	-	-	(1,054)	1,054	-
Balance at 1.2.2007 (As restated)		566	420	-	5,976	6,962
Issuance of shares		199	959	-	-	1,158
Profit after taxation for the financial year		-	-	-	1,224	1,224
Balance at 31.1.2008/ 1.2.2008		765	1,379	-	7,200	9,344
Issuance of shares		3	-	-	-	3
Dividends	6.2.33	-	-	-	(102)	(102)
Profit after taxation for the financial year		-	-	-	1,972	1,972
Balance at 31.01.2009/ 1.2.2009		768	1,379	-	9,070	11,217
Issuance of shares		828	-	-	-	828
Dividends	6.2.33	-	-	-	(3,600)	(3,600)
Profit after taxation for the financial year		-	-	-	6,179	6,179
Balance at 31.1.2010		1,596	1,379	-	11,649	14,624

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.5 REVENUE

Revenue represents the invoiced value of goods sold and services rendered net of trade discounts and returns.

6.2.6 PROFIT BEFORE TAXATION

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Profit before taxation is arrived at after charging/(crediting):-			
Allowance for doubtful debts	-	-	49
Audit fee:			
- for the financial year	17	18	38
- overprovision in the previous financial year	(1)	(1)	#
Bad debts written off	-	53	5
Depreciation of investment property	-	-	32
Depreciation of property, plant and equipment	904	891	1,098
Directors' fee	107	83	68
Directors' non-fee emoluments	241	218	521
Interest expense:			
- bank overdrafts	13	5	13
- bills payable	72	116	-
- hire purchase	81	94	46
- term loan	5	3	31
- revolving credit	20	-	-
Loss/(gain) on foreign exchange:			
- realised	404	150	(5)
- unrealised	120	(141)	183
Plant and equipment written off	-	-	6
Rental of premises	106	42	40
Staff costs	3,486	3,278	3,858
Dividend income	-	(73)	(60)
Interest income	(33)	(26)	(35)
Gain on disposal of property, plant and equipment	(7)	(169)	(30)
Rental income	-	-	(27)

Note :

- Amount less than RM1,000.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.7 INCOME TAX EXPENSE

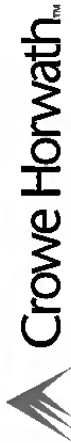
	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Current tax expense:-			
- for the financial year	18	91	2,220
- under/(over)provision in the previous financial year	-	7	(2)
	18	98	2,218
Deferred tax liabilities (Note 6.2.13):-			
- for the financial year	213	341	(72)
- overprovision in the previous financial year	(39)	-	(32)
	174	341	(104)
Total tax expense	192	439	2,114

The corporate tax rate on the first RM500,000 of chargeable income is 20%. The tax rates applicable to the balance of the chargeable income are at 26% for the FYE 2008 and 25% for the FYE 2009 and FYE 2010 respectively.

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the CAREPLUS (M) Group is as follows:-

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Profit before taxation	1,416	2,411	8,293
Tax at Malaysian statutory tax rate of:			
FYE 2008 - 26%	368	-	-
FYE 2009 - 25%	-	603	-
FYE 2010 - 25%	-	-	2,073
	368	603	2,073
Tax effects of:-			
Differential in tax rates	(9)	(74)	(75)
Non-deductible expenses	19	69	90
Investment allowances	(147)	(40)	-
Deferred tax assets not recognised during the financial year	-	-	60
Utilisation of deferred tax assets not recognised in the previous financial year	-	(126)	-
(Over)/underprovision in the previous financial year			
- current tax	-	7	(2)
- deferred tax	(39)	-	(32)
Income tax expense	192	439	2,114

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.8 PROPERTY, PLANT AND EQUIPMENT

Nat Book Value	Factory		Forklift RM'000	Freehold land and buildings RM'000	Furniture and fittings RM'000	Leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Total RM'000
	Buildings RM'000	and office extension RM'000								
At 1.2.2007	257	124	19	521	13	2,123	78	71	3,381	6,587
Additions	-	30	-	-	12	-	77	31	960	1,155
Disposal	-	-	-	-	-	-	-	-	(15)	(15)
Depreciation charge	(4)	(92)	(5)	-	(5)	(31)	(29)	(26)	(703)	(904)
At 31.1.2008	253	82	14	521	20	2,092	126	76	3,823	6,823
At 1.2.2008	253	62	14	521	20	2,092	128	76	3,623	6,823
Additions	55	-	-	109	1	-	-	-	660	825
Disposal	-	-	-	(521)	-	-	-	-	-	(521)
Depreciation charge	(5)	(26)	(5)	-	(4)	(31)	(29)	(13)	(769)	(891)
At 31.1.2009	303	36	9	109	17	2,061	97	63	3,514	6,236
At 1.2.2009	303	36	9	109	17	2,081	97	63	3,514	6,236
Additions	-	75	-	-	-	3,741	340	20	508	4,846
Written off	-	#	-	-	#	-	-	(5)	(1)	(6)
Depreciation charge	(5)	(32)	(5)	-	(4)	(90)	(84)	(14)	(823)	(1,098)
At 31.1.2010	298	79	4	109	13	5,712	353	84	3,198	9,978

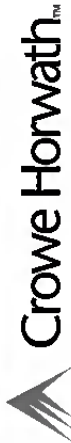
Note:

- Amount less than RM1,000.

Offices in Malaysia:

Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Muar • Penang

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM'000	Factory end office extension RM'000	Factory equipment RM'000	Forklift RM'000	Freehold land and buildings RM'000	Furniture and fittings RM'000	Leasehold land RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Total RM'000
At 31.1.2008											
Cost	284	1,173	28	95	521	92	2,411	424	371	6,980	14,379
Accumulated depreciation	(31)	(1,111)	(14)	(58)	-	(72)	(319)	(298)	(295)	(5,357)	(7,556)
Net book value	253	62	14	36	521	20	2,092	126	78	3,623	6,823
At 31.1.2009											
Cost	339	1,173	28	95	109	93	2,411	411	371	9,640	14,670
Accumulated depreciation	(38)	(1,137)	(19)	(88)	-	(78)	(350)	(314)	(308)	(6,126)	(8,434)
Net book value	303	36	9	27	109	17	2,061	97	63	3,514	6,236
At 31.1.2010											
Cost	339	1,241	25	257	109	70	6,152	611	281	9,658	18,741
Accumulated depreciation	(41)	(1,162)	(21)	(109)	-	(57)	(440)	(258)	(217)	(8,458)	(8,763)
Net book value	298	78	4	148	109	13	5,712	353	64	3,198	9,978

Note :

- Amount less than RM1,000.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in property, plant and equipment of the CAREPLUS (M) Group are the following assets acquired under hire purchase terms:-

	2008 RM'000	2009 RM'000	2010 RM'000
Forklift	36	27	18
Motor vehicles	101	52	180
Plant and machinery	1,153	1,018	582
	<u>1,290</u>	<u>1,097</u>	<u>780</u>

Included in property, plant and equipment are the following fully depreciated property, plant and equipment which are still in use:-

	2008 RM'000	2009 RM'000	2010 RM'000
Factory and office extension	918	934	1,018
Factory equipment	5	4	2
Forklift	50	50	50
Furniture and fittings	55	55	28
Motor vehicles	241	228	88
Office equipment	213	246	146
Plant and machinery	1,950	2,015	2,045
	<u>3,432</u>	<u>3,532</u>	<u>3,377</u>

Included in the net book value of property, plant and equipment at the balance sheet date are the following assets pledged to financial institutions as security for banking facilities granted to the CAREPLUS (M) Group:-

	2008 RM'000	2009 RM'000	2010 RM'000
Buildings	253	249	245
Factory and office extension	60	36	79
Leasehold land	2,092	2,062	5,712
	<u>2,405</u>	<u>2,347</u>	<u>6,036</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.9 INVESTMENT IN AN ASSOCIATE

	2008 RM'000	2009 RM'000	2010 RM'000
At cost:-			
Unquoted shares in Malaysia	7	7	7

Details of the associate, which is incorporated in Malaysia, are as follows:-

Name of Company	2008	Effective Equity Interest		Principal Activity
		2009	2010	
Sawah Testing Sdn. Bhd.	50%	50%	50%	Trading and testing of gloves.

The associate is not audited by Messrs Crowe Horwath.

6.2.10 GOODWILL ON CONSOLIDATION

	2008 RM'000	2009 RM'000	2010 RM'000
At 31 January 2008/2009/2010	342	342	342

During the financial year, the CAREPLUS (M) Group assessed the recoverable amount of the goodwill, and determined that purchased goodwill is not impaired.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of one year. The key assumptions used for value-in-use calculations are:-

Growth rate	10%
Gross margin	86%
Discount rate	11%

Management determined the budgeted gross margin based on past performance and its expectations of market development. The growth rate used is based on the past years' achievements. The discount rate used is pre-tax and was estimated based on the industry weighted average cost of capital.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.11 INVESTMENT PROPERTY

	2008 RM'000	2009 RM'000	2010 RM'000
Cost	-	-	325
Depreciation during the year	-	-	(32)
Net book value	-	-	293

The investment property of the CAREPLUS (M) Group has been pledged to a licensed bank as security for banking facilities granted to the CAREPLUS (M) Group.

6.2.12 OTHER INVESTMENT

	2008 RM'000	2009 RM'000	2010 RM'000
Shares quoted in Malaysia:-			
At cost	-	-	55
At market value	-	-	55

6.2.13 DEFERRED TAX ASSETS/(LIABILITIES)

	2008 RM'000	2009 RM'000	2010 RM'000
At 1 February	312	138	(203)
Recognised in income statements (Note 6.2.7)	(174)	(341)	104
At 31 January	138	(203)	(99)

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.13 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax consists of the tax effects of the following items:-

	2008 RM'000	2009 RM'000	2010 RM'000
Deferred tax liabilities:-			
Accelerated capital allowances	(136)	(117)	(102)
Unrealised gain on foreign exchange	-	(91)	-
	<u>(136)</u>	<u>(208)</u>	<u>(102)</u>
Deferred tax assets:-			
Unutilised tax losses	249	5	3
Unrealised loss on foreign exchange	25	-	-
	<u>274</u>	<u>5</u>	<u>3</u>
	<u>138</u>	<u>(203)</u>	<u>(99)</u>

No deferred tax asset is recognised on the following item:-

	2008 RM'000	2009 RM'000	2010 RM'000
Unrealised loss on foreign exchange	-	-	185

6.2.14 INVENTORIES

	2008 RM'000	2009 RM'000	2010 RM'000
At cost:-			
Raw materials	469	276	437
Work-in-progress	1,699	846	1,529
Finished goods	633	733	1,887
	<u>2,801</u>	<u>1,855</u>	<u>3,853</u>

None of the inventories is carried at net realisable value.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.15 TRADE RECEIVABLES

	2008 RM'000	2009 RM'000	2010 RM'000
Trade receivables	4,721	5,453	7,381
Allowance for doubtful debts	-	-	(49)
	<u>4,721</u>	<u>5,453</u>	<u>7,332</u>

The CAREPLUS (M) Group's normal trade credit terms range from 30 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile of the trade receivables at the balance sheet date is as follows:-

	2008 RM'000	2009 RM'000	2010 RM'000
US Dollar	3,698	5,086	8,933
Singapore Dollar	35	40	26
Euro	688	275	260
Pound Sterling	#	15	99

Note:

- Amount less than RM1,000.

6.2.16 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2008 RM'000	2009 RM'000	2010 RM'000
Other receivables	196	405	47
Deposits	34	88	37
Prepayments	332	180	541
	<u>562</u>	<u>671</u>	<u>625</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.17 FIXED DEPOSITS WITH LICENSED BANKS

The weighted average effective interest rates of the fixed deposits at the balance sheet date and the maturity periods are as follows:-

	2008	2009	2010
Effective interest rates (%)	3.7	-	1.8
Average maturity periods (days)	30	-	30

6.2.18 CASH AND BANK BALANCES

The foreign currency exposure profile of the cash and bank balances at the balance sheet date is as follows:-

	2008 RM'000	2009 RM'000	2010 RM'000
US Dollar	283	1,878	357
Euro	-	4	252
Pound Sterling	154	105	3

6.2.19 ASSET HELD FOR SALE

	2008 RM'000	2009 RM'000	2010 RM'000
Unquoted investment, at cost	-	-	400

During the financial year, CAREPLUS (M) acquired a 50% equity interest in a company, Terra Sands Sdn. Bhd., for a total cash consideration of RM400,000.

The sale of the associate was completed on 30 June 2010.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.20 SHARE CAPITAL

	2008	2009	2010	2008	2009	2010
	Number of shares					
	('000)	('000)	('000)	RM'000	RM'000	RM'000
Ordinary shares of RM1 each						
Authorised:-						
At 1 February	1,000	1,000	1,000	1,000	1,000	1,000
Increase during the financial year	-	-	4,000	-	-	4,000
At 31 January	1,000	1,000	5,000	1,000	1,000	5,000
Issued and fully paid-up:-						
At 1 February	566	765	768	566	765	768
Allotment during the financial year	199	3	828	199	3	828
At 31 January	765	768	1,596	765	768	1,596

6.2.21 SHARE PREMIUM

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965.

6.2.22 RETAINED PROFITS

Subject to the agreement of the tax authorities, CAREPLUS (M) has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends of approximately RM2,449,000, RM2,474,000 and RM1,074,000 as at 31 January 2008, 2009 and 2010 respectively out of its retained profits without incurring any additional tax liability. The balance of the retained profits, if distributed as dividends, will incur additional tax payments.

Effective from 1 January 2008, CAREPLUS (M) is allowed an irrevocable option to elect for the single tier tax system or continue with the use of the tax credit balance for the purpose of dividend distribution. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, CAREPLUS (M) will automatically move to the single tier tax system.

Subsequent to FYE 2010, CAREPLUS (M) has elected for the single tier tax system.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.23 LONG-TERM BORROWINGS

	2008 RM'000	2009 RM'000	2010 RM'000
Hire purchase payables (Note 6.2.24)	501	357	208
Term loans (Note 6.2.25)	29	1	2,368
	<u>530</u>	<u>358</u>	<u>2,576</u>

6.2.24 HIRE PURCHASE PAYABLES

	2008 RM'000	2009 RM'000	2010 RM'000
Minimum hire purchase payments:-			
- not later than one year	621	354	255
- between one and five years	554	385	224
	<u>1,175</u>	<u>739</u>	<u>479</u>
Less: Future finance charges	(141)	(73)	(40)
Present value of hire purchase payables	<u>1,034</u>	<u>666</u>	<u>439</u>
Current:			
- not later than one year (Note 6.2.28)	533	309	231
Non-current:			
- later than one year and not later than five years (Note 6.2.23)	501	357	208
	<u>1,034</u>	<u>886</u>	<u>439</u>

The hire purchase payables at the balance sheet date bore effective interest rates as follows:-

	2008	2009	2010
Effective interest rates (%)	<u>4.5 - 7.5</u>	<u>4.5 - 7.5</u>	<u>4.5 - 7.0</u>

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.25 TERM LOANS

	2008 RM'000	2009 RM'000	2010 RM'000
Current portion:			
- repayable within one year (Note 6.2.28)	24	26	126
Non-current portion:			
- repayable between one to two years	25	1	131
- repayable between two to five years	4	-	426
- repayable after five years	-	-	1,811
Total non-current portion (Note 6.2.23)	29	1	2,368
	53	27	2,494

Details of the repayment terms are as follows:-

Term Loan	Number Of Monthly Instalments	Monthly Instalment Amount RM'000	Date Of Commencement Of Repayment	Amount Outstanding		
				2008 RM'000	2009 RM'000	2010 RM'000
1	48	2	25 January 2006	53	27	-
2	180	19	15 October 2009	-	-	2,494
				53	27	2,494

The term loans at the balance sheet date bore weighted average effective interest rates as follows:-

	2008	2009	2010
Weighted average effective interest rates (%)	8.0	8.0	4.1

The term loans at the balance sheet date are secured by:-

- (iii) a first legal charge over the leasehold land and certain buildings as disclosed in Note 6.2.8 to this report; and
- (ii) a joint and several guarantee of the directors of the CAREPLUS (M).

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.26 TRADE PAYABLES

The normal credit terms granted to the CAREPLUS (M) Group range from 30 to 120 days.

The foreign currency exposure profile of the trade payables at balance sheet date is as follows:-

	2008 RM'000	2009 RM'000	2010 RM'000
United States Dollar	62	62	332

6.2.27 OTHER PAYABLES AND ACCRUALS

	2008 RM'000	2009 RM'000	2010 RM'000
Other payables	55	344	90
Accruals	155	250	911
Deposits received	72	47	92
	282	641	1,093

6.2.28 SHORT-TERM BORROWINGS

	2008 RM'000	2009 RM'000	2010 RM'000
Bills payable	1,345	1,165	-
Revolving credit	198	-	-
Hire purchase payables (Note 6.2.24)	533	309	231
Term loans (Note 6.2.25)	24	26	126
	2,100	1,500	357

The bills payable and revolving credit at the balance sheet date bore weighted average effective interest rates as follows:-

	2008 %	2009 %	2010 %
Bills payable	5.0	4.2	-
Revolving credit	5.0	-	-

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.28 SHORT-TERM BORROWINGS (CONT'D)

The bills payable and revolving credit of the CAREPLUS (M) Group are secured in the same manner as the bank overdrafts disclosed in Note 6.2.29 to this report.

6.2.29 BANK OVERDRAFTS

The bank overdrafts at the balance sheet date bore weighted average effective interest rates as follows:-

	2008 %	2009 %	2010 %
Weighted average effective interest rates	7.2	5.0	6.6

The bank overdrafts at the balance sheet date are secured by:-

- (i) a first legal charge over the leasehold land and certain buildings as disclosed in Note 6.2.8 and Note 6.2.11 to this report; and
- (iii) a joint and several guarantee of the directors of the CAREPLUS (M);
- (iii) a joint and several guarantee of a director of a subsidiary; and
- (iii) a corporate guarantee of a related party.

6.2.30 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Cost of property, plant and equipment purchased	1,155	825	4,846
Amount financed through hire purchase	(764)	(180)	(100)
Cash disbursed for purchase of property, plant and equipment	391	645	4,746

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.31 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Fixed deposits with licensed banks	110	-	2,110
Cash and bank balances	508	2,334	730
Bank overdrafts	(602)	(259)	(245)
	<u>16</u>	<u>2,075</u>	<u>2,595</u>

6.2.32 EFFECTS ARISING FROM THE ADOPTION OF FRS

The CAREPLUS (M) Group has applied FRS 3 - Business Combinations in accordance with the transitional provisions of the standard. The change in the accounting policy has no impact on the amounts reported for the financial year ended 31 January 2007 or prior periods. The change has been accounted for by restating the following opening balances of the CAREPLUS (M) Group as at 1 February 2007 as follows:-

	At 1.2.2007 RM'000	Effect of FRS 3 RM'000	As restated RM'000
Balance Sheet (Extract):-			
Capital reserves	(1,054)	1,054	-
Retained profits	(4,922)	(1,054)	(5,976)

In accordance with the transitional provisions of FRS 3 - Business Combinations, the negative goodwill as at 1 February 2007 of RM1,054,000 was derecognised with a corresponding adjustment to the retained profits.

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.33 DIVIDENDS

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Paid:-			
First interim dividend of approximately RM0.18 and RM0.87 per ordinary share less 25% tax for the FYE 2009 and FYE 2010 respectively	-	102	500
Second interim dividend of approximately RM0.50 per ordinary share less 25% tax for FYE 2010	-	-	800
	-	102	1,100
Payable:-			
Third interim tax-exempt dividend of approximately RM1.38 per ordinary share for the FYE 2010	-	-	2,200
Fourth interim dividend of approximately RM0.25 per ordinary share less 25% tax for the FYE 2010	-	-	300
	-	102	3,600

6.2.34 RELATED PARTY DISCLOSURES

- (a) Identities of related parties
- (i) CAREPLUS (M) has a controlling related party relationship with its associate as disclosed in Note 6.2.9 to the financial statements; and
- (ii) the directors who are the key management personnel.
- (b) In addition to balances detailed elsewhere in the financial statements, CAREPLUS (M) carried out the following transactions with its related party during the Relevant Financial Period:-
- (i) Associate

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Purchases from an associate	23	20	21
Sales of rubber gloves	97	63	14
Quality control and packing services charged by an associate	160	122	64
Quality control services charged to an associate	-	-	54

13. ACCOUNTANTS' REPORT (Cont'd)



6. AUDITED FINANCIAL STATEMENTS (CONT'D)

6.2 CAREPLUS (M) GROUP (CONT'D)

6.2.34 RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to balances detailed elsewhere in the financial statements, CAREPLUS (M) carried out the following transactions with its related party during the Relevant Financial Period (cont'd):-

(ii) Key management personnel

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Short-term employee benefits	348	301	589

6.2.35 CAPITAL COMMITMENT

Authorised capital expenditure not provided for in this report:-

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Contracted but not provided for:			
- Construction of a factory	-	-	5,314

6.2.36 FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	2008 RM	2009 RM	2010 RM
Pound Sterling	6.42	5.13	5.51
Euro	4.80	4.65	4.76
Singapore Dollar	2.28	2.39	2.43
United States Dollar	3.24	3.61	3.41

13. ACCOUNTANTS' REPORT (Cont'd)



7. SUBSEQUENT EVENTS

There were no significant subsequent events between the date of the latest financial statements used in the preparation of this report and the date of this report which will effect materially the contents of this report.

8. AUDITED FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared in respect of the financial period subsequent to 31 July 2010 for CAREPLUS and its subsidiaries.

Yours faithfully

A handwritten signature in black ink, appearing to be "C.H.", written over a horizontal line.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to be "L.K.W.", written over a horizontal line.

Lee Kok Wai
Approval No: 2760/06/12 (J)
Chartered Accountant



**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS
CAREPLUS (M) SDN. BHD.**
(Incorporated in Malaysia)
Company No: 212677 - K

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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Report on the Financial Statements

We have audited the consolidated financial statements of Caraplus (M) Sdn. Bhd. and its subsidiaries (collectively, "the Group"), which comprise the Group's consolidated balance sheets as at 31 January 2008, 2009 and 2010, and the consolidated income statements, consolidated statements of changes in equity and consolidated cash flow statements of the Group for the financial years ended 31 January 2008, 2009 and 2010 (hereinafter referred to as "the Relevant Financial Years") and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 50.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Group are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

It is our responsibility to form an independent opinion, based on our audit, on the consolidated financial statements and to report our opinion to you, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS
CAREPLUS (M) SDN. BHD. (CONT'D)**
(Incorporated in Malaysia)
Company No: 212677 - K

Auditors' Responsibility (Cont'd)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group as of 31 January 2008, 2009 and 2010 and of their financial performance and cash flows for the Relevant Financial Years then ended.


Other Matters

This report is made solely to the Board of Directors of Careplus (M) Sdn. Bhd. for the purpose of Careplus Group Berhad's proposed listing on the ACE Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Kuala Lumpur

15 JUN 2010


Lee Kok Wai
Approval No: 2760/06/12(J)
Chartered Accountant



INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS CAREPLUS GROUP BERHAD

(Incorporated In Malaysia)
Company No: 896134 - D

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Careplus Group Berhad and its subsidiaries (collectively, "the Group"), which comprise the Group's consolidated statements of financial position at 31 July 2010 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 67.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Group are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

It is our responsibility to form an independent opinion, based on our audit, on the consolidated financial statements and to report our opinion to you, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS
CAREPLUS GROUP BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No: 896134 - D

Opinion

In our opinion, the consolidated financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group as of 31 July 2010 and of its financial performance and cash flows for the financial period then ended.

Other Matters

This report is made solely to the Board of Directors of Careplus Group Berhad for the purpose of its proposed listing on the ACE Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature in black ink, consisting of a large 'C' and 'H' intertwined.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Kuala Lumpur

08 OCT 2010

A stylized signature in black ink, consisting of a large 'L' and 'K' intertwined.

Lee Kok Wal
Approval No: 2760/06/12(J)
Chartered Accountant

14. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)



CAREPLUS GROUP BERHAD (Company No. 896134-D)

Lot 110, Lorong Senawang 4/3, Off Jalan Senawang Empat,
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Your One-Stop Center for Quality Malaysian Made Protection Products

Registered Office
Third Floor, No. 79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
3 November 2010

To: The Shareholders of Careplus Group Berhad ("Careplus" or the "Company")

Dear Sir/Madam,

On behalf of the Board of Directors of Careplus, I report that after making due enquiries in relation to the interval date between 31 July 2010, being the date to which the last audited financial statements of Careplus and its subsidiaries ("Careplus Group") have been made up, and 3 November 2010, being a date not earlier than fourteen (14) days before the issue of this Prospectus:

- (a) the business of the Careplus Group, in the opinion of the Directors, has been satisfactorily maintained;
- (b) in the opinion of the Directors, save as disclosed in this Prospectus, no circumstance has arisen since the last audited financial statements of the Careplus Group, which has adversely affected the trading or the value of the assets of the Careplus Group;
- (c) the current assets of the Careplus Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) no contingent liability has arisen by reason of any guarantee or indemnity given by the Careplus Group;
- (e) there has been, since the last audited financial statements of the Careplus Group, no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowing in which the Directors are aware of; and
- (f) save as disclosed in the Pro Forma Consolidated Financial Information and the Accountants' Report set out in this Prospectus, since the last audited financial statements of the Careplus Group, there has been neither any material change to the published reserves nor any unusual factor affecting the profits of the Careplus Group.

Yours faithfully,
For and on behalf of the Board of Directors
CAREPLUS GROUP BERHAD


LIM KWEE SHYAN
Executive Director cum Group Chief Executive Officer

15. ADDITIONAL INFORMATION

15.1 Share Capital

- (a) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (b) Save as disclosed in this Prospectus, none of the capital of our Company and our subsidiaries has been issued or was proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding the date of this Prospectus.
- (c) Neither our Company nor our subsidiaries has any capital that is under option, or agreed conditionally or unconditionally to be put under option.
- (d) Save for the Public Issue Shares reserved for our eligible Directors and employees as set out in Section 3.3 of this Prospectus, there is currently no other scheme for or involving our Directors or employees in the capital of our Company or any of our subsidiaries.
- (e) There are no limitations on the right to own our securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by law or by the constituent documents of our Company.

15.2 Articles of Association

The following provisions are reproduced from our Articles of Association relating to transfer of securities, remuneration of Directors, voting and borrowing powers of Directors and changes in capital and variation of class rights.

15.2.1 Transfer of securities

The provisions of our Articles of Association in respect of the arrangements for the transfer of our Shares and the restrictions on their free transferability are as follows:

Article 31

Subject to the provisions of the Articles of Association, the Act, the Securities Industry (Central Depositories) Act 1991 and the Rules of Depository (with respect to transfer of a deposited security), all transfers of securities shall be in writing in the form prescribed and approved by Bursa Securities, or such form as may from time to time, be prescribed under the Act or approved by Bursa Securities, or such relevant authorities of the stock exchanges on which the Company's securities are listed. All transfers of Deposited Securities shall be effected in accordance with the Rules of Bursa Depository.

Article 32

The transfer of any listed securities or class of listed securities of the Company which have been deposited with Bursa Depository, shall be by way of book entry by Bursa Depository in accordance with the Rules of Bursa Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

15. ADDITIONAL INFORMATION (Cont'd)

Article 33

Subject to the Articles of Association, there shall be no restriction on the transfer of fully paid securities except where required by law. However, no shares shall in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind. In the case of deposited securities, Bursa Depository may refuse to register any transfer that does not comply with the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.

Article 35

Nothing in the Articles of Association shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Article 36

Neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares by registered Members apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee and/or particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors' administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

15.2.2 Remuneration of Directors

The provisions of our Articles of Association dealing with the remuneration and benefits of our Directors are as follows:

Article 112

The fees of the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled to rank in such division for a proportion of the fees related to the period during which the Director has held office provided always that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profit or turnover. Salaries payable to Executive Directors may not include a commission on or percentage of turnover;
- (b) the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meeting of the Company or in connection with the business of the Company;

15. ADDITIONAL INFORMATION (Cont'd)

- (c) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (d) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Article 113

- (1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance or their duties as Directors.
- (2) If by any arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special excursions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member or a committee of Directors, the Directors may pay him extra remuneration, in addition to his director's fees.

Article 142

A managing Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (which shall not include a commission on or percentage of turnover) as the Directors may determine. It may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

Article 110 (iii)

An alternate Director shall not be entitled to receive remuneration otherwise than out of the remuneration of the Director appointing him.

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15. ADDITIONAL INFORMATION (Cont'd)

15.2.3 Voting and borrowing powers of Directors

The provisions of our Articles of Association dealing with the voting and borrowing powers of our Directors are as follows:

Article 116

- (a) The Directors may exercise all the powers of the Company to borrow money or to mortgage or charge its undertaking, property, uncalled capital, or any part thereof, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any related third party.
- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- (c) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

Article 117

The Directors may exercise all the powers of the Company in relation to any official seal for use outside Malaysia and in relation to branch register.

Article 118

The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons who are or who shall have been at any time in the employment or service of the Company or any associated Company or to any persons who are or who have been a Director or other officer of and holds or have held salaried employment in the Company or any associated Company, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment of subsidy or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object. Provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder, subject only where the Act requires to proper disclosure to the Members of the Company in general meeting.

15. ADDITIONAL INFORMATION (Cont'd)

Article 121

A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that Sections 131, 131A and 132E and all other relevant provisions of the Act and the Articles of Association are complied with.

Article 130

Every Director shall comply with Sections 131, 131A and 135 of the Act and who is personally interested directly or indirectly in any contract or arrangement or proposed contract or arrangement with the Company shall declare his interest to the Board of Directors as soon as he becomes aware of such contract or arrangement and such Director shall not participate in deliberations concerning such contract or arrangement nor shall he cast his vote in respect of any matter arising therefrom.

Article 131

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by a deposit of a security.

Article 132

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other Company whereat the terms of such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement which he is in any way interested provided always that he has complied with Section 131, 131A and all other relevant provisions of the Act and the Articles of Association.

15. ADDITIONAL INFORMATION (Cont'd)

15.2.4 Changes in capital and variation of class rights

The provisions of our Articles of Association dealing with changes in capital variations of class rights which are stringent as those provided in the Act are as follows:

Article 57

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of the Articles of Association relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-third (1/3) of the issued shares of the class and that any holder may demand in poll. To every such special resolution, the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

Article 58

The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Article 59

The Company may from time to time by ordinary resolution increase the share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase shall prescribe.

Article 60

Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules of Bursa Depository.

15. ADDITIONAL INFORMATION (Cont'd)

Article 61

The Company may by ordinary resolution from time to time :-

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
- (ii) sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provision of the Act, and so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the resulting shares, one or more of such shares may by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; or
- (iii) cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 62

The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by the Act.

15.3 Directors and Substantial Shareholders

- (a) The names, addresses and professions of our Directors are set out in the Corporate Directory Section of this Prospectus.
- (b) There is no existing or proposed service agreement (other than employment contract) between us and our Directors or key management.
- (c) Please refer to Section 8.1.1 of this Prospectus for the direct and indirect interests of our Promoters and substantial shareholders in the issued and paid-up capital of our Company before and after the IPO.
- (d) Please refer to Section 8.2.1 of this Prospectus for the direct and indirect interests of our Directors in the issued and paid-up capital of our Company before and after the IPO.
- (e) None of our Directors or substantial shareholders has any interest, direct or indirect, in any business carrying on a similar trade as us.
- (f) None of our Directors or substantial shareholders has interest in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Company and our subsidiaries taken as a whole.

15. ADDITIONAL INFORMATION (Cont'd)

15.4 Material Contracts

Save as disclosed below, we have not entered into any contract which are or may be material (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Prospectus:

- (a) On 29 June 2009, PPG entered into a sale and purchase agreement with Sime Healthcare Sdn Bhd to acquire a leasehold land held under No. Hakmilik PN 1290, Lot No. 17479, Kawasan Perindustrian Senawang, Mukim Ampangan, Daerah Seremban, Negeri Sembilan Darul Khusus, bearing postal address Lot 17479, Jalan Senawang Empat, 70450 Seremban, Negeri Sembilan Darul Khusus for a total cash consideration of RM3.60 million. The said acquisition has been completed on 3 September 2009;
- (b) On 26 January 2010, PPG entered into a Settlement Agreement with Chandrasekar A/L Kolandai ("**Vendor**") in respect of the sale and purchase of certain factory assets from the Vendor vide a sale and purchase agreement dated 14 July 2009. The Vendor had failed and/or yet to provide satisfactory evidence to PPG as to his right to sell the said factory assets and as a consequence thereof, PPG is withholding the payment of the balance purchase price amounting to RM200,000. Pursuant to the terms of the Settlement Agreement, the balance purchase price is agreed to be paid by PPG to the Vendor subject to certain conditions being met so as to ensure that the Vendor has the right to sell the said factory assets, including the execution of certain Letters of Guarantee and Indemnity and the procurement of the written confirmation of the Official Receiver, failing which PPG has the right to recover the entire purchase price amounting to RM558,000;
- (c) Careplus (M) had over a period from 2 July 2009 until 15 February 2010, acquired and/or subscribed for an aggregate of 404,000 ordinary shares of RM1.00 each in Terra Sands Sdn Bhd ("**Terra Sands**") representing 50.5% equity interest in Terra Sands, at a total investment cost of RM404,000. On 30 June 2010, Careplus (M) had disposed of its entire 404,000 ordinary shares of RM1.00 each in Terra Sands to Yew Nieng Choon, Lim Kwee Shyan, Ng Shu Si, Lim Kau @ Lim Kwee Wu and Loo Teck Looi for a total consideration of RM404,000. No formal agreements were executed for any of the aforesaid share transactions. However, the contracting parties had on 30 June 2010 executed a Memorandum to confirm the transactions entered into between them. All considerations have been fully settled and there are no other terms and conditions applicable to the aforesaid transactions;
- (d) On 1 July 2010, Careplus entered into a conditional share purchase agreement with the Vendors, for the acquisition of 1,595,339 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Careplus (M), for a total consideration of RM14,495,838 based on the audited consolidated NA of Careplus (M) as at 31 January 2010 of RM14,495,838 to be satisfied via the issuance of 144,949,900 new ordinary shares of RM0.10 each of Careplus issued at a price of approximately RM0.10 per Share. The said acquisition was completed on 1 July 2010;

15. ADDITIONAL INFORMATION (Cont'd)

- (e) On 3 July 2010, Careplus entered into a share transfer agreement with Careplus (M) for the acquisitions of the following:
- 1,311,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up capital of PPG, for a total consideration of RM7,326,750 based on the audited NA of PPG as at 31 January 2010 of RM7,326,750; and
 - 100,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Masterclean Tech, for a total consideration of RM443,209 based on the audited NA of Masterclean Tech as at 31 January 2010 of RM443,209.
- The said acquisition was completed on 3 July 2010;
- (f) on 27 October 2010, our Company entered into an Underwriting Agreement with OSK for the underwriting of 22,550,000 Public Issue Shares at an underwriting commission of 2.0% of the total value of the underwritten value at the Issue Price of RM0.23 per Share; and
- (g) on 27 October 2010, our Company entered into a Placement Agent Agreement with OSK for the placement of 38,900,000 Public Issue Shares at the rate of 2.0% of the value of the Shares placed out to investors identified by the Placement Agent at the Issue Price of RM0.23 per Share. Should the investors be identified by our Company, our Company is obligated to pay the Placement Agent a tiered placement fee structure based on the number of Shares successfully placed out by our Company as follows:
- (i) where the investor has subscribed for less than 1,000,000 Shares, the placement fee would be 1.0% of the total value of Shares placed out at the Issue Price of RM0.23 per Share; or
 - (ii) where the investor has subscribed for 1,000,000 or more Shares, a placement fee would be 0.5% of the total value of Shares placed out at the Issue Price of RM0.23 per Share.

15.5 Material Litigation and Arbitration

As at LPD, we are not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has or might have material effects on our business or financial position, and our Directors do not know of any proceeding pending and threatened, and of any fact likely to give rise to any proceeding which might materially and adversely affect our business or financial position.

15.6 General Information

During the last financial year and the current financial year, there has been:

- (a) no public take-over offers by third parties in respect of our Shares; and
- (b) no public take-over offers by us in respect of other companies' shares.

15. ADDITIONAL INFORMATION (Cont'd)

15.7 Consents

The Principal Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Bloomberg, OSK Research Sdn Bhd, Principal Bankers, Registrar, Company Secretary and Issuing House have, before the issue of this Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this Prospectus of their names in the form and context in which their names appear.

The Auditors and Reporting Accountants have, before the issue of this Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this Prospectus of their names, letter relating to the Pro forma Consolidated Financial Information and Accountants' Report in the form and context in which they appear in this Prospectus.

The Independent Market Researcher has, before the issue of this Prospectus, given and has not subsequently withdrawn its written consent to the inclusion in this Prospectus of its name and the Executive Summary of the Independent Market Research Report in the form and context in which they appear in this Prospectus.

15.8 Documents for Inspection

Copies of the following documents may be inspected at our registered office during normal office hours for a period of twelve (12) months from the date of this Prospectus:

- (a) our Memorandum and Articles of Association;
- (b) the gas supply contract with Gas Malaysia Sdn Bhd dated 6 September 2010;
- (c) the Executive Summary of the Independent Market Research Report dated 27 October 2010 as included in Section 7 of this Prospectus and the full report of the Independent Market Research Report of the Rubber Gloves Manufacturing Industry dated 9 July 2010 and updated on 27 October 2010, prepared by D&B;
- (d) the Reporting Accountants' letter relating to the Pro forma Consolidated Financial Information dated 29 October 2010 as included in Section 12.3 of this Prospectus
- (e) the Accountants' Report dated 29 October 2010 as included in Section 13 of this Prospectus;
- (f) the Directors' Report as included in Section 14 of this Prospectus;
- (g) material contracts as disclosed in Section 15.4 of this Prospectus;
- (h) the letters of consent as referred to in Section 15.7 of this Prospectus; and
- (i) the audited financial statements of our Company and subsidiaries for the past three (3) financial years up to the FYE 31 January 2010 and the audited consolidated financial statements of our Group for the six (6)-month FPE 31 July 2010.

15.9 Responsibility Statements

This Prospectus has been seen and approved by our Directors and Promoters and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

OSK, being our Principal Adviser, Sponsor, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the IPO.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Opening and Closing of Applications

Opening of applications: 10.00 a.m. on 16 November 2010

Closing of applications: 5.00 p.m. on 24 November 2010

or at such other later time and date or dates as our Directors and Underwriter may mutually decide, at their absolute discretion. **We will not accept late applications.**

Our Directors and Underwriter may mutually decide, at their absolute discretion, to extend the closing date and time for application of the IPO to any later date or dates. Should the closing date of the application for the IPO be extended, we will advertise a notice of the extension in widely-circulated English and Bahasa Malaysia newspapers prior to the original closing date of applications for the IPO. Following this, the dates for the balloting of applications for the Public Issue Shares, allotment of the Public Issue Shares and Listing would be extended accordingly.

16.2 Eligibility

You can only apply for our Shares if you fulfil **all** the following:

- (a) You must have a CDS account. If you do not have a CDS account, you may open one (1) by contacting any of the ADAs listed in Section 17 of this Prospectus;
- (b) You must be **one (1)** of the following:
 - (i) A Malaysian citizen who is at least eighteen (18) years old as at the closing date of the application with a Malaysian address; or
 - (ii) A corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors/trustee and if you have a share capital, more than half of your issued share capital, excluding preferred share capital is held by Malaysian citizens; or
 - (iii) A superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institution referred to in (b)(ii) or (iii) above or the trustees thereof; and

- (c) You are not a director or employee of MIH, our Issuing House or their immediate family members.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.3 Methods of Application**

Applications for the Public Issue Shares may be made using any of the following ways:

Class of applicants	Application method
Eligible Directors, employees and business associates who have contributed to our success and development	Pink Application Form only
Identified investors via private placement	Separate letters/forms delivered to the respective places
Malaysian public (for individuals)	White Application Form or Electronic Share Application ⁽¹⁾ or Internet Share Application ⁽²⁾
Malaysian public (for non individuals, e.g. corporations, institutions, etc)	Whits Application Form only
Bumiputera investors approved by the MITI	Separate letters/forms delivered to the respective Bumiputera investors

Notas:

- (1) A surcharge of RM2.50 per Electronic Share Application will be charged by the Participating Financial Institution.
- (2) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
- (a) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 per Intamat Shara Application via CIMB Bank Berhad or via Malayan Banking Berhad;
 - (b) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 per Intamat Share Application for applicants with CDS account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
 - (c) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00 per Internet Share Application;
 - (d) Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders; and
 - (e) RHB Bank Berhad (www.rhbbank.com.my) – RM2.50 per Internet Shara Application.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.4 Procedures for Application

16.4.1 Procedures for application by way of an Application Form

Our eligible directors, employees and business associates who have contributed to our success and development will be distributed **Pink** Application Forms, letters detailing their allocation and additional letters of instruction. Their application must follow the notes and instructions in the said documents and where relevant, this Prospectus.

Members of the Malaysian public should follow the following procedures in making their applications:

Step 1 : Obtain application documents

Obtain the **White** Application Forms (if you are a member of the Malaysian public) together with the Official "A" and "B" envelopes and a copy of this Prospectus. These documents can be obtained subject to availability from the following parties:

- (a) OSK;
- (b) participating organisations of Bursa Securities;
- (c) members of the Association of Banks in Malaysia;
- (d) members of the Malaysian Investment Banking Association; and
- (e) MIH.

Step 2 : Read the Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand this Prospectus before making your application.

Step 3 : Complete the Application Form

Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in this Prospectus.

(a) Personal particulars

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. Please inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, your name and national registration identity card ("**NRIC**") number must be the same as that stated in:

- (i) your NRIC; or
- (ii) your "Resit Pengenalan Sementara (JPN KP 09)" issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990; or

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) any valid temporary identity document as issued by the National Registration Department from time to time.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be the same as that stated in your authority card.

If you are a corporation/institution, the name and certificate of incorporation number must be the same as that stated in the corporation's/institution's certificate of incorporation.

(b) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid, nominee or third party CDS accounts will **not** be accepted.

(c) Details of payment

You must state the details of your payment in the appropriate boxes provided in the White Application Form.

(d) Number of Shares applied

Your application must be for 100 Shares or multiples thereof.

Step 4 : Prepare appropriate form of payment (applicable to Malaysian public)

Prepare the correct form of payment in RM for the FULL amount payable for the Public Issue Shares based on the Issue Price.

Your completed Application Form must be accompanied by remittance in RM for the full amount payable by any of the following:

- (a) banker's draft or cashier's order purchased within Malaysia only and drawn on a bank in Kuala Lumpur; or
- (b) money order or postal order (for applicants from Sabah and Sarawak only); or
- (c) Guaranteed Giro Order ("GGO") from Bank Simpanan Nasional Malaysia; or
- (d) ATM statement obtained only from any of the following financial institutions:
- Affin Bank Berhad; or
 - Alliance Bank Malaysia Berhad; or
 - AmBank (M) Berhad; or
 - CIMB Bank Berhad; or
 - EON Bank Berhad; or
 - Hong Leong Bank Berhad; or
 - Malayan Banking Berhad; or
 - Public Bank Berhad; or
 - RHB Bank Berhad,

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

and must be made out in favour of **"MIH's SHARE ISSUE A/C NO: 504"** and crossed **"A/C PAYEE ONLY"** (excluding ATM statements) and endorsed on the reverse side with your name and address.

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

Step 5 : Finalise application

Insert the White Application Form with the appropriate payment and a legible photocopy of identification document (NRIC/"Resit Pengenalan Sementara (JPN KP 09)"/valid temporary identity document issued by the National Registration Department/authority card/certificate of incorporation) into Official "A" envelope and seal it. Write your name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to your name and address as per your NRIC/"Resit Pengenalan Sementara (JPN KP 09)"/valid temporary identity document issued by the National Registration Department/authority card/ certificate of incorporation. Affix a stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

Step 6 : Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:

- (a) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd (258345-X)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
P.O.Box 8269
Pejabat Pos Kelana Jaya
46785 Petaling Jaya

- (b) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan so as to arrive not later than 5.00 p.m. on 24 November 2010.

The Application Forms set out the full instruction for the application of the Public Issue Shares and the procedures to be followed. The Application Forms together with the notes and instructions shall constitute an integral part of this Prospectus. All Applicants are advised to read the Application Forms and the notes and instructions therein carefully. Applications which do not conform strictly to the terms of this Prospectus or the Application Form or notes and instructions or which are illegible may not be accepted at the absolute discretion of our Directors.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.4.2 Procedures for application by way of an Electronic Share Application

Application for our Shares by way of Electronic Share Application are only applicable to Malaysian individuals in respect of the Public Issue Shares made available for application by the Malaysian public.

(a) Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) You must have an account with a Participating Financial Institution (as detailed in Section 16.4.2(b) below) and an ATM card issued by that Participating Financial Institution to assess the account;
- (ii) You must have a CDS account; and
- (iii) You may apply for the Public Issue Shares via the ATM of the Participating Financial Institutions by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.4.2(c) of the terms and conditions for Electronic Share Applications. You will have to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:
 - Personal Identification Number (PIN);
 - MIH Share Issue Account Number 504;
 - CDS account number;
 - Number of Shares applied for and/or the RM amount to be debited from the account; and
 - Confirmation of several mandatory statements.

(b) Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions at their branches:

- Affin Bank Berhad; or
- AmBank (M) Berhad; or
- Bank Muamalat Malaysia Berhad; or
- CIMB Bank Berhad; or
- EON Bank Berhad; or
- HSBC Bank Malaysia Berhad; or
- Malayan Banking Berhad; or
- OCBC Bank (Malaysia) Berhad; or
- RHB Bank Berhad, or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(c) Terms and conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "Steps"). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 16.4.2(a) above. You must complete all the steps and follow the instructions set out on the ATM screen to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "applicant/you" in the terms and conditions for Electronic Share Application and the Steps shall mean the applicant who applies for the Shares through an ATM of any of the Participating Financial Institutions.

In the case of Electronic Share Applications, you must have a CDS account to be eligible to utilise the facility.

You must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or MIH. Do not submit your Transaction Record with any Application Form. The Transaction Record is for your own retention.

Upon the closing of the offer for the application for the Public Issue Shares, on 24 November 2010 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institutions shall submit a magnetic tape containing its respective customers' applications for the Public Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You are allowed to make an Electronic Share Application for the Public Issue Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account at its branches, subject to you making only one (1) application.

You must ensure that you use your own CDS account number when making an Electronic Share Application. If you operate a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your own name. Your application will be rejected if you fail to comply with the foregoing conditions.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (b) You are required to confirm the following statements (by depressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:
 - You are at least eighteen (18) years of age as at the closing date of the share application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - This is the only application that you are submitting; and
 - You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to MIH and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you will be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Acts, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to MIH or any relevant regulatory bodies.

- (c) **You confirm that you are not applying for the Shares as a nominee of any other person and that any Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one (1) Electronic Share Application and shall not make any other application for the Public Issue Shares, whether at the ATMs of any Participating Financial Institution, on the prescribed Application Forms or via Internet Share Application.**
- (d) You must have sufficient funds in your bank account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (e) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such Shares or not to allot or allocate any Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key (or button) on the ATM) of the number of Shares applied for shall signify, and shall be treated as your acceptance of the number of Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (f) We reserve the right to reject or accept any Electronic Share Application in whole or in part only without giving any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.
- (g) If your Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications within two (2) Market Days after the balloting date. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest in RM into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH. You may check your account on the fifth (5th) Market Day from the balloting date.

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest in RM into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to the applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the applicants not later than ten (10) Market Days from the day of the final ballot of the application list.

If you encounter any problems in your applications, you may refer to the Participating Financial Institutions.

- (h) You request and authorise us:
- (i) to credit the Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) You, acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communications and computer-related faults and breakdowns, fires and other events which are beyond our control, and the control of MIH, the Participating Financial Institutions or Bursa Depository, irrevocably agree that if:
- (i) we or MIH do/does not receive your Electronic Share Application; or
 - (ii) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or MIH,
- you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, MIH, the Participating Financial Institution or Bursa Depository for the Shares applied for or for any compensation, loss or damage arising from it.
- (j) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct; and we, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to your registered address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, you agree that:
- (i) in consideration of our Company making available the Electronic Share Application facility to you, through the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (ii) we, MIH, the Participating Financial Institutions and Bursa Depository shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to us due to a breakdown or failure of transmission or communication facilities or to any cause beyond our/their control;
 - (iii) Notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notice of successful allocation by us or our behalf for prescribed securities, in respect of the said Shares;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Shares allotted or allocated to you; and
- (v) You agree that in the event of any legal disputes arising from the use of Electronic Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (m) If you are successful in your Electronic Share Application, our Directors reserve the right to require you to appear in person at the registered office of MIH within fourteen (14) days of the date of notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (n) MIH, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.

16.4.3 Procedures for application by way of an Internet Share Application

Applications for our Shares by way of Internet Share Application are only applicable to Malaysian individuals in respect of the Public Issue Shares made available for application by the Malaysian public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the Internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1 : Set up of account

Before making an application by way of Internet Share application, you **must have all** of the following:

- (a) an existing account with access to Internet financial services facilities with the following Internet Participating Financial Institutions:
 - CIMB Investment Bank Berhad at www.eipocimb.com; or
 - CIMB Bank Berhad at www.cimbclicks.com.my; or
 - Malayan Banking Berhad at www.maybank2u.com.my (via hyperlink to Bursa Securities' website at www.bursamalaysia.com); or
 - Affin Bank Berhad at www.affinOnline.com; or
 - RHB Bank Berhad at www.rhbbank.com.my (via hyperlink to Bursa Securities' website at www.bursamalaysia.com).
- (b) an individual CDS account registered in your name (and not in a nominee's name).

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Step 2 : Read the Prospectus

You are advised to read and understand this Prospectus before making your application.

Step 3 : Apply through Internet

The exact steps for Internet Share Application for the Public Issue Shares are as set out on the Internet financial services websites of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below the possible steps of an application for the Public Issue Shares using Internet Share Application.

Please note that the actual steps for Internet Share Applications contained in the Internet financial services website of the Internet Participating Financial Institution may differ from the steps outlined below.

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account. You are advised not to apply for the Public Issue Shares through any website other than the Internet financial services website of the Internet Participating Financial Institution.
- (b) Log in to the Internet financial services facility by entering your user identification and PIN/password.
- (c) Navigate to the section of the website on the applications in respect of initial public offerings.
- (d) Select the counter in respect of the Public Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form, such as the share counter, NRIC number, CDS account number, number of Public Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:
 - (i) You are at least eighteen (18) years of age as at the closing date of the share application;
 - (ii) You are a Malaysian citizen residing in Malaysia;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
 - (iv) You agree to all terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
 - (v) The Internet Share Application is the only application that you are submitting for the Public Issue Shares;
 - (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the Public Issue Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industries (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institutions, to MIH and the Authorised Financial Institutions, the SC and any other relevant authority;
 - (viii) You are not applying for the Public Issue Shares as a nominee of any other persons and the application is made in your own name as the beneficial owner and subject to the risks referred to in this Prospectus; and
 - (ix) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (i) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your money for the IPO.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (j) You must pay for the Public Issue Shares through the website of the Authorised Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Public Issue Shares applied for, which can be printed out by you for your records.
- (k) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen on the website through which the online payment for the application of the Public Issue Shares is being made.
- (l) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (m) You are advised to print out the Confirmation Screen for reference and retention.

Terms and conditions of Internet Share Applications

The terms and conditions outlined below supplement the additional terms and conditions for Internet Share Application contained in the Internet financial services website of the Internet Participating Financial Institution. Please refer to the Internet financial services website of the Internet Participating Financial Institution for the exact terms and conditions and instructions.

- (a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen. You are required to complete your Internet Share Application by the close of the Public Issue mentioned in Section 16.1 of this Prospectus.
- (b) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Shares applied for as stated on the Confirmation Screen or any lesser number of Shares that may be allotted or allocated to you in respect of your Internet Share Application. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Shares allotted or allocated to you.
- (c) You request and authorise us:
 - (i) to credit the Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (d) You, acknowledge that your Internet Share Application is subject to the risks of electrical, electronic, technical, transmission, communications and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events which are beyond our control, and the control of the Internet Participating Financial Institution and/or the Authorised Financial Institution, irrevocably agree that if:
- (i) we, MIH, the Internet Participating Financial Institution and/or the Authorised Financial Institution do/does not receive your Internet Share Application and/or payment; or
 - (ii) data relating to your Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or MIH,
- you shall be deemed not to have made an Internet Share Application and you shall not claim whatsoever against us, MIH, the Internet Participating Financial Institution or the Authorised Financial Institution for the Shares applied for or for any compensation, loss or damage arising from it.
- (e) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Shares allocated to you.
- (f) You agree that in the event of any legal disputes arising from the use of Internet Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, MIH and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution.
- (h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.
- (i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, our Underwriter, our Principal Adviser and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (j) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
 - (i) Affin Bank Berhad (www.affinOnline.com) – No fee will be charged for application by their account holders;
 - (ii) CIMB (www.eipocimb.com) – RM2.00 for payment via CIMB Bank or Malayan Banking Berhad;
 - (iii) CIMB Bank (www.cimbclicks.com.my) – RM2.00 for application with CDS accounts held with CIMB and RM2.50 for applications with CDS accounts with other ADAs;
 - (iv) Malayan Banking Berhad (www.maybank2u.com) – RM1.00; and
 - (v) RHB Bank Berhad (www.rhbbank.com.my) – RM2.50.

16.5 Other Terms and Conditions

- (a) You are required to pay the Issue Price of RM0.23 for each Public Issue Share you have applied for.
- (b) You can submit only one (1) application for the Public Issue Shares offered to the Malaysian public. For example, if you submit an application using a White Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

MIH acting under the authority of our Directors, has the discretion to reject applications that appears to be multiple applications.

We wish to caution you that if you submit more than one (1) application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 182 of the CMSA.

- (c) Your application must be for at least 100 Shares or multiples thereof.
- (d) Your application must be made in connection with and subject to this Prospectus and our Memorandum and Articles of Association. You agree to be bound by our Memorandum and Articles of Association.
- (e) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (f) Our Company or MIH will not issue any acknowledgement of the receipt of your application or application monies.
- (g) You must ensure that your personal particulars submitted in your application and/or your personal particular as recorded by the Internet Participating Financial Institution are correct and identical with the records maintained by Bursa Depository. Otherwise, your application is liable to be rejected. Bursa Securities will have to be promptly notified of any change in your address, failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (h) Your remittances having been presented for payment shall not signify that your application has been accepted.

Our acceptance of your application to subscribe for or purchase the Public Issue Shares shall be constituted by the issue of notices of allotment for the Public Issue Shares to you.

- (i) Submission of your CDS account number in your application includes your authority or consent in accordance with the Malaysian laws of Bursa Depository and the Participating Financial Institution, as the case may be, to disclose information pertaining to your CDS account and other relevant information to us or MIH and any relevant regulatory bodies, as the case may be.

You agree to accept our decision as final should we decide not to allot any Shares to you.

- (j) Additional terms and conditions for Electronic Share Applications are set out in Section 16.4.2(c) above.
- (k) Additional terms and conditions for Internet Share Applications are set out in Section 16.4.3 above.

16.6 Authority of our Directors and MIH

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of MIH within fourteen (14) days of the date of notice issued to you to ascertain your application is genuine and valid. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting or allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

MIH, on the authority of our Directors, reserve the right to:

- (a) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete or inaccurate;
- (b) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (c) bank in all application monies from unsuccessful/partially successful Bumiputera applicants which would subsequently be refunded without interest by registered post.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.7 Over/Under-Subscription

In the event of an over-subscription, MIH will conduct a ballot in a fair and equitable manner as approved by our Directors to determine acceptance of applications. In determining the manner of balloting, our Directors will consider the desirability of distributing the Public Issue Shares, to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we need at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon Listing and completion of this Public Issue. We expect to achieve this at the point of Listing. However, if the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

In the event of an under-subscription, all the Public Issue Shares not applied for will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

16.8 Unsuccessful/Partially Successful Applicants

If you are unsuccessful/partially successful in your application, we will return your application monies without interest in the following manner:

16.8.1 For applications by way of White Application Form

- (a) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot.
- (b) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or "Resit Pengenalalan Sementara (JPN KP 09)" or any valid temporary identity document issued by the National Registration Department from time to time, at your own risk.
- (c) MIH reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded by registered post to your last address maintained with Bursa Depository or as per item (b) above, as the case may be, within ten (10) Market Days from the date of the final ballot.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.8.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) MIH shall inform the Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The application monies or the balance of it will be credited into your account with the Participating Financial Institution without interest within two (2) Market Days after the receipt of confirmation from MIH.
- (b) You may check your account on the fifth (5th) Market Day from the balloting day.
- (c) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by MIH by way of cheques by registered post or ordinary post. The cheques will be issued not later than ten (10) Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within ten (10) Market Days from the date of the final ballot.

16.9 Successful Applicants

If you are successful in your application:

- (a) Our Shares allocated to you will be credited into your CDS account. We will not be issuing any share certificates to you.
- (b) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository where you have an existing CDS account at your own risk prior to our Listing. This is your only acknowledgement of acceptance of the application.

16.10 Enquiries

You may contact MIH if you have any queries on the White Application Form at (03) 7841 8000 or (03) 7841 8289. If you have any enquiry with regards to your Electronic Share Application, you may refer to the relevant Participating Financial Institution. If you have any enquiry with regards to your Internet Share Application, you may refer to the relevant Internet Participating Financial Institution and Authorised Financial Institution.

If you are applying for the Public Issue Shares as a Malaysian public, you may check the status of your application by logging into MIH's website at www.mih.com.my, or by calling MIH at (03) 7841 8000 or (03) 7841 8289 or your ADA at the telephone number as stated in Section 17 of this Prospectus between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

17. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
KUALA LUMPUR		
A.A. ANTHONY SECURITIES SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : (03) 6201 1155	078-004
AFFIN INVESTMENT BANK BERHAD	Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : (03) 2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD	17th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : (03) 2697 6333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : (03) 2078 2788	086-001
BIMB SECURITIES SDN BHD	1st & 2nd Floor Podium Block, AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No : (03) 4043 3533	024-001
CIMB INVESTMENT BANK BERHAD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No : (03) 2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD	3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : (03) 2178 1888	052-001
ECM LIBRA INVESTMENT BANK BERHAD	Level 1, Avenue Building Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : (03) 2089 1800	052-009
HONG LEONG INVESTMENT BANK BERHAD	Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : (03) 2168 1168	066-001

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : (03) 7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan Kaskas, 5th Mile Cheras 56100 Kuala Lumpur Tel No : (03) 9130 3399	068-012
HWANGDBS INVESTMENT BANK BERHAD	7th, 22nd, 23rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : (03) 2711 6888	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : (03) 2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : (03) 7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD	Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No : (03) 7981 8811	054-005
JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : (03) 2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : (03) 2168 8800	053-001
KENANGA INVESTMENT BANK BERHAD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : (03) 2164 9080	073-001

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	No. 57-10, Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No : (03) 2287 1799	073-015
M & A SECURITIES SDN BHD	Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : (03) 2282 1820	057-002
MAYBANK INVESTMENT BANK BERHAD	5 – 13 Floor, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : (03) 2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No.2, Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : (03) 6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	11th & 12th Floor, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No : (03) 2173 8888	026-001
MIMB INVESTMENT BANK BERHAD	Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : (03) 2691 0200	061-001
OSK INVESTMENT BANK BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : (03) 2333 8333	056-001
OSK INVESTMENT BANK BERHAD	No. 62 & 64 Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : (03) 6257 5869	056-028
OSK INVESTMENT BANK BERHAD	Ground Floor, No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : (03) 4280 4798	056-054

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : (03) 9058 7222	056-058
PM SECURITIES SDN BHD	Ground, Mezzanine, 1st & 10th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : (03) 2146 3000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : (03) 2031 3011	051-001
RHB INVESTMENT BANK BERHAD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : (03) 9287 3888	087-001
TA SECURITIES HOLDINGS BERHAD	Floor 13-16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : (03) 2072 1277	058-003
SELANGOR DARUL EHSAN		
AFFIN INVESTMENT BANK BERHAD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : (03) 3343 9999	028-002
AFFIN INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7729 8016	028-003
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7710 6613	086-003

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
CIMB INVESTMENT BANK BERHAD	Ground Floor Tropicana City Office Tower 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7717 3319	065-009
HONG LEONG INVESTMENT BANK BERHAD	Level 10 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7724 6888	066-002
HWANGDBS INVESTMENT BANK BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : (03) 5513 3288	068-002
HWANGDBS INVESTMENT BANK BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : (03) 5635 6688	068-010
INTER-PACIFIC SECURITIES SDN BHD	No. 77 & 79, Jalan 2/3A Pusat Bandar Utara KM12, Jalan Ipoh Selayang 68100 Batu Caves Selangor Darul Ehsan Tel No : (03) 6137 1888	054-006
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : (03) 8736 1118	079-001
JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7620 1118	079-002

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7956 2169	073-005
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No : (03) 8024 1682	073-006
KENANGA INVESTMENT BANK BERHAD	Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : (03) 3005 7550	073-007
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7725 9095	073-016
OSK INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7873 6366	056-011
OSK INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : (03) 8736 3378	056-045
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : (03) 6092 8916	056-047
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : (03) 3343 9180	056-048

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	3rd Floor, 1A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : (03) 8023 6518	056-063
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : (03) 8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : (03) 3341 5300	064-007
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40200 Shah Alam Selangor Darul Ehsan Tel No : (03) 5192 0202	096-001
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : (03) 8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2 nd Floor, Wisma TA 47400 Petaling Jaya Selangor Darul Ehsan Tel No : (03) 7729 5713	058-007
MELAKA		
CIMB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : (06) 289 8800	065-006
ECM LIBRA INVESTMENT BANK BERHAD	71A & 73A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : (06) 288 1720	052-008

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No : (06) 337 1533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : (06) 292 1898	093-003
OSK INVESTMENT BANK BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : (06) 282 5211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : (06) 286 6008	064-008
RHB INVESTMENT BANK BERHAD	Lot 7-13 & 15, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No : (06) 283 3622	087-002
PERAK DARUL RIDZUAN		
A.A. ANTHONY SECURITIES SDN BHD	29G, Jalan Intan 2 Bandara Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : (05) 623 2328	078-009
CIMB INVESTMENT BANK BERHAD	Ground, No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 208 2688	065-010
ECM LIBRA INVESTMENT BANK BERHAD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 242 2828	052-002
ECM LIBRA INVESTMENT BANK BERHAD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : (05) 622 2828	052-006

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : (05) 806 6688	068-003
HWANGDBS INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 255 9988	068-015
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 253 0888	066-003
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : (05) 241 9800	057-001
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No. 42 Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 245 3400	098-002
OSK INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : (05) 241 5100	056-002
OSK INVESTMENT BANK BERHAD	Ground Floor & 1st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : (05) 623 6498	056-014
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : (05) 692 1228	056-016

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground Floor No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : (05) 808 8229	056-034
OSK INVESTMENT BANK BERHAD	No. 72, Ground Floor, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : (05) 465 1261	056-044
OSK INVESTMENT BANK BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : (05) 717 0888	056-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : (05) 253 1313	058-001
PULAU PINANG		
A.A. ANTHONY SECURITIES SDN BHD	1 st , 2nd & 3rd Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : (04) 229 9318	078-002
A.A. ANTHONY SECURITIES SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : (04) 554 1388	078-003
ALLIANCE INVESTMENT BANK BERHAD	Suite 2.1, & 2.4, Level 2 Wisma Great Eastern No. 25, Lebuh Light 10200 Penang Tel No : (04) 261 1688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 226 1818	086-004

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
CIMB INVESTMENT BANK BERHAD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 238 5900	065-003
ECM LIBRA INVESTMENT BANK BERHAD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No : (04) 228 1868	052-003
ECM LIBRA INVESTMENT BANK BERHAD	7th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 228 3355	052-010
HWANGDBS INVESTMENT BANK BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : (04) 263 6996	068-001
HWANGDBS INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : (04) 537 2882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground, Mezzanine & 8th Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel No : (04) 269 0888	054-002
KENANGA INVESTMENT BANK BERHAD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 210 6666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO, Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No : (04) 332 2123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2, Lebuhr Pantai 10300 Pulau Pinang Tel No : (04) 263 9118	093-004

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	64, Bishop Street 20E, 20F & 20G, Penang Street 10200 Pulau Pinang Tel No : (04) 263 4222	056-004
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No : (04) 390 0022	056-005
OSK INVESTMENT BANK BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : (04) 540 2888	056-015
OSK INVESTMENT BANK BERHAD	834, Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : (04) 583 1888	056-032
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : (04) 640 4888	056-042
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : (04) 227 3000	064-004
PERLIS INDRA KAYANGAN		
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No : (04) 976 5200	076-003
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : (04) 979 3888	056-061

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KEDAH DARUL AMAN		
A.A. ANTHONY SECURITIES SDN BHD	Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : (04) 732 2111	078-007
ALLIANCE INVESTMENT BANK BERHAD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : (04) 731 7088	076-004
HWANGDBS INVESTMENT BANK BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : (04) 425 6666	068-011
OSK INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : (04) 420 4888	056-017
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 35, Jalan Suria 1 Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : (04) 496 4888	056-019
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 215-A & 215-B Medan Putra Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : (04) 720 9888	056-021
NEGERI SEMBILAN DARUL KHUSUS		
ECM LIBRA INVESTMENT BANK BERHAD	1C-1 & 1D-1, 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No : (06) 765 5998	052-013

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : (06) 761 2288	068-007
HWANGDBS INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : (06) 455 3188	068-013
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : (06) 764 1641	056-024
OSK INVESTMENT BANK BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : (06) 442 1000	056-037
OSK INVESTMENT BANK BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel No : (06) 455 3014	056-040
OSK INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347 Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : (06) 646 1234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : (06) 762 3131	064-002
JOHOR DARUL TAKZIM		
A.A. ANTHONY SECURITIES SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : (07) 333 2000	078-001

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
A.A. ANTHONY SECURITIES SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : (07) 663 7398	078-005
A.A. ANTHONY SECURITIES SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : (07) 351 3218	078-006
A.A. ANTHONY SECURITIES SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 SKudai Johor Darul Takzim Tel No : (07) 512 1633	078-008
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : (07) 771 7922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : (07) 434 2282	086-002
AMINVESTMENT BANK BERHAD	18th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : (07) 334 3855	086-006
ECM LIBRA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : (06) 953 2222	052-004
ECM LIBRA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : (07) 467 8885	052-005

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
HWANGDBS INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : (07) 222 2692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : (07) 223 1211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : (07) 333 3600	073-004
KENANGA INVESTMENT BANK BERHAD	No. 31, Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : (06) 954 2711	073-008
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : (07) 933 3515	073-009
KENANGA INVESTMENT BANK BERHAD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : (07) 777 1161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor, No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : (06) 978 2292	073-011
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17 Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : (07) 3316992	093-005

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
MIMB INVESTMENT BANK BERHAD	Suite 25.02, Level 25 Menara Pelangi Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : (07) 222 7388	061-002
OSK INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : (07) 278 8821	056-006
OSK INVESTMENT BANK BERHAD	53, 53-A & 53-B Jalan Sultana 83000 Batu Pahat Johor Darul Takzim Tel No : (07) 438 0288	056-009
OSK INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : (06) 953 8262	056-025
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : (07) 557 7628	058-029
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : (07) 932 1543	056-030
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 17, Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No : (07) 776 9655	058-031

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : (07) 662 6288	056-035
OSK INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : (06) 978 7180	056-038
OSK INVESTMENT BANK BERHAD	1st Floor, No. 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : (07) 925 6881	056-039
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 1 & 1-01 Jalan Rosmerah 2/11 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : (07) 352 2293	056-043
PM SECURITIES SDN BHD	No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : (07) 351 3232	064-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : (07) 433 3608	064-008
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BERHAD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : (09) 566 0800	076-002
CIMB INVESTMENT BANK BERHAD	Ground, 1 st and 2 nd No. A-27 (Aras G,1 & 2) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : (09) 505 7800	065-007

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
ECM LIBRA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No : (09) 517 1698	052-007
OSK INVESTMENT BANK BERHAD	B32 & B34 Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : (09) 517 3811	058-007
OSK INVESTMENT BANK BERHAD	Ground Floor 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : (09) 223 4943	056-022
OSK INVESTMENT BANK BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : (05) 491 4913	056-041
KELANTAN DARUL NAIM		
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H , Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : (09) 743 0077	056-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : (09) 743 2288	058-004
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BERHAD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No : (09) 631 7922	076-009

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : (09) 623 8128	021-001
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : (09) 858 3109	056-027
OSK INVESTMENT BANK BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : (09) 626 1816	056-055
SARAWAK		
AMINVESTMENT BANK BERHAD	No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No : (082) 244 791	086-005
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26, Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : (082) 358 606	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No : (084) 367 700	065-008
HWANGDBS INVESTMENT BANK BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No : (082) 236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD	No. 282, 1st Floor Park City Comercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : (086) 330 008	068-016

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : (085) 435 577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : (082) 338 000	073-003
KENANGA INVESTMENT BANK BERHAD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No : (084) 313 855	073-012
OSK INVESTMENT BANK BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No : (082) 422 252	056-008
OSK INVESTMENT BANK BERHAD	Lot 1268, 1st & 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : (085) 422 788	056-012
OSK INVESTMENT BANK BERHAD	101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No : (084) 329 100	056-013
OSK INVESTMENT BANK BERHAD	Ground & 1st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : (084) 654 100	056-050
OSK INVESTMENT BANK BERHAD	Ground Floor No. 177, Taman Sri Dagang 97000 Bintulu Sarawak Tel No : (086) 311 770	056-053

17. LIST OF ADAS (Cont'd)

Name	Address and telephone number	Broker code
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : (084) 319 998	058-002
TA SECURITIES HOLDINGS BERHAD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No : (082) 236 333	058-006
SABAH		
CIMB INVESTMENT BANK BERHAD	1st & 2nd Floor Central Building No. 28, Jalan Segunting 88000 Kota Kinabalu Sabah Tel No : (088) 328 878	065-005
ECM LIBRA INVESTMENT BANK BERHAD	Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : (088) 238 188	052-012
HWANGDBS INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor CPS Tower, Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : (088) 311 688	068-008
INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : (088) 234 090	020-001
OSK INVESTMENT BANK BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : (088) 269 788	056-010
OSK INVESTMENT BANK BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4, North Road 91000 Sandakan Sabah Tel No : (089) 229 286	056-057