

## 11. FINANCIAL INFORMATION

### 11.1 REPORTING ACCOUNTANTS' LETTER ON REPORT OF THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

*(Prepared for inclusion in this Prospectus)*



**Crowe Horwath AF 1018**  
Chartered Accountants  
Member Crowe Horwath International

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Date : **18 SEP 2013**

The Board of Directors  
**Caring Pharmacy Group Berhad**  
No. 3-2, 3rd Mile Square  
No. 151, Jalan Kelang Lama  
Batu 3½  
58100 Kuala Lumpur

Dear Sirs

#### **CARING PHARMACY GROUP BERHAD ("CARiNG" or "the Company") REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

##### **Report on the Compilation of Pro Forma Consolidated Financial Information**

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of CARiNG and its subsidiaries ("CARiNG Group" or "the Group") by the Board of Directors for inclusion in the Prospectus to be issued in connection with the proposed listing of and quotation for the entire issued and paid-up share capital of CARiNG on the Main Market of Bursa Malaysia Securities Berhad ("the Proposal"). The pro forma consolidated financial information (which we have stamped for the purpose of identification) consists of:-

- a) the pro forma consolidated statements of profit or loss and other comprehensive income for the financial years ended 31 May 2010 to 31 May 2013;
- b) the pro forma consolidated statements of financial position as at 31 May 2013;
- c) the pro forma consolidated statement of cash flows for the financial year ended 31 May 2013; and
- d) the related notes as set out in the accompanying statements.

The applicable criteria on the basis of which the Board of Directors has compiled the pro forma consolidated financial information are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and set out in Note 1 of the pro forma consolidated financial information.

The pro forma consolidated financial information has been compiled by the Board of Directors to illustrate:-

- a) the Group's financial performance for the financial years ended 31 May 2010 to 31 May 2013 as if the Group had been in existence throughout these financial years;
- b) the impact of the events or transactions set out in Note 1 on the Group's financial position as at 31 May 2013; and

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**11. FINANCIAL INFORMATION (Cont'd)**

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- c) the Group's financial cash flows for the financial year ended 31 May 2013 as if the Group had been in existence throughout the financial year.

As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Board of Directors from the Group's financial statements for the financial years ended 31 May 2010 to 31 May 2013, on which audit reports have been published.

*Directors' Responsibility for the Pro forma Consolidated Financial Information*

The Board of Directors of CARiNG is solely responsible for compiling the pro forma consolidated financial information on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

*Our Responsibilities*

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma consolidated financial information has been compiled, in all material respects, by the Board of Directors on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated financial information on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of pro forma consolidated financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

11. FINANCIAL INFORMATION (Cont'd)



The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

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

*Opinion*

In our opinion, the pro forma consolidated financial information has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated financial information and in accordance with the requirements of the Prospectus Guidelines.

**Other Matters**

We understand that this letter will be used solely for the purpose of inclusion in the Prospectus in connection with the Proposal. 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,

A handwritten signature in black ink, appearing to read "Crowe Horwath".

**Crowe Horwath**  
Firm No: AF 1018  
Chartered Accountants

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

**Wong Tak Mun**  
Approval No: 1793/09/14 (J)  
Chartered Accountant

**11. FINANCIAL INFORMATION (Cont'd)****CARING GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION****1. PRO FORMA GROUP AND BASIS OF PREPARATION****1.1 Pro Forma Group**

The pro forma consolidated financial information of CARiNG and its subsidiaries (collectively referred to as "CARiNG Group" or "the Group"), comprises the financial information of the following companies, are presented for the purpose of illustration only:-

- a) CARiNG
- b) CPRM and its subsidiaries

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

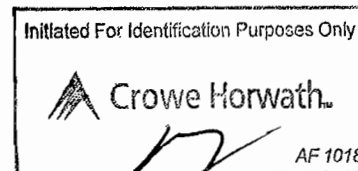
<b>Entity</b>	<b>Relevant Financial Period</b>
CARiNG	Financial period from 30 July 2012 (date of incorporation) to 31 May 2013
CPRM Group	FYE 31 May 2010 FYE 31 May 2011 FYE 31 May 2012 FYE 31 May 2013

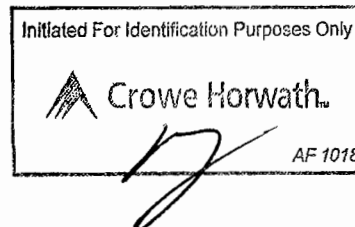
FYE – Financial Year Ended

The pro forma consolidated financial information of CARiNG Group is prepared on the assumption that CARiNG Group had been in existence throughout the FYE 31 May 2010 to 2013. The pro forma consolidated financial information comprises the following:-

- Section 2 - Pro Forma Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Relevant Financial Period;
- Section 3 - Pro Forma Consolidated Statements of Financial Position as at 31 May 2013; and
- Section 4 - Pro Forma Consolidated Statement of Cash Flows for FYE 31 May 2013.

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**11. FINANCIAL INFORMATION (Cont'd)****CARiNG GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation**

The pro forma consolidated financial information of CARiNG Group is prepared based on the audited financial statements of CARiNG and CPRM Group for the Relevant Financial Period.

The financial statements used in the preparation of this letter for the Relevant Financial Period were not subject to any audit qualification or emphasis of matter.

The pro forma consolidated financial information has been prepared in accordance with applicable approved Malaysian Financial Reporting Standards in Malaysia and, bases and accounting policies consistent with those to be adopted by CARiNG Group after incorporating adjustments that are appropriate for the preparation of the pro forma consolidated financial information.

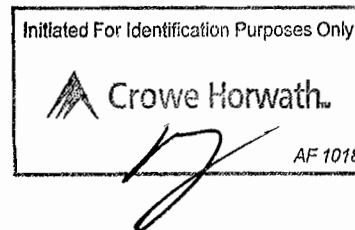
The pro forma consolidated financial information has been prepared using the merger method. Under the merger method,

- (i) if the cost of merger is lower than the nominal value of the share capital of the subsidiaries acquired, a credit balance will arise and be treated as merger reserve.
- (ii) If the cost of merger exceeds the nominal value of the share capital of the subsidiaries acquired, a debit balance will arise and be treated as merger deficit under the pro forma consolidated statement of financial position.

The pro forma consolidated financial information has been prepared solely to illustrate:-

- (i) the financial results of CARiNG Group for the FYE 31 May 2010 to 2013 on the assumption that CARiNG Group had been in existence throughout the Relevant Financial Period;
- (ii) the pro forma consolidated statements of financial position of CARiNG Group as at 31 May 2013 which incorporate the effects of the listing scheme as described below had the scheme been implemented; and
- (iii) the cash flows of CARiNG Group for the FYE 31 May 2013 on the assumption that the Group structure had been in place since the beginning of the financial year.

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**11. FINANCIAL INFORMATION (Cont'd)****CARiNG GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)****1.2 Basis of Preparation (Cont'd)**

The Listing Scheme comprises the following:

**(i) Acquisition**

On 25 February 2013, the Company has entered into a conditional Share Purchase Agreement with the vendors of CPRM for the acquisition of 2,310,918 ordinary share of RM1.00 each, representing the entire issued and paid up share capital of CPRM, for a total consideration of RM182,706,397 based on the audited consolidated profit after tax attributable to equity holders of CPRM Group ("PATAMI") as at 31 May 2012 which amounted to RM18,270,641. The purchase consideration represents a PE Multiple of approximately 10 times based on the audited consolidated PATAMI of CPRM Group for FYE 2012 and was satisfied by the issuance of 182,706,397 new ordinary shares of RM1.00 each in CARiNG at an issue price of RM1.00 per share.

The acquisition exercise was completed on 4 September 2013.

**(ii) Public Issue**

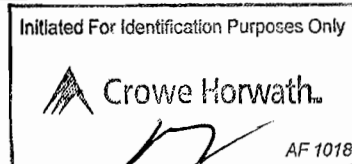
Pursuant to the Public Issue, the Company shall issue 35,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per Share to be allocated in the following manner:

- (a) 10,886,000 new shares, representing approximately 5.00% of the enlarged issue and paid-up share capital of CARiNG will be made available for application by Malaysian public and to be allocated via ballot, of which at least 50% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.
- (b) 5,716,000 new shares, representing approximately 2.63% of the enlarged issued and paid-up share capital of CARiNG, will be made available for application by the eligible directors, employees and business associates of the CARiNG Group.
- (c) 4,200,000 new shares, representing approximately 1.93% of the enlarged issued and paid-up share capital of CARiNG, will be reserved for private placement to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI").
- (d) 14,198,000 new shares, representing approximately 6.52% of the enlarged issued and paid-up share capital of CARiNG, will be made available for private placement to selected investors.

**(iii) Listing**

Upon completion of the IPO, the Company shall list its entire enlarged issued and paid-up share capital of RM217,706,400 comprising 217,706,400 ordinary shares of RM1.00 each, on the Main Market of Bursa Malaysia Securities Berhad.

## 11. FINANCIAL INFORMATION (Cont'd)



## CARING GROUP

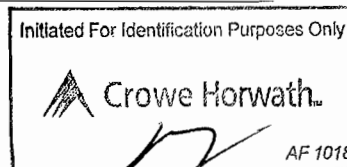
## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

## 2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CARING GROUP

	Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Revenue		170,566	206,501	248,284	301,417
Cost of sales		(124,860)	(150,261)	(184,152)	(223,627)
Gross profit ("GP")		45,706	56,240	64,132	77,790
Other operating income	2.1	7,840	9,563	15,229	19,580
		53,546	65,803	79,361	97,370
Selling and distribution expenses		(19,319)	(24,500)	(30,798)	(40,175)
Administrative expenses		(12,595)	(15,312)	(18,959)	(24,558)
Other operating expenses		(1,756)	(1,972)	(2,641)	(2,763)
Finance costs		(41)	(30)	(16)	(55)
Profit before taxation ("PBT")		19,835	23,989	26,947	29,819
Taxation	2.2	(4,561)	(5,808)	(6,876)	(7,497)
Profit after taxation ("PAT")		15,274	18,181	20,071	22,322
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial year		15,274	18,181	20,071	22,322
PBT attributable to:-					
Owners of CARiNG		17,664	21,746	24,501	27,390
Non-controlling interests		2,171	2,243	2,446	2,429
		19,835	23,989	26,947	29,819
PAT attributable to:-					
Owners of CARiNG		13,552	16,458	18,271	20,552
Non-controlling interests		1,722	1,723	1,800	1,770
		15,274	18,181	20,071	22,322
GP margin (%)		26.80	27.23	25.83	25.81
PBT margin (%)		11.63	11.62	10.85	9.89
PAT margin (%)		8.95	8.80	8.08	7.41
Effective tax rate (%)		22.99	24.21	25.52	25.14
Earning before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)		21,605	25,986	29,535	32,608
Number of ordinary shares in issue of RM1.00 each ('000)*		217,706	217,706	217,706	217,706
Gross earnings per share ("EPS") (sen)		8.11	9.99	11.25	12.58
Net EPS (sen)		6.22	7.56	8.39	9.44
EBITDA per share (sen)		0.10	0.12	0.14	0.15

Note:-

\* - Assume number of shares in issue after Acquisition of Subsidiary and Public Issue.

**11. FINANCIAL INFORMATION (Cont'd)****CARiNG GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CARiNG GROUP (CONT'D)**

The pro forma consolidated statements of profit or loss and other comprehensive income of CARiNG Group for the FYE 31 May 2010, 31 May 2011, 31 May 2012 and 31 May 2013 have been prepared for illustrative purposes only and after incorporating such adjustments as considered necessary and assuming that CARiNG Group had been in existence throughout the financial years under review.

**Notes to the Pro Forma Consolidated Statements of Profit Or Loss And Other Comprehensive Income**

- (a) The gross profit (GP) margin is computed by dividing the gross profit by revenue earned in the respective financial years.
- (b) The profit before tax (PBT) margin is computed by dividing the profit before taxation by revenue earned in the respective financial years.
- (c) The profit after tax (PAT) margin is computed by dividing the profit after taxation by revenue earned in the respective financial years.
- (d) The gross earnings per share (EPS) is computed by dividing the profit before taxation attributable to the equity holders of CARiNG by the number of ordinary shares assumed in issue of 217,706,400 shares.
- (e) The net EPS is computed by dividing the profit after taxation attributable to the equity holders of CARiNG by the number of ordinary shares assumed in issue of 217,706,400 shares.
- (f) The EBITDA per share is computed by dividing the earnings before interest, tax, depreciation and amortisation by the number of ordinary shares assumed in issue of 217,706,400 shares.
- (g) All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.
- (h) No diluted earnings per share is shown as there were no potential dilutive shares in issue during the financial years under review.

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## 11. FINANCIAL INFORMATION (Cont'd)

## CARING GROUP

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

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## 2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CARING GROUP (CONT'D)

## 2.1 OTHER OPERATING INCOME

	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM'000	RM'000	RM'000	RM'000
Advertising and promotion income	5,343	6,535	11,343	14,657
Distribution and delivery charges	1,766	2,189	2,756	3,585
Gain on disposal of equipment	122	26	2	85
Interest income	311	527	709	809
Other contribution from suppliers	61	88	144	170
Rental income	47	40	62	108
Sundry income	190	158	213	166
Total	7,840	9,563	15,229	19,580

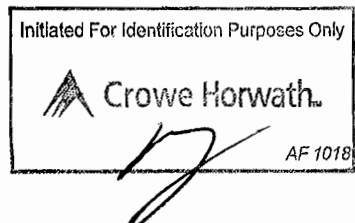
## 2.2 INCOME TAX EXPENSE

	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expenses:-</b>				
Malaysian Income Tax for the financial year	4,427	5,704	6,946	7,807
(Over)/Under provision in the previous financial year	(50)	45	13	28
	4,377	5,749	6,959	7,835
<b>Deferred tax expenses:-</b>				
Relating to origination and reversal of temporary differences	151	79	(81)	(345)
Under/(Over) provision in the previous financial year	33	(20)	(2)	7
	184	59	(83)	(338)
	4,561	5,808	6,876	7,497

## 11. FINANCIAL INFORMATION (Cont'd)

## CARING GROUP

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)



## 2. PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CARING GROUP (CONT'D)

## 2.2 INCOME TAX EXPENSE (CONT'D)

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Profit before taxation	19,835	23,989	26,947	29,819
Tax at the applicable corporate tax rate	4,668	5,711	6,425	7,163
Tax effects of:-				
Non-taxable income	(180)	(144)	(129)	(183)
Non-deductible expenses	133	122	217	266
Reversal of deferred tax assets not recognised in prior years	(53)	-	-	-
Deferred tax assets not recognised during the financial year	10	94	352	216
(Over)/under provision in the previous financial year				
- Malaysian Income Tax	(50)	45	13	28
- deferred tax	33	(20)	(2)	7
Tax charge for the financial year	4,561	5,808	6,876	7,497

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## 11. FINANCIAL INFORMATION (Cont'd)

## CARING GROUP

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CARING GROUP (CONT'D)

	Note	CARING		Pro Forma I		Pro Forma II		Pro Forma III	
		Audited as at 31 May 2013 RM'000	Adjustments for the events outlined in Section 3.1 RM'000	After the adjustments for the events outlined in Section 3.1 RM'000	Adjustment for Public Issue RM'000	After Pro Forma I and Public Issue RM'000	Adjustment for Utilisation of Proceeds RM'000	After Pro Forma II, and Utilisation of Proceeds RM'000	
<b>EQUITY AND LIABILITIES</b>									
<b>EQUITY</b>									
Share capital	3.7	*	182,706	182,706	35,000	217,706	-	217,706	
Share premium	3.8	-	-	-	6,734	6,734	-	6,734	
(Accumulated loss)/Retained profits	3.9	(7)	59,191	59,184	(1,984)	57,200	-	57,200	
Merger deficit	3.10	-	(181,984)	(181,984)	-	(181,984)	-	(181,984)	
<b>TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF CARING</b>		(7)	59,906	59,906	-	99,656	-	99,656	
<b>NON-CONTROLLING INTERESTS</b>		(7)	5,402	5,402	-	5,402	-	5,402	
			65,308	65,308	-	105,058	-	105,058	
<b>NON-CURRENT LIABILITIES</b>									
Term loans	3.11	-	14,553	14,553	-	14,553	(6,000)	8,553	
Deferred tax liabilities		-	150	150	-	150	-	150	
		-	14,703	14,703	-	14,703	-	8,703	
<b>CURRENT LIABILITIES</b>									
Trade payables		-	54,223	54,223	-	54,223	-	54,223	
Other payables and accruals		2	5,720	5,720	2,729	8,449	(3,044)	5,405	
Amount owing to non-controlling shareholders		-	256	256	-	256	-	256	
Amounts owing to related parties		15	40	40	-	40	-	40	
Provision for taxation		-	1,438	1,438	-	1,438	-	1,438	
Term loans	3.11	-	442	442	-	442	-	442	
		17	62,119	62,119	-	64,848	-	61,804	
		17	76,822	76,822	-	79,551	-	70,507	
<b>TOTAL LIABILITIES</b>		10	142,130	142,130	-	184,609	-	175,565	
<b>TOTAL EQUITIES AND LIABILITIES</b>									
		*	182,706	182,706	-	217,706	-	217,706	
		(7)	59,906	59,906	-	99,656	-	99,656	
		(2.33)	0.33	0.33	-	0.46	-	0.46	

Number of ordinary shares in issue of  
RM1.00 each ('000)

(Net liabilities)/Net assets ("(NL)/NA") (RM'000)

(NL)/NA per ordinary share (RM)

Notes:-

\* - Represents RM3

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Pro Forma III

Pro Forma II

After Pro Forma  
II, and Utilisation  
of Proceeds  
RM'000

Adjustment for  
Utilisation of  
Proceeds  
RM'000

After Pro Forma  
I and Public  
Issue  
RM'000

Adjustment for  
Public Issue  
RM'000

After the  
adjustments for  
the events outlined  
in Section 3.1  
RM'000

Adjustments for  
the events outlined  
in Section 3.1  
RM'000

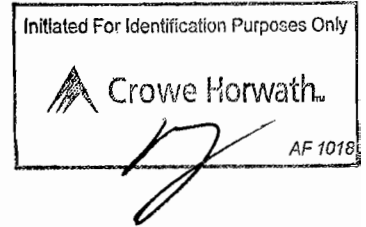
CARING  
Audited as at  
31 May 2013  
RM'000

Note

11. FINANCIAL INFORMATION (Cont'd)

CARING GROUP

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)



3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CARING GROUP (CONT'D)

3.1 Pro Forma I

Pro Forma I incorporates the effect of Acquisition of CPRM Group. The consolidated financial statements of the CPRM Group as at 31 May 2013 has been adjusted to reflect the following which occurred or will occur after 31 May 2013:-

- Payment of interim single-tier dividends for the FYE 31 May 2014 amounting to RM1,145,800 by CPRM's subsidiaries to non-controlling shareholders of CPRM's subsidiaries. These dividends were paid on 19 August 2013;
- Subscription of 13,500 and 19,500 ordinary shares of RM1.00 each in Fuji Acre Sdn Bhd for a total consideration of RM33,000 on 8 July 2013 by non-controlling shareholders and CPRM respectively;
- Progress billing of RM4,950,000 by the developer of the CARING Group's new head office and warehouse which is financed by a term loan from HSBC Amanah Malaysia Berhad.

The results were consolidated using the merger method. Under the merger method, the difference between the acquisition cost and the nominal value of the share capital of the subsidiary is accounted for as merger reserve or deficit.

3.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the Public Issue of 35,000,000 new CARING Shares, at a Public Issue price of RM1.25 per CARING Share, payable in full on application.


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## 11. FINANCIAL INFORMATION (Cont'd)

## CARiNG GROUP

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

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## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CARiNG GROUP (CONT'D)

## 3.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the utilisation of proceeds. The proceeds will be utilised as follows:-


	RM'000	RM'000
New outlets		
- Property, plant and equipment	6,000 ^	
- Inventories	12,000	18,000
	<hr/>	
To pare down borrowings to reduce interest cost		6,000 ^
Renovation of new head office and warehouse		4,000 ^
Working capital		11,750
Estimated listing expenses ^^		4,000 *
		<hr/>
		43,750
		<hr/>

## Notes:-

- ^ - Should the Group resort to financing the abovementioned capital expenditure prior to the Listing, the Public Issue proceeds shall be used to repay the said financing. The balance of any unutilised proceeds will be utilised for working capital purposes.
- \* - If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.
- ^^ - The estimated listing expenses for the issue of the new CARiNG Shares of RM2,016,000 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 RM1,984,000 will be expensed off against the Statement of Profit or Loss and Other Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue.

## 11. FINANCIAL INFORMATION (Cont'd)

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## CARING GROUP

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CARING GROUP (CONT'D)

## 3.4 Property, plant and equipment


	Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
As at 31 May 2013	-	-	-
<u>Upon Acquisition of CPRM Group</u>			
Leasehold lands	4,507	(174)	4,333
Buildings	2,687	(158)	2,529
Computer equipment	2,855	(2,325)	530
Motor vehicles	1,306	(982)	324
Office equipment	3,822	(2,574)	1,248
Furniture and fittings	6,264	(4,266)	1,998
Renovation	4,495	(3,186)	1,309
Asset in progress	14,921 *	-	14,921
	<u>40,857</u>	<u>(13,665)</u>	<u>27,192</u>
Additional progress billing by the developer of the CARING Group's new head office and warehouse after 31 May 2013	4,950 *	-	4,950
	<u>45,807</u>	<u>(13,665)</u>	<u>32,142</u>
As per Pro Forma I/II			
Utilisation of Proceeds			
- Property, plant and equipment for new outlets	6,000	-	6,000
- Renovation of new head office and warehouse	4,000	-	4,000
	<u>55,807</u>	<u>(13,665)</u>	<u>42,142</u>
As per Pro Forma III			

\* The total cost of the acquisition of land and construction of the new head office and warehouse is estimated at RM19.87 million of which RM11.88 million is to be financed by a term loan from HSBC Amanah Malaysia Berhad while the balance is expected to be funded from internal funds.

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**11. FINANCIAL INFORMATION (Cont'd)**

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**CARING GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CARING GROUP (CONT'D)****3.5 Inventories**

	RM'000
As at 31 May 2013	-
Acquisition of subsidiaries	57,507
As per Pro Forma I/II	57,507
Utilisation of proceeds	12,000
As per Pro Forma III	69,507

**3.6 Cash and Cash Equivalents**

	RM'000
As at 31 May 2013	10
Acquisition of subsidiaries	41,514
Add : Investment in Fuji Acre Sdn. Bhd. by non-controlling interests	14
Less : Payment of dividends as outlined in Section 3.1 of this report	(1,146)
As per Pro Forma I	40,392
Add: Proceeds from Public Issue	43,750
As per Pro Forma II	84,142
Less:	
Utilisation of proceeds	
- To pare down borrowings to reduce interest cost	(6,000)
- Renovation of new head office and warehouse	(4,000)
- Property, plant and equipment for new outlets	(6,000)
- Inventory for new outlets	(12,000)
- Estimated listing expenditure*	(3,044)
As per Pro Forma III	53,098


Note:-

\* - Of the total estimated listing expenses of RM4.000 million, the Group has already incurred and paid RM0.956 million as at 31 May 2013.



## 11. FINANCIAL INFORMATION (Cont'd)

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## CARiNG GROUP

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CARiNG GROUP (CONT'D)

## 3.7 Share Capital

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

	Number of Ordinary Shares ( <sup>'000</sup> )	Amount of Share Capital RM <sup>'000</sup>
Ordinary shares of RM1.00 each		
As at 31 May 2013	^	*
Ordinary shares issued pursuant to the acquisition of subsidiaries	182,706	182,706
As per Pro Forma I	182,706	182,706
Public Issue	35,000	35,000
As per Pro Forma II/III	217,706	217,706

Notes:-

\* - Represents RM3.

^ - Represents 3 Shares.

## 3.8 Share Premium

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


	RM <sup>'000</sup>
As at 31 May 2013	-
Acquisition of subsidiaries	-
As per Pro Forma I	-
Public Issue	8,750
Less: Estimated listing expenses *	(2,016)
As per Pro Forma II/III	6,734

Note:-

\* - The estimated listing expenses for the issue of new CARiNG Shares of RM2,016,000 will be written off against the share premium amount under Section 60 of the Companies Act, 1965. The balance of the estimated listing expenses of RM1,984,000 will be expensed off against the Statement of Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue.

## 11. FINANCIAL INFORMATION (Cont'd)

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## CARING GROUP

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

## 3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CARING GROUP (CONT'D)

## 3.9 (Accumulated Loss)/Retained Profits

	RM'000
As at 31 May 2013	(7)
Acquisition of subsidiaries	59,191
	<hr/>
As per Pro Forma I	59,184
Estimated listing expenses	(1,984)
	<hr/>
As per Pro Forma II/III	57,200
	<hr/>

## 3.10 Merger Deficit

The merger deficit arose from the acquisition of CPRM Group using the merger method of accounting.

## 3.11 Term Loans

	RM'000
As at 31 May 2013	-
Acquisition of subsidiaries	10,045
Add : Additional progress billing by the developer of the CARING Group's new head office and warehouse after 31 May 2013	4,950
	<hr/>
As per Pro Forma I/II	14,995
Utilisation of Proceeds - To pare down borrowings to reduce interest cost	(6,000)
	<hr/>
As per Pro Forma III	8,995
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## 11. FINANCIAL INFORMATION (Cont'd)

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## CARING GROUP


## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

## 4. PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOW OF CARING GROUP FOR THE FYE 2013

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	27,835
Adjustments for:-	
Depreciation of property, plant and equipment	2,737
Equipment written off	21
Gain on disposal of property, plant and equipment	(85)
Interest expenses	52
Interest income	(809)
Listing expenses	1,984
Rental income	(158)
Operating profit before working capital changes	31,577
Increase in inventories	(19,188)
Increase in trade and other receivables	(1,353)
Increase in trade and other payables	12,218
CASH FROM OPERATIONS	23,254
Interest paid	(52)
Tax paid	(7,937)
Tax refunded	10
NET CASH FROM OPERATING ACTIVITIES	15,275
CASH FLOWS FOR INVESTING ACTIVITIES	
Payment of deposit for the acquisition of property, plant and equipment	(1,706)
Purchase of property, plant and equipment	(33,428)
Proceeds from disposal of property, plant and equipment	88
Proceeds from dilution in equity interest in a subsidiary	14
Interest received	809
Rental received	158
NET CASH FOR INVESTING ACTIVITIES	(34,065)
BALANCE CARRIED FORWARD	(18,790)

**11. FINANCIAL INFORMATION (Cont'd)**

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**CARiNG GROUP****PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****4. PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOW OF CARiNG GROUP FOR THE FYE 2013 (CONT'D)**

	RM'000
BALANCE BROUGHT FORWARD	(18,790)
CASH FLOWS FROM FINANCING ACTIVITIES	
Dividends paid	(12,729)
Proceed from issuance of shares pursuant to public issue	43,750
Payment of listing expenses	(4,000)
Proceed from issuance of shares by subsidiaries to non-controlling shareholders	232
Drawdown of term loan	14,005
Repayment of term loans	(6,220)
Quasi loans from non-controlling shareholders	595
Net advances from non-controlling shareholders	4
NET CASH FROM FINANCING ACTIVITIES	35,637
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,847
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	36,251
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	53,098

*Note:-*

*The Pro Forma Consolidated Statement of Cash Flow of CARiNG Group has been adjusted to reflect events as stated in Section 3.1 of this report and after taking into account the proceeds from the Public Issue and Utilisation of Proceeds.*

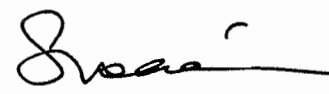
**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors in accordance with a resolution dated

On behalf of the Board,



Chong Yeow Siang



Soo Chan Chiew

**11. FINANCIAL INFORMATION (Cont'd)****11.2 HISTORICAL FINANCIAL INFORMATION**

The following table summarises the audited consolidated statement of profit or loss and other comprehensive income of the Group for the FYE 2010, FYE 2011, FYE 2012 and FYE 2013, which should be read in conjunction with the accompanying notes and assumptions included in the Report of the Compilation of Pro forma Consolidated Financial Information and the Accountants' Report set out in Sections 11.1 and 12 of this Prospectus respectively. The Pro forma Consolidated Financial Statements of the Group is prepared based on audited financial statements of the Group for illustrative purposes only, after incorporating such adjustments considered necessary and assuming that the present structure of the Group has been in existence throughout the Financial Years Under Review.

	<b>Audited</b>			
	<b>FYE 2010</b> <b>RM'000</b>	<b>FYE 2011</b> <b>RM'000</b>	<b>FYE 2012</b> <b>RM'000</b>	<b>FYE 2013</b> <b>RM'000</b>
Revenue	170,566	206,501	248,284	301,417
Cost of sales	(124,860)	(150,261)	(184,152)	(223,627)
GP	45,706	56,240	64,132	77,790
Other operating income	7,840	9,563	15,229	19,580
	53,546	65,803	79,361	97,370
Selling and distribution expenses	(19,319)	(24,500)	(30,798)	(40,175)
Administrative expenses	(12,595)	(15,312)	(18,959)	(24,558)
Other operating expenses	(1,756)	(1,972)	(2,641)	(2,763)
Finance costs	(41)	(30)	(16)	(55)
PBT	19,835	23,989	26,947	29,819
Taxation	(4,561)	(5,808)	(6,876)	(7,497)
PAT	15,274	18,181	20,071	22,322
PBT attributable to:				
- Equity holders of CARiNG	17,664	21,746	24,501	27,390
- Non-controlling interests	2,171	2,243	2,446	2,429
	19,835	23,989	26,947	29,819
PAT attributable to:				
- Equity holders of CARiNG	13,552	16,458	18,271	20,552
- Non-controlling interests	1,722	1,723	1,800	1,770
	15,274	18,181	20,071	22,322
EBITDA	21,605	25,986	29,535	32,608
No. of Shares in issue ('000) <sup>(*)</sup>	217,706	217,706	217,706	217,706
Gross EPS (sen) <sup>^</sup>	8.11	9.99	11.25	12.58
Net EPS (sen) <sup>^^</sup>	6.22	7.56	8.39	9.44
EBITDA per Share	0.10	0.12	0.14	0.15
GP margin (%)	26.80	27.23	25.83	25.81
PBT margin (%)	11.63	11.62	10.85	9.89
PAT margin (%)	8.95	8.80	8.08	7.41
Effective tax rate (%)	22.99	24.21	25.52	25.14

*Notes:*

- \* Assumed number of shares in issue after the Acquisition and the Public Issue.
- ^ Gross EPS is computed based on the PBT attributable to the equity holders of CARiNG divided by enlarged share capital of 217,706,400 ordinary shares (number of ordinary shares in issue after the Acquisition and the Public Issue).
- ^^ Net EPS is computed based on the PAT attributable to the equity holders of CARiNG divided by enlarged share capital of 217,706,400 ordinary shares (number of ordinary shares in issue after the Acquisition and the Public Issue).

**11. FINANCIAL INFORMATION** (Cont'd)

There has been no exceptional or extraordinary item during the Financial Years Under Review. The auditors' reports for our Group for the Financial Years Under Review were reported without any qualification.

The audited Consolidated Financial Statements for the Financial Years Under Review were prepared in accordance with the approved accounting standards issued by the Malaysian Accounting Standards Board and the Act in Malaysia and audited and reviewed by our Reporting Accountants, Crowe Horwath.

There were no potential dilutive shares in issue during the Financial Years Under Review. There were no discontinuing operations for all the Financial Years Under Review. There were no extraordinary or exceptional items for all the Financial Years Under Review.

You should read the Consolidated Financial Statements in conjunction with the "Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects" as set out in Section 11.4 of this Prospectus, the Report of the Compilation of Pro forma Consolidated Financial Information set out in Section 11.1 of this Prospectus and the Accountants' Report set out in Section 12 of this Prospectus.

The "Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects" contains data derived from the audited financial statements for FYE 2010 to FYE 2013 of all companies within the CARiNG Group as well as forward-looking statements that involve risks and uncertainties. The actual results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

The Pro forma Consolidated Statements of Financial Position of our Group as at 31 May 2013 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in the Notes of the Pro forma Consolidated Statements of Financial Position (as set out in Section 11.1 of this Prospectus) on the assumption that these transactions were completed on 31 May 2013.

	As at 31 May 2013 RM'000	Pro forma I <sup>(1)</sup> RM'000	Pro forma II <sup>(2)</sup> RM'000	Pro forma III <sup>(3)</sup> RM'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	-	32,142	32,142	42,142
Intangible assets	-	2,946	2,946	2,946
Deferred tax assets	-	448	448	448
Total non-current assets	-	35,536	35,536	45,536
<b>CURRENT ASSETS</b>				
Inventories	-	57,507	57,507	69,507
Trade receivables	-	176	176	176
Other receivables, deposits and prepayments	-	7,932	6,661	6,661
Tax recoverable	-	587	587	587
Deposits with financial institutions	-	28,355	28,355	28,355
Cash and bank balances	10	12,037	55,787	24,743
Total current assets	10	106,594	149,073	130,029
<b>TOTAL ASSETS</b>	<b>10</b>	<b>142,130</b>	<b>184,609</b>	<b>175,565</b>

**11. FINANCIAL INFORMATION (Cont'd)**

	As at 31 May 2013 RM'000	Pro forma I <sup>(1)</sup> RM'000	Pro forma II <sup>(2)</sup> RM'000	Pro forma III <sup>(3)</sup> RM'000
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	*	182,706	217,706	217,706
Share premium	-	-	6,734	6,734
Retained profits	(7)	59,184	57,200	57,200
Merger deficit	-	(181,984)	(181,984)	(181,984)
<b>Total equity attributable to the Owners of CARiNG</b>	<b>(7)</b>	<b>59,906</b>	<b>99,656</b>	<b>99,656</b>
<b>Non-controlling interests</b>	<b>-</b>	<b>5,402</b>	<b>5,402</b>	<b>5,402</b>
<b>TOTAL EQUITY</b>	<b>(7)</b>	<b>65,308</b>	<b>105,058</b>	<b>105,058</b>
<b>NON-CURRENT LIABILITIES</b>				
Term loans	-	14,553	14,553	8,553
Deferred tax liabilities	-	150	150	150
<b>CURRENT LIABILITIES</b>				
Trade payables	-	54,223	54,223	54,223
Other payables and accruals	2	5,720	8,449	5,405
Amount owing to non-controlling shareholders <sup>(4)</sup>	-	256	256	256
Amount owing to related parties	15	40	40	40
Provision for taxation	-	1,438	1,438	1,438
Term loans	-	442	442	442
<b>TOTAL LIABILITIES</b>	<b>17</b>	<b>76,822</b>	<b>79,551</b>	<b>70,507</b>
<b>TOTAL LIABILITIES AND EQUITIES</b>	<b>10</b>	<b>142,130</b>	<b>184,609</b>	<b>175,565</b>
Number of Shares in issue of RM1.00 each ('000)	*	182,706	217,706	217,706
Gearing ratio (times)	-	0.23	0.14	0.09

Notes:

\* Amount represents RM3.00

(1) *Pro forma I* – Incorporates the effect of the Acquisition and progress billing of RM4.95 million for CARiNG Group's head office which is financed by a term loan from HSBC Amanah, as set out in Section 11.1 of this Prospectus.(2) *Pro forma II* – Incorporates the effect Pro forma I and the Public Issue as set out in Section 11.1 of this Prospectus.(3) *Pro forma III* – Incorporates the effect of Pro forma II and the utilisation of proceeds from the Public Issue as set out in Section 11.1 of this Prospectus.

(4) Non-controlling shareholders of subsidiaries of CARiNG.

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**11. FINANCIAL INFORMATION** *(Cont'd)*

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The gearing ratio of 0.23 times under Pro forma I is arrived at after incorporating the adjustments and assumptions listed in Section 3.1 of the Pro forma Consolidated Statements of Financial Position (as set out in Section 11.1 of this Prospectus) to the audited financial statements of CARiNG as at 31 May 2013 and audited consolidated financial statements of the CPRM Group as at FYE 2013. The gearing ratio under Pro forma I is higher than CARiNG Group's gearing ratio as at FYE 2013 due to the following reasons:

- Reduction in cash and cash equivalent asset due to payment of interim dividends in respect of FYE 2014 by non-wholly owned subsidiaries of CPRM to non-controlling shareholders amounting to RM1.146 million; and
- Increase in term loan due to further drawdown of the HSBC Amanah term loan obtained to finance the new head office and warehouse of the CARiNG Group.

The decrease in the gearing ratio between CARiNG Group Pro Forma I and CARiNG Group Pro Forma II from 0.23 to 0.14 is mainly due to a net increase in shareholders' funds of RM39.750 million arising from the Public Issue of 35,000,000 new shares at IPO price of RM1.25 per Share less estimated listing expenses of RM4.000 million.

The decrease in the gearing ratio between CARiNG Group Pro Forma II and CARiNG Group Pro Forma III from 0.14 to 0.09 is mainly due to the utilization of RM6.000 million from the proceeds from the Public Issue to pare down bank borrowings to reduce interest costs.

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**11. FINANCIAL INFORMATION (Cont'd)**

The Pro forma Consolidated Statements of Financial Position of the Group are based on the accounting principles and bases consistent with those adopted by the CARiNG in the preparation of the audited financial statements of all companies within the CARiNG for the FYE 2010 to FYE 2013, which have been prepared in accordance with the approved accounting standards issued by the Malaysian Accounting Standards Board and the Act in Malaysia.

The following is the Pro forma Consolidated Statement of Cash Flows of the Group based on the Report on the Compilation of Pro forma Consolidated Financial Information set out in Section 11.1 and the Accountants' Report for the last full financial year of FYE 2013 assuming that our Group has been in existence throughout the Financial Years Under Review.

	<b>FYE 2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Profit before taxation	27,835
<b>Adjustments for:</b>	
Depreciation of property, plant and equipment	2,737
Equipment written off	21
Gain on disposal of property, plant and equipment	(85)
Interest expenses	52
Interest income	(809)
Listing expenses	1,984
Rental income	(158)
Operating profit before working capital changes	31,577
Increase in inventories	(19,188)
Increase in trade and other receivables	(1,353)
Increase in trade and other payables	12,218
<b>CASH FROM OPERATIONS</b>	<b>23,254</b>
Interest paid	(52)
Tax paid	(7,937)
Tax refunded	10
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><sup>(1)</sup>15,275</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>	
Payment of deposit for the acquisition of property, plant and equipment	(1,706)
Purchase of property, plant and equipment	(33,428)
Proceeds from disposal of property, plant and equipment	88
Proceeds from dilution in equity interest in a subsidiary	14
Interest received	809
Rental received	158
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<b><sup>(2)</sup>(34,065)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Dividends paid	(12,729)
Proceeds from issuance of shares pursuant to public issue	43,750
Payment of listing expenses	(4,000)
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	232
Drawdown of term loan	14,005
Repayment of term loans	(6,220)
Quasi loans from non-controlling shareholders	595
Net advances from non-controlling shareholders	4
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b><sup>(3)</sup>35,637</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>16,847</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>36,251</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>53,098</b>

**11. FINANCIAL INFORMATION (Cont'd)***Notes:*

*The pro forma consolidated statement of cash flow of the Group is arrived at after incorporating the following to the audited consolidated statement of cash flow of CPRM Group:*

- (1) The pro forma cash flow from operations was arrived at after adjusting for the pro forma effect of the utilisation of proceeds for the purchasing of inventories for the new outlets of RM12 million.*
- (2) The pro forma cash used for investing activities was arrived at after adjusting the following:*
  - Progress billing of the new head office and warehouse of RM4.95 million, financed by HSBC Amanah*
  - Utilisation of proceeds for the capital expenditure for new outlets of RM6 million*
  - Utilisation of proceeds for the renovation of new head office and warehouse of RM4 million*
- (3) The pro forma cash flow from financing activities was arrived at after adjusting the following:*
  - Payment of interim single-tier dividends amounting to RM1,145,800 by CPRM's subsidiaries to non-controlling shareholders of CPRM's subsidiaries for FYE 2014.*
  - Subscription/ acquisition of shares in our subsidiaries by non-controlling interests amounting to RM13,500 (please refer to Section 11.1 for further breakdown of the subscription/ acquisition of shares)*
  - Draw down of RM4.95 million of term loan from HSBC Amanah to finance the progress billing of the new head office and warehouse*
  - IPO proceeds of RM43.75 million*
  - RM6 million utilised to pare down borrowings and RM3.044 million utilised to defray estimated listing expenses*

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**11. FINANCIAL INFORMATION (Cont'd)****11.3 CAPITALISATION AND INDEBTEDNESS**

The following table sets out our cash and cash equivalents, capitalisation and indebtedness:

- (i) based on our pro forma consolidated financial information as at 31 May 2013 (after adjustment for Acquisition); and
- (ii) adjusted for the listing proceeds arising from the Public Issue pursuant to the IPO and utilisation of proceeds as set out in Section 3.9 of this Prospectus.

	Pro forma consolidated as at 31 May 2013 RM'000	After the IPO and utilisation of proceeds RM'000
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	40,392	53,098
	40,392	53,098
<b>Indebtedness</b>		
<b>Short term borrowings</b>		
<u>Secured</u>		
Term loans	<sup>(1)</sup> 442	442
<b>Long term borrowings</b>		
<u>Secured</u>		
Term loans	<sup>(1)</sup> 14,553	8,553
<b>Total indebtedness</b>	14,995	<sup>(2)</sup> 8,995
<b>Total equity/ capitalisation<sup>(3)</sup></b>	59,906	99,656
<b>Total capitalisation and indebtedness</b>	74,590	108,340

Note :

- (1) The term loans are obtained for the purpose of financing the acquisition of our properties in Taman Kinrara, Sri Petaling, Taman Segar and our new head office and warehouse. Details of the properties are set out in Section 6.11.1 and 6.11.4
- (2) After incorporating the repayment of borrowing (RM6 million) from the proceeds of the Public Issue.
- (3) Total pro forma shareholders' equity not including non-controlling interests.

As at 31 May 2013, our Group does not have any contingent liabilities.

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## 11. FINANCIAL INFORMATION *(Cont'd)*

### 11.4 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

Investors should read the following discussion and analysis of our financial condition and results of operations in conjunction with the Report of the Compilation of Pro forma Consolidated Financial Information and the related notes thereon for the past four (4) FYE 2010 to FYE 2013, as set out in Section 11.4.2 of this Prospectus.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and the discussion on risk factors included in Section 4 of this Prospectus.

Our Pro forma Consolidated Financial Statements have been prepared on the basis that CARiNG Group has been in existence throughout the Financial Years Under Review.

#### 11.4.1 Overview

We are primarily an operator of a chain of community pharmacies under the brand 'CARiNG' in Malaysia. Our chain of community pharmacies include wholly-owned and partially-owned outlets. Each of our community pharmacies has a full time pharmacist to service our customers during retail operating hours.

The history of our business can be traced back to 1994 with the incorporation of CPSB and the opening of our first CARiNG community pharmacy in Taman Muda, Cheras, Kuala Lumpur. The principal activity of the company has always been in the operation of community pharmacy. We undertake retail sales of pharmaceutical products which include scheduled drugs, OTC drugs and health supplements. Part of our portfolio of products also includes non-pharmaceutical products like personal care products, medical and healthcare devices, health food, confectionery, household products and beverages. In addition, our pharmacists also provide blood pressure test and blood glucose test.

The products carried by our community pharmacies are mainly third party brands. Nevertheless, we also offer a range of products of the brand 'CARiNG', such as bottled mineral water and a range of personal care.

As part of our plans to expand our market coverage, we launched our Caring Joint Venture Scheme in 2000, which enabled our pharmacists in branch manager positions with at least one year of working experience in our 'CARiNG' community pharmacy to participate as business partners in operating community pharmacies under the brand of 'CARiNG'.

Our business model is carried out through three (3) types of community pharmacy outlets as follow:

- **Street outlets** - community pharmacies located in retailing areas comprising a cluster of individual shops or retailing space lined along a street or near a street;
- **Shopping complex outlets** – community pharmacies located within shopping complexes; and
- **Specialised retail centre** – community pharmacies located within hypermarkets.

As at LPD, we have 26 wholly owned and 59 partially owned community pharmacies of which 43 located on street, 36 located in shopping complex and 6 at specialised retail centres.

**11. FINANCIAL INFORMATION** (Cont'd)

Over the years, we have established a strong platform for future growth. This is fuelled by the key strengths and competitive advantages developed by our Group which includes amongst others: Large chain of community pharmacies; Established brand name and reputation; Economies of scale; Management control and ownership of our community pharmacies; Pharmacists as business partners and shareholders; Full time pharmacist service at every outlet; Professional and experienced management team with proven track record of delivering sustainable growth and profitability; and Caring Joint Venture Scheme.

Our target market is mainly end-consumers who are the “walk-in” customers to our community pharmacies.

**(i) Revenue**

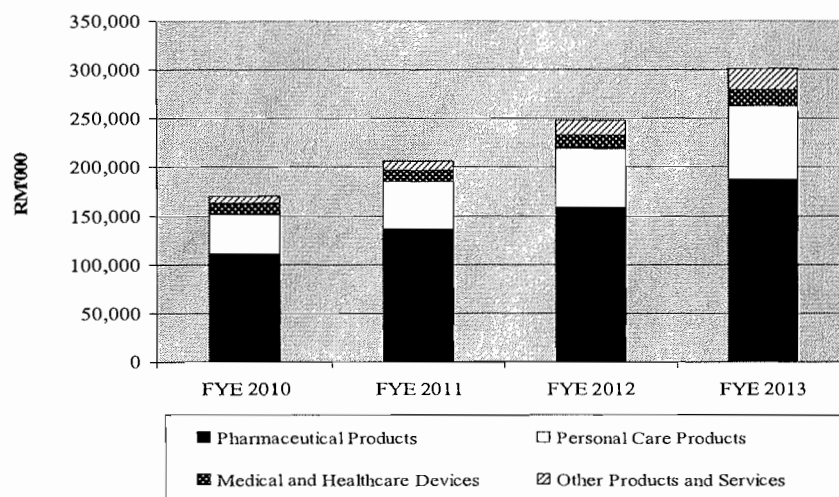
CARiNG Group is in retail business and the recognition of revenue is based on the delivery of goods and acceptance by customers which occur concurrently with the passing of the goods to the customers and customers’ acceptance upon payment at the community pharmacy outlets’ cashier counters.

In relation to our specialised retail centre, our sales are conducted on consignment basis. Hence, the sales are recognised based on sales reports generated from point of sales system and prepared by the respective consignors.

Our revenue grew 76.72% from RM170.57 million for FYE 2010 to RM301.42 million for FYE 2013. This represented an AAGR of 20.90% per annum for the past 4 FYE 2010 to FYE 2013 which was significantly higher than Malaysia’s average GDP growth of 3.6% per annum for the calendar years 2009 to 2011. (Source: Bank Negara Malaysia Annual Report 2012)

Our core revenue streams are principally derived from sale of pharmaceutical products, personal care products and medical and healthcare devices.

**Chart 1: Revenue by product category**

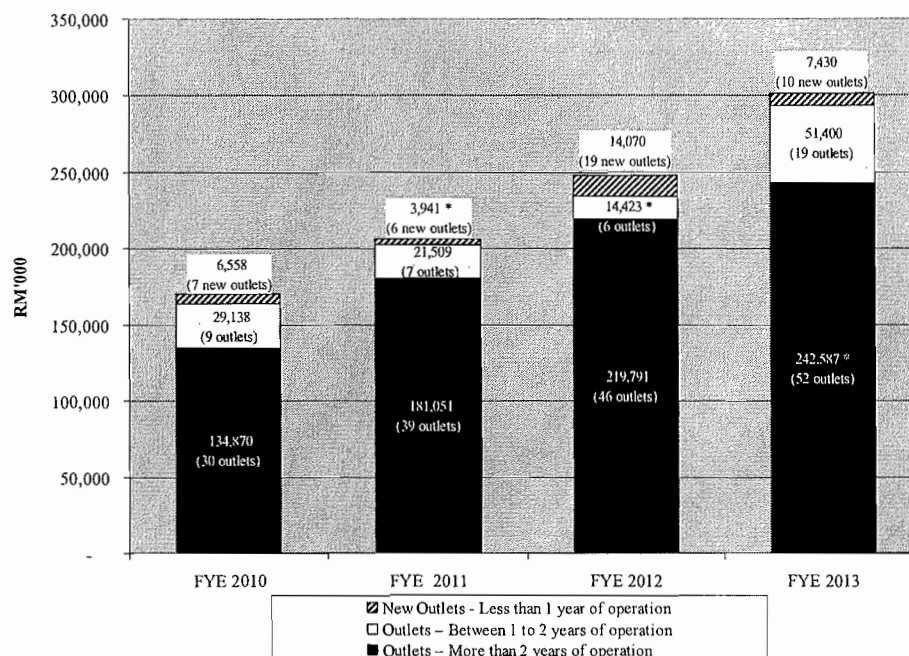


Analysis of the graph above shows that the sale of pharmaceutical products, comprising supplements, scheduled drugs and OTC drugs, has consistently been our major revenue contributor with over 60% of total revenue throughout the Financial Years Under Review. This is followed by personal care products contributing 23% - 26% during the same period while revenue contribution of medical and healthcare devices ranges from 5% - 7%. The percentage contribution by product category towards our total revenue has been fairly consistent over the Financial Years Under Review.

## 11. FINANCIAL INFORMATION (Cont'd)

Analysis of our revenue by existing and new outlets is as follow:

**Chart 2: Revenue by existing and new outlets for the FYE 2010 - 2013**



Notes:

\* The revenue presented in the graph for FYE 2011, FYE 2012 and FYE 2013 includes sales of health supplements, OTC drugs and personal care products via other retail channels namely internet, warehouse and roadshows. The quantum of such revenue is tabulated in Section 11.4.2 of this Prospectus and as below:

- For FYE 2011, revenue of RM3,000 is included in "New Outlets - Less than 1 year of operation";
- For FYE 2012, revenue of RM555,000 is included in "Outlets - Between 1 to 2 years of operation"; and
- For FYE 2013, revenue of RM1,034,000 is included in "Outlets - More than 2 years of operation".

In respect of the above, there are no such revenue included in FYE 2010.

Our strong revenue growth achieved over the years from FYE 2010 to FYE 2013 was driven by the growth in our number of new outlets as well as the healthy overall growth achieved by our existing outlets.

Generally, the initial contribution of a new outlet opened in the first year of operation is not significant. This may be due to the following factors:

- Time needed to develop customer loyalty from the start of the operation;
- Low awareness of the outlets; and
- New outlets which are located in new developed township or complexes will mature in tandem with the growth of these areas

However, based on the historical observation, the new outlets will generally demonstrate better growth in revenue contribution after a first full year of operation.

**11. FINANCIAL INFORMATION (Cont'd)****(ii) Cost of Sales, GP and GP Margin**

Our cost of sales comprises the purchase cost of our trading goods, i.e. pharmaceutical products, personal care products, medical and healthcare devices, and other products include mainly health food, confectionery, beverage and household products less:

- purchase rebates from suppliers such as discounts or payments upon achieving a targeted level of purchases; and
- product rebates from suppliers such as discount or payments for sale of promotional items at a price lower than the recommended retail price.

Our growth in cost of sales and gross profits over the years from the Financial Years Under Review has been consistent with our revenue growth during the same period. Percentage of cost of sales to revenue ranges from 72.77% to 74.19% during the Financial Years Under Review.

**(iii) Other Operating Income**

Our other operating income contributed 14.53% to 20.11% of total gross profit plus operating income.

Major components of other operating income consist primarily of advertising and promotion income, distribution and delivery charges derived from our suppliers and interest income derived from deposits placed with financial institutions. The distribution and delivery charges are in respect of rebates from the suppliers for cost savings arising from centralized delivery of goods to our warehouse by the suppliers, whereby subsequent distributions to our outlets are coordinated by CARiNG.

The advertising and promotion income are generated in the form of product listing fees, advertising and promotional funds from either the product principals or suppliers. Advertising and promotion income contributed more than 60% of the total of other operating income.

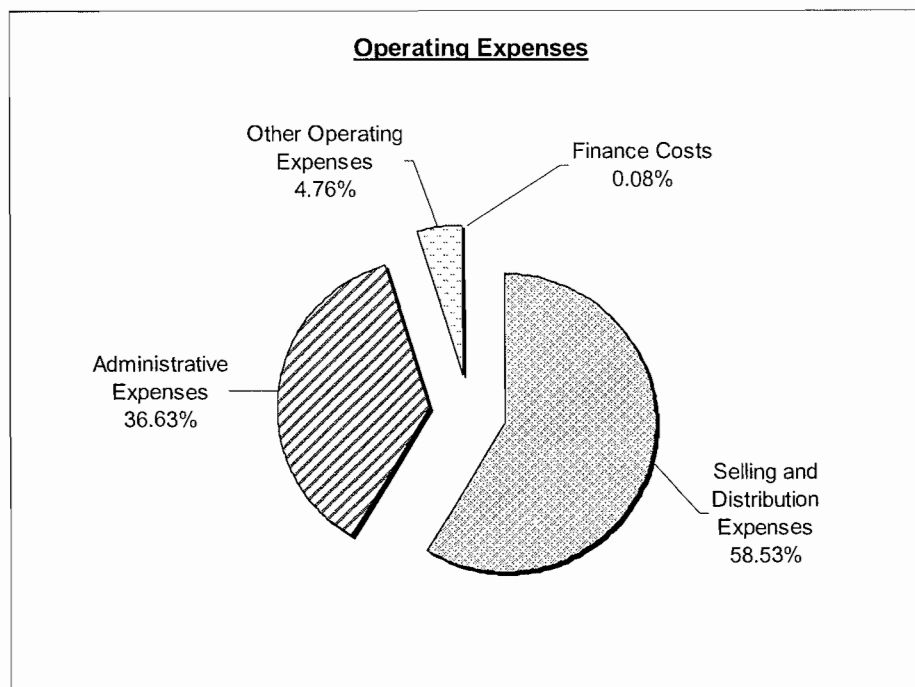
During the Financial Years Under Review, our other operating income has grown by RM11.74 million (149.74%) from RM7.84 million to RM19.58 million mainly due to the increase of advertising and promotion income derived from suppliers as a result of the increase in the number of outlets from 46 to 81 outlets.

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## 11. FINANCIAL INFORMATION (Cont'd)

### (iv) Operating Expenses

Our operating expenses as a percentage of total revenue are on an average 20.88% during the Financial Years Under Review. Major components of it are depicted in the diagram below:



The selling and distribution expenses consist mainly of advertisement expenses, redemption cost, rental of premises and staff employment expenses. Redemption cost is the fee charged by BonusLink for points earned by the customer when they make a purchase at any CARiNG outlets. Staff employment expenses under selling and distribution expenses relate to employment expenses of staff employed in our community pharmacy outlets such as sales assistants and pharmacists.

The administrative expenses consist mainly of directors' fee and non-fee emoluments (including the directors from our subsidiaries), staff employment expenses and other administrative expenses. Staff employment expenses under administrative expenses relate to employment expenses of staffs employed at head office level which perform group functions such as purchasing, warehousing and supply chain management, accounting, finance and general group management.

The other operating expenses consist mainly of depreciation of property, plant and equipment.

The two major components of operating expenses namely selling and distribution expenses and administrative expenses increased at an average 27.66% and 24.97%, respectively for the Financial Years Under Review.

The segmental analysis of our revenue by subsidiaries, product category, type of outlets and PBT by subsidiaries is set out in Tables 1, 2, 3 and 4 of Section 11.4.3 of this Prospectus. For the Financial Years Under Review, all our revenue streams were derived from Malaysia. In this regard, there is no segmental analysis based on geographical location.



## 11. FINANCIAL INFORMATION (Cont'd)

## 11.4.2 Review of Results of Operations

## (i) Revenue

The table below further analyses our Group's revenue as follows:

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
<b>Revenue from operation of outlets (RM'000)</b>				
• Outlets – More than 2 years of operation	133,108	179,252	218,323	241,016
• Outlets – Between 1 to 2 years of operation	29,138	21,509	13,868	51,400
• New outlets – Less than 1 year of operation	6,558	3,938	14,070	7,430
<b>Subtotal</b>	<b>168,804</b>	<b>204,699</b>	<b>246,261</b>	<b>299,846</b>
- Other *	1,762	1,802	2,023	1,571
<b>Total</b>	<b>170,566</b>	<b>206,501</b>	<b>248,284</b>	<b>301,417</b>
<b>Number of Outlets</b>				
• Outlets – More than 2 years of operation	30	39	46	52
• Outlets – Between 1 to 2 years of operation	9	7	6	19
• New outlets – Less than 1 year of operation	7	6	19	10
	<b>46</b>	<b>52</b>	<b>71</b>	<b>81</b>
<b>Average revenue/outlet (RM'000)</b>				
• Outlets – More than 2 years of operation	4,437	4,596	4,746	4,635
• Outlets – Between 1 to 2 years of operation	3,237	3,073	2,311	2,705
• New outlets – Less than 1 year of operation	937	656	741	743

Note:

\* Include sales of health supplements, OTC drugs and personal care products via other retail channels namely internet, warehouse and roadshows.

**11. FINANCIAL INFORMATION (Cont'd)****FYE 2011 As Compared To FYE 2010**

For FYE 2011, our revenue was RM206.50 million which represents a 21.06% increase compared to RM170.57 million achieved for FYE 2010. This growth of 21.06% (RM35.93 million) was mainly attributable to the following:

- Additional revenue contribution of RM14.95 million from our seven (7) retail outlets which were opened in FYE 2010 and have been in operational for the full year in FYE 2011;
- RM17.00 million was contributed from our 39 retail outlets which have been in existence since the beginning of FYE 2010; and
- About 10.97% of the revenue growth (RM3.94 million) was delivered by our six (6) new retail outlets which are opened in FYE 2011.

Sales of pharmaceutical products represented 66.49% of our total revenue for FYE 2011 compared to 65.54% for FYE 2010. The total revenue growth for FYE 2011 of RM35.93 million comprises of 70.98% and 23.36% in pharmaceutical products and personal care products respectively. The analysis is shown at table 3 of Section 11.4.3. The revenue from medical and healthcare devices has been relatively consistent throughout the Financial Years Under Review.

**FYE 2012 As Compared To FYE 2011**

For FYE 2012, although our Group registered a marginally lower growth in revenue of 20.23% to RM248.28 million from RM206.50 million for FYE 2011 compared to 21.06% in the preceding FYE, the absolute quantum increase in revenue of the two FYEs is a positive RM5.85 million.

The growth of 20.23% (RM41.78 million) was mainly due to the following factors:

- RM9.93 million was contributed by our six (6) retail outlets which were opened in FYE 2011 and have been operational for the full year in FYE 2012;
- 42.03% of the revenue growth (RM17.56 million) was contributed by our 46 retail outlets which have been in existence since the beginning of FYE 2011; and
- during FYE 2012, 19 outlets were opened made up of 33.68% to the total revenue growth (RM14.07 million) which is significant higher contribution of new outlets open in the current year than the past period.

Sales of pharmaceutical products remained our major source of revenue, representing 63.80% of our total revenue for FYE 2012. Our sales of personal care products and other products and services (comprising mainly food and beverage) marginally increased due to the higher revenue contribution from our shopping complex outlets which enjoy higher sales for these two categories of products.

**11. FINANCIAL INFORMATION (Cont'd)****FYE 2013 As Compared To FYE 2012**

For FYE 2013, our revenue was RM301.42 million which represents a 21.40% increase compared to RM248.28 million achieved for FYE 2012. This growth of 21.40% (RM53.13 million) was mainly due to the following factors:

- 70.26% of the revenue growth (RM37.33 million) was contributed by our nineteen (19) retail outlets which were opened in FYE 2012 and have been operational for the full year in FYE 2013;
- 16.61% of the revenue growth (RM8.83 million) was contributed by our 52 retail outlets which have been in existence since the beginning of FYE 2012; and
- The revenue contribution from ten (10) new outlets opened during the FYE 2013 made up 13.98% or RM7.43 million to the total revenue growth.

For FYE 2013, sales of pharmaceutical products continued to be our major revenue contributor, representing 62.17% of our total revenue. Nevertheless, this represents a 1.63% decrease compared to 63.80% for FYE 2012. Based on the analysis set out in Table 3 of Section 11.4.3, the changes in the sales composition for FYE 2013 was mainly attributable to proportionately higher sales of personal care products and other products and services which increased their contribution to total sales by 0.54% and 1.39% respectively for FYE 2013. The increase in the revenue contribution from these 2 product categories is due to the increase in the number of shopping complex outlets.

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## 11. FINANCIAL INFORMATION (Cont'd)

## (ii) Cost of Sales, GP and GP Margin

	Audited											
	FYE 2010		FYE 2011		FYE 2012		FYE 2013					
	RM'000	%	RM'000	%	RM'000	%	RM'000	%				
Revenue	170,566	100.00	206,501	100.00	248,284	100.00	301,417	100.00				
Cost of Sales	124,860	73.20	150,261	72.77	184,152	74.17	223,627	74.19				
Gross Profit	45,706	26.80	56,240	27.23	64,132	25.83	77,790	25.81				
<b><u>Gross Profit by Product Category:</u></b>												
<b><u>Pharmaceutical Products</u></b>	30,502	66.74	38,619	68.67	42,913	66.91	50,632	65.09				
- Scheduled Drugs	16,311	35.69	19,565	34.79	20,905	32.60	24,019	30.88				
- Health Supplements	11,912	26.06	15,864	28.21	18,178	28.34	22,014	28.30				
- OTC Drugs	2,279	4.99	3,190	5.67	3,830	5.97	4,599	5.91				
<b><u>Personal Care Products</u></b>	9,573	20.94	11,757	20.91	14,510	22.63	18,548	23.84				
<b><u>Medical and Healthcare Devices</u></b>	3,606	7.89	3,313	5.89	3,791	5.91	4,368	5.62				
<b><u>Other Products and Services *</u></b>	2,025	4.43	2,551	4.53	2,918	4.55	4,242	5.45				
<b><u>Gross Profit Margin by Product Category:</u></b>												
<b><u>Pharmaceutical Products</u></b>		27.28		28.13		27.09		27.02				
- Scheduled Drugs		31.36		31.49		28.39		27.23				
- Health Supplements		25.00		26.43		26.17		27.16				
- OTC Drugs		18.75		21.04		25.04		25.36				
<b><u>Personal Care Products</u></b>		24.16		24.49		23.77		24.50				
<b><u>Medical and Healthcare Devices</u></b>		31.33		29.04		27.70		27.83				
<b><u>Other Products and Services *</u></b>		26.50		26.08		19.25		18.76				

Note:

\* Include mainly health food, confectionery, beverage and household products

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**11. FINANCIAL INFORMATION** *(Cont'd)*

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Our operation is generally a retail business which services the end-consumers. Our cost of sales will therefore represent mainly of our trading goods purchased for resale less any discounts or rebates as explained in Section 11.4.1 (ii). As we are an established player in the community pharmacy industry and through the years in operation have also established good rapport with our suppliers coupled with our ability to enjoy the benefits of economics of scale as discussed in Section 6.2 (iii), our margins are therefore fairly consistent throughout the Financial Years Under Review.

However, fluctuations may occur in our GP margin from year to year mainly due to the product rebates received from our suppliers for marketing and promotional activities carried out by our Group on behalf of our suppliers. Such marketing and promotional activities carried out on behalf of the suppliers vary each year. Therefore, product rebates received from suppliers will also vary accordingly resulting in fluctuation in our GP margin. Nonetheless, such fluctuations are normally not material.

**FYE 2011 As Compared To FYE 2010**

Our cost of sales increased by 20.34% to RM150.26 million (FYE 2011) from RM124.86 million (FYE 2010) which is consistent with our revenue growth of 21.06% during the same period.

During FYE 2011, cost of sales went up by a lower percentage compare to growth of revenue, which resulted in the improvement in GP Margin of 0.43% from 26.80% achieved from FYE 2010 to 27.23% in FYE 2011.

For the FYE 2011, our gross profit margin for pharmaceutical products increased by 0.85% from 27.28% (FYE 2010) to 28.13% (FYE 2011) mainly attributable to the higher margin derived from the sale of health supplements.

Although our gross profit margin for medical and healthcare devices decreased by 2.29% to 29.04% (FYE 2011) from 31.33% (FYE 2010), our Group recorded a higher gross profit margin for FYE 2011 compared to FYE 2010 as the revenue contribution from the said product category contributed less than 7% to the total revenue for the respective financial years.

Our gross profit margins of FYE 2011 for the remaining product categories are relatively consistent compared to FYE 2010.

**FYE 2012 As Compared To FYE 2011**

In FYE 2012, our cost of sales increased by 22.55% to RM184.15 million (FYE 2012) from RM150.26 million (FYE 2011) mainly due to the reduction in our gross profit margin.

Although our gross profit increased by RM7.89 million from RM56.24 million (FYE 2011) compared to RM64.13 million (FYE 2012), our gross profit margin decreased slightly by 1.4% mainly attributable to lower gross profit margin in the pharmaceutical products and personal care products sold by the Group as well as additional marketing and promotional activities carried out by our Group in an effort to increase market share.

**11. FINANCIAL INFORMATION (Cont'd)****FYE 2013 As Compared To FYE 2012**

Our cost of sales increased by 21.44% to RM223.63 million (FYE 2013) from RM184.15 million (FYE 2012) in line with our revenue growth of 21.40%.

Our gross profit recorded a growth of RM13.66 million from RM64.13 million (FYE 2012) to RM77.79 million (FYE 2013) and our gross profit margins for the two financial years remained relatively consistent between 25.81% to 25.83%.

The gross profit margins for the respective product categories are also relatively consistent for the two financial years.

**(iii) Other Operating Income**

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM'000	RM'000	RM'000	RM'000
Advertising and promotion income <sup>(1)</sup>	5,343	6,535	11,343	14,657
Distribution and delivery charges <sup>(2)</sup>	1,766	2,189	2,756	3,585
Gain on disposal of equipment	122	26	2	85
Interest income	311	527	709	809
Other contribution from suppliers <sup>(3)</sup>	61	88	144	170
Rental income	47	40	62	108
Sundry income <sup>(4)</sup>	190	158	213	166
<b>Total</b>	<b>7,840</b>	<b>9,563</b>	<b>15,229</b>	<b>19,580</b>

*Notes:*

- (1) Advertising and promotion income mainly represents product listing fees and contributions to advertising and promotional activities from our product principals or suppliers. Please refer to Section 6.1.3(ii) for further details.
- (2) Distribution and delivery charges income mainly represents income from our suppliers for cost savings arising from delivery of goods from our centralised warehouse to our retail outlets. Please refer to Section 6.1.3 (iii) for further details.
- (3) Other contribution from suppliers mainly for organising our staff training and staff events.
- (4) Sundry income includes insurance claims reimbursed for losses.

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**11. FINANCIAL INFORMATION (Cont'd)****FYE 2011 As Compared To FYE 2010**

Our other operating income increased by RM1.72 million (21.94%) from RM7.84 million (FYE 2010) to RM9.56 million (FYE 2011). This increase was mainly contributed by advertising and promotion income due to the increase in number of outlets and increase in distribution and delivery charges. The nature of these categories of income is explained in section 11.4.1(iii) above.

**FYE 2012 As Compared To FYE 2011**

Our other operating income registered a significant growth of RM5.67 million (59.31%) from RM9.56 million (FYE 2011) to RM15.23 million (FYE 2012). This was mainly contributed by an increase of RM4.81 million from advertising and promotion income as the result of the expansion of our Group's business via the setting up of a further 19 new retail outlets during the year.

**FYE 2013 As Compared To FYE 2012**

For the FYE 2013, our other operating income increased further by RM4.35 million (28.57%) to RM19.58 million. The increase was mainly contributed by an increase of RM3.31 million from advertising and promotion income generated from advertisement and promotional activities from our suppliers and 10 new retail outlets; and an increase of RM0.83 million in our distribution and delivery charges in FYE 2013.

**(iv) Selling and Distribution Expenses**

Our selling and distribution expenses is an average of approximately 12% of total revenue throughout the Financial Years Under Review.

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM'000	RM'000	RM'000	RM'000
Advertisement	1,813	2,115	3,198	4,230
Pharmacists' share of profit <sup>(1)</sup>	140	216	287	198
Redemption cost <sup>(2)</sup>	2,008	2,502	2,559	3,014
Rental of premises <sup>(3)</sup>	5,889	7,723	9,873	12,848
Staff employment expenses <sup>(4)</sup>	9,128	11,599	14,469	19,238
Others <sup>(5)</sup>	341	345	412	647
<b>Total</b>	<b>19,319</b>	<b>24,500</b>	<b>30,798</b>	<b>40,175</b>

*Notes:*

- (1) Relates to profit sharing entitlement of senior pharmacists serving as branch manager for more than two (2) years (excluding branch managers who are joint venture directors) for their contribution to the Group, computed based on the profit achieve by the respective outlets.
- (2) Redemption cost represents fees charged by BonusLink for points earned by our customers when they make a purchase at any CARiNG outlet using BonusLink loyalty card.
- (3) Including amount deducted from consignment sales by specialised retail centres.
- (4) Staff employment expenses represents payroll of staff employed in our retail outlets.
- (5) Including general selling and distribution expenses.

## 11. FINANCIAL INFORMATION (Cont'd)

**FYE 2011 As Compared To FYE 2010**

Our selling and distribution expenses increased by RM5.18 million (26.81%) from RM19.32 million (FYE 2010) to RM24.50 million (FYE 2011); a higher percentage increase compared to the percentage increase in total revenue of 21.06%. The increase is mainly due to the increase in staff costs (RM2.47 million) and rental of premises (RM1.83 million) pursuant to more new outlets opened by the Group, and the revision of staff remuneration package during the FYE 2011.

**FYE 2012 As Compared To FYE 2011**

Our selling and distribution expenses increased by RM6.30 million (25.71%), to RM30.80 million (FYE 2012) from RM24.50 million (FYE 2011); a higher percentage increase compared to the percentage increase in total revenue of 20.23%. The increase is mainly due to the increase in staff costs (RM2.87 million) and rental of premises (RM2.15 million) pursuant to the 19 new retail outlets opened in FYE 2012, in line with the expansion and growth of the business of CARiNG Group.

In 2012, the number of retail staff has more than doubled since FYE 2010.

**FYE 2013 As Compared To FYE 2012**

Our selling and distribution expenses increased by RM9.38 million (30.45%), to RM40.17 million (FYE 2013) from RM30.80 million (FYE 2012), higher than the percentage increase in total revenue of 21.40%. The increase is mainly due to the following:

- the increase in staff costs of RM4.77 million from the 19 new retail outlets which were in operation for their first full 12 months of FYE 2013 and an upward revision to remuneration scale of our staffs; and
- the increase in rental of premises by RM2.98 million mainly due to a higher proportion of new outlets in FYE 2013 compared to FYE 2012 as well as upward revision to the rental rate of our existing shopping complex outlets.

**(v) Administrative Expenses**

Our administrative expenses has contributed an average of approximately 7.65% of total revenue throughout the Financial Years Under Review.

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM'000	RM'000	RM'000	RM'000
Directors' fee paid	524	789	588	813
Directors' non-fee emoluments	3,938	5,436	6,512	8,062
Electricity and water charges	736	952	1,238	1,688
Staff employment expenses <sup>(1)</sup>	5,319	5,554	7,151	9,217
Other administrative expenses <sup>(2)</sup>	2,078	2,581	3,470	4,778
<b>Total</b>	<b>12,595</b>	<b>15,312</b>	<b>18,959</b>	<b>24,558</b>

Notes:

- (1) Staff employment expenses represents payroll of staff employed at head office level who perform group functions.



**11. FINANCIAL INFORMATION (Cont'd)**

- (2) *Other administrative expenses mainly represents general administrative expenses such as printing and stationery, telephone charges, insurance expenses, upkeep and maintenance of premises and professional fees incurred by our Group.*

**FYE 2011 As Compared To FYE 2010**

Our administrative expenses for FYE 2011 were RM15.31 million, representing an increase of 21.51% from RM12.60 million (FYE 2010). This increase corresponded to the increase in total revenue of 21.06% and is mainly due to revision in directors' remuneration packages (from RM4.46 million (FYE 2010) to RM6.23 million (FYE 2011)). Our directors who are pharmacists and senior management of the Group play important roles in developing and growing the business of the CARiNG Group.

Our directors' fee increased from RM0.52 million (FYE 2010) to RM0.79 million (FYE 2011) mainly due to a one off fee payment made to a director of a subsidiary instead of distribution of profits via dividends to the shareholders as the said director had contributed more working hours during the financial year.

**FYE 2012 As Compared To FYE 2011**

Our administrative expenses for FYE 2012 were RM18.96 million, representing an increase of 23.84% from RM15.31 million (FYE 2011). The increase was relatively consistent with our increase in total revenue of 20.23%, mainly attributed by the change in staff costs by RM1.60 million (43.83%) as a result of increase in staff headcount associated with the larger scale of operation (19 newly opened retail outlets in FYE 2012).

The increase of RM0.89 million (24.38%) in other administrative expenses was slightly higher than the increase of 20.23% in total revenue mainly due to purchases for capital expenditure that amounts to less than RM1,000 each for our 19 new outlets set up during FYE 2012.

**FYE 2013 As Compared To FYE 2012**

Our administrative expenses for FYE 2013 were RM24.56 million, representing an increase of 29.53% from RM18.96 million (FYE 2012). This increase is proportionately higher than the increase in total revenue of 21.43% during the financial year mainly due to the following:

- the increase in staff employment expenses by 28.89%, from RM7.15 million (FYE 2012) to RM9.22 million (FYE 2013) is mainly due to the increase in staff headcount and the upward revision to the remuneration scale of our existing staff; and
- the increase in other administrative expenses from RM3.47 million (FYE 2012) to RM4.78 million (FYE 2013) mainly due increase in repair and maintenance fees by 256% (RM0.34 million) compared to FYE 2012 due to fees incurred to enhance our existing IT operating system, preliminary expenses (licence fees and annual support fee) paid for implementation of our ERP system and upkeep and maintenance of our properties, namely Sri Petaling outlet and our existing headquarter office.

## 11. FINANCIAL INFORMATION (Cont'd)

**(vi) Other Operating Expenses**

Our other operating expenses mainly include depreciation of property, plant and equipment as shown below:

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,734	1,970	2,576	2,737
Others <sup>(1)</sup>	22	2	65	26
<b>Total</b>	<b>1,756</b>	<b>1,972</b>	<b>2,641</b>	<b>2,763</b>

Note:

(1) Include incorporation expenses, loss on disposal of equipment, and equipment written off

Depreciation of property, plant and equipment represents 5.14%, 4.71%, 4.91% and 4.05% of the total operating expenses throughout Financial Years Under Review.

**(vii) Finance Cost**

Our finance cost represents interest charges on term loans taken to finance some of our property purchased. The interest on those term loans is insignificant thus it has immaterial impact on the financial performance of the Group.

**(viii) PBT and PAT**

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM '000	RM '000	RM '000	RM '000
PBT	19,835	23,989	26,947	29,819
Taxation	(4,561)	(5,808)	(6,876)	(7,497)
PAT	15,274	18,181	20,071	22,322
PAT attributable to equity holders of the company	13,552	16,458	18,271	20,552
PBT margin (%)	11.63	11.62	10.85	9.89
PAT margin (%)	8.95	8.80	8.08	7.41
Effective tax rates	22.99	24.21	25.52	25.14
Malaysian statutory tax rates	25%	25%	25%	25%

**FYE 2011 As Compared To FYE 2010**

For FYE 2011, our group registered a 20.92% growth in PBT to RM23.99 million from RM19.84 million (FYE 2010), which is consistent with our total revenue growth of 21.06%.

Our effective income tax rates for FYE 2010 and FYE 2011 were 22.99% and 24.21% respectively. Our effective tax rate is slightly lower than the statutory tax rate of 25% principally due to tax saving associated with a lower tax rate of 20% which is applicable to our subsidiaries for the first RM500,000 of taxable profits. This saving was partially offset by certain non-deductible expenses incurred during the year.

**11. FINANCIAL INFORMATION (Cont'd)**

As a result of the higher effective tax rate in FYE 2011, the percentage increase in our PAT (FYE 2011) of 19.06% is lower than the increase in our PBT of the said year. Accordingly, our PAT margin decreased slightly to 8.80% (FYE 2011) from 8.95% (FYE 2010).

Our Group closed FYE 2011 with a profit attributable to shareholders of RM16.46 million, up 21.47% as compared to RM13.55 million (FYE 2010).

**FYE 2012 As Compared To FYE 2011**

Our PBT increased by RM2.96 million or 12.34% from RM23.99 million (FYE 2011) to RM26.95 million (FYE 2012). Our PBT margin decreased to 10.85% (FYE 2012) from 11.62% (FYE 2011), primarily due to lower GP margin for FYE 2012.

The effective tax rate was 25.52%, a 1.31% higher from 24.21% recorded in FYE 2011. Our effective tax rate for the year is slightly higher principally due to deferred tax assets not recognised during the year as a result of loss making subsidiaries and reversal of deferred tax assets recognised in prior years for subsidiaries making continuous losses.

As a result of the higher effective tax rate of FYE 2012, the percentage increase in PAT (FYE 2012) of 10.40% is lower than the increase in our PBT of the said year. Accordingly, our PAT margin decreased slightly to 8.08% (FYE 2012) from 8.80% (FYE 2011).

**FYE 2013 As Compared To FYE 2012**

Despite the increase in the FYE 2013 revenue of 21.40%, our PBT margin for the FYE 2013 decreased by 0.96% mainly due to proportionately higher selling and distribution and administrative expenses explained in the preceding pages.

Our effective tax rate of 25.14% for the FYE 2013 is marginally lower than the effective tax rate of 25.52% for FYE 2012 as a result of reversal of deferred tax assets recognised in prior year arising from certain loss making subsidiaries in FYE 2012.

As a result of the lower effective tax rate for the FYE 2013, the percentage increase in PAT (FYE 2013) of 11.22% is marginally higher than the increase in our PBT (FYE 2013) of 10.66%.

Accordingly, the PAT attributable to shareholders of RM20.55 million is 12.48% higher compared to RM18.27 million for the FYE 2012.

Upon the acquisition of CPRM by CARiNG in relation to the listing scheme, our Group will not be entitled for the tax savings associated with a lower tax rate of 20% for the first RM500,000 of taxable profit which is only applicable to Small and Medium Size Entities. Based on our Group's results for FYE 2013, if the abovementioned tax privilege does not apply, the estimated additional tax payable by the company would have been RM0.35 million. Consequently our PAT would reduce by the same amount.

## 11. FINANCIAL INFORMATION (Cont'd)

## 11.4.3 Segmental Analysis

Table 1: Revenue^ by its subsidiaries

Subsidiaries	Audited											
	FYE 2010			FYE 2011			FYE 2012			FYE 2013		
	No. of outlets	RM '000	%	No. of outlets	RM '000	%	No. of outlets	RM '000	%	No. of outlets	RM '000	%
CPRM^	N/A	5,876	3.45	N/A	7,543	3.65	N/A	11,164	4.50	N/A	10,307	3.42
<b><u>Wholly-owned subsidiaries:</u></b>												
Caring (MSF)	1	2,442	1.43	1	3,208	1.55	2	4,964	2.00	2	7,966	2.64
Caring (SW)	1	3,048	1.79	2	4,338	2.10	2	6,077	2.45	2	7,122	2.36
Caring eStore	N/A	-	-	N/A	3	*	N/A	555	0.22	N/A	1,034	0.34
Caring Help	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-	-
CPSB	10	54,321	31.85	10	58,199	28.18	12	63,122	25.42	14	67,076	22.25
Miracle Cure	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-	-
UC Venture	2	7,925	4.65	2	8,541	4.14	2	9,187	3.70	2	9,413	3.12
Viva Caring	5	21,761	12.76	5	23,193	11.23	5	23,975	9.66	5	23,790	7.89
<b><u>Partially-owned subsidiaries:</u></b>												
Ace Caring	1	4,181	2.45	2	5,201	2.52	2	7,127	2.87	2	7,310	2.42
Be Caring	2	6,407	3.76	2	6,392	3.10	2	6,231	2.51	2	6,304	2.09
Caring Belle	1	4,676	2.74	1	4,992	2.42	1	5,259	2.12	1	5,510	1.83
Caring Health Solutions	2	4,486	2.63	2	7,611	3.69	2	9,220	3.71	2	9,686	3.21
Caring 'N' You Pharmacy	1	3,056	1.79	1	3,390	1.64	1	3,614	1.46	1	3,615	1.20
Caring (ABM)	1	520	0.30	1	2,274	1.10	2	4,583	1.85	2	5,847	1.94
Caring (AMC)	1	245	0.14	1	2,298	1.11	1	2,670	1.08	1	2,782	0.92
Caring (Ampang)	1	2,923	1.71	1	3,237	1.57	1	3,106	1.25	2	4,213	1.40
Caring (IDR)	N/A	-	-	N/A	-	-	5	2,089	0.84	5	11,536	3.83
Caring (JB Molek)	N/A	-	-	N/A	-	-	1	1,347	0.54	2	3,072	1.02
Caring (Kinrara)	2	8,135	4.77	2	9,882	4.79	2	10,784	4.34	2	11,016	3.65
Caring (KLP)	1	10,224	5.99	2	12,656	6.13	2	14,619	5.89	2	15,359	5.09
Caring (Lifepus)	N/A	-	-	N/A	-	-	1	302	0.12	1	1,838	0.61
Caring (Puchong)	1	2,592	1.52	1	2,606	1.26	1	2,504	1.01	1	2,127	0.71
Caring (Shah Alam)	N/A	-	-	N/A	-	-	1	1,654	0.67	1	3,810	1.26
Caring (SK)	N/A	-	-	N/A	-	-	1	940	0.38	1	2,007	0.67
Caring Always	N/A	-	-	N/A	-	-	1	1,411	0.57	1	2,395	0.79
Caring Paradise	N/A	-	-	N/A	-	-	1	73	0.03	1	1,770	0.59
Caring Rising	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-	-

## 11. FINANCIAL INFORMATION (Cont'd)

Subsidiaries	Audited											
	FYE 2010			FYE 2011			FYE 2012			FYE 2013		
	No. of outlets	RM '000	%	No. of outlets	RM '000	%	No. of outlets	RM '000	%	No. of outlets	RM '000	%
Caring Trio	***	-	-	***	-	-	***	-	-	***	1,954	0.65
Caring Trinity	***	-	-	***	-	-	***	-	-	***	-	-
Cosy Vision	***	-	-	***	-	-	***	-	-	***	583	0.19
Fuji Acre	***	-	-	***	-	-	***	-	-	***	55	0.02
Green Surge	***	-	-	***	-	-	1	373	0.15	***	1,881	0.62
Living Glory	***	-	-	***	-	-	1	145	0.06	***	3,941	1.31
Mega Caring	***	-	-	***	-	-	***	-	-	***	772	0.26
MN Pharmacy	1	1,659	0.97	1	2,081	1.01	1	2,453	0.99	1	2,665	0.88
My Caring	1	360	0.21	1	4,994	2.42	1	5,132	2.07	1	6,578	2.18
One Caring	***	-	-	1	767	0.37	1	3,465	1.40	1	5,844	1.94
Preciouslife	1	6,289	3.69	1	7,444	3.60	1	8,399	3.38	1	8,983	2.98
Stay Caring	1	7,382	4.33	1	8,398	4.07	1	10,467	4.22	1	15,376	5.10
Sterling Pharmacy	1	11,573	6.79	1	14,196	6.87	1	15,838	6.38	1	15,857	5.26
Tonic Pharma	1	3,074	1.80	1	3,450	1.67	1	4,744	1.91	1	6,534	2.17
URX Care	***	-	-	1	1,644	0.80	1	3,147	1.27	1	4,095	1.36
Vertex Pharmacy	1	3,205	1.88	1	3,838	1.86	1	6,447	2.60	1	7,041	2.34
Victorie Caring	1	52	0.03	1	1,638	0.79	1	2,241	0.90	1	2,531	0.84
<b>TOTAL</b>		<b>176,412</b>			<b>214,014</b>			<b>259,428</b>			<b>311,595</b>	
Inter-company transaction elimination <sup>^</sup>		(5,846)	(3.43)		(7,513)	(3.64)		(11,144)	(4.49)		(10,178)	(3.37)
<b>CONSOLIDATED</b>		<b>170,566</b>	<b>100.00</b>		<b>206,501</b>	<b>100.00</b>		<b>248,284</b>	<b>100.00</b>		<b>301,417</b>	<b>100.00</b>

Notes:

<sup>^</sup> The quantum of inter-company transaction elimination is in respect of management fee, loyalty fee and rental income received by CPRM from its subsidiaries.

\* Represent percentage less than 0.01%.

\*\* Subsidiaries yet to commence operations.

\*\*\* Subsidiaries yet to be incorporated.

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**11. FINANCIAL INFORMATION (Cont'd)**

The above table shows the breakdown of revenue by CARiNG and its subsidiaries after eliminating inter-company transactions except for inter-company transactions such as management fee, loyalty fee and rental income between CPRM and its subsidiaries.

CPRM being the intermediate holding company of the CARiNG subsidiaries whose principal activity is investment holding and provision of management services generates management fee, loyalty fee, rental income and dividend income charged to or received from companies within our Group. CPRM's revenue for the Financial Years Under Review tabulated in the above table has been adjusted to eliminate dividend income received from its subsidiaries. However, management fee, loyalty fee and rental income received by CPRM from its subsidiaries has not been eliminated directly from CPRM's revenue but has been presented separately in the table. This treatment is chosen and applied so as to provide a better representation of the financial performance of the respective subsidiaries. Besides the abovementioned revenue, CPRM also derived rental income from renting properties owned by the Company to third parties.

Other inter-company transaction which has been eliminated in arriving at the figures in the Table 1 above includes:

- Procurement of goods sold by CPSB on behalf of the other CPRM's subsidiaries as CPSB acts as a central procurement centre for the Group. Besides the central procurement function, CPSB also operates 14 outlets; and
- Inter-subsidiary transfers of retail goods for operational efficiency. These transfers are at cost, hence no profit/loss would arise thereon.

The three major contributors to our revenue for the Financial Years Under Review are CPSB, Viva Caring and Sterling Pharmacy, each with 14, 5 and 4 outlets respectively as at FYE 2013.

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## 11. FINANCIAL INFORMATION (Cont'd)

Table 2: Revenue by type of outlets

	Audited							
	FYE 2010		FYE 2011		FYE 2012		FYE 2013	
	RM '000	%	RM '000	%	RM '000	%	RM '000	%
<b>Revenue by type of outlets</b>								
Street outlets	82,671	48.47	95,084	46.05	112,642	45.37	138,414	45.92
Shopping complex outlets	74,486	43.67	95,939	46.46	119,529	48.14	148,216	49.17
Specialised retail centres	11,647	6.83	13,676	6.62	14,090	5.67	13,217	4.38
Others*	1,762	1.03	1,802	0.87	2,023	0.82	1,570	0.53
<b>Total</b>	<b>170,566</b>	<b>100.00</b>	<b>206,501</b>	<b>100.00</b>	<b>248,284</b>	<b>100.00</b>	<b>301,417</b>	<b>100.00</b>
<b>Number of Outlet</b>								
Street outlets	24		25		37		41	
Shopping complex outlets	17		21		28		34	
Specialised retail centres	5		6		6		6	
<b>Total</b>	<b>46</b>		<b>52</b>		<b>71</b>		<b>81</b>	
<b>Average revenue/outlet (RM'000)</b>								
Street outlets	3,445		3,803		3,044		3,376	
Shopping complex outlets	4,382		4,569		4,269		4,359	
Specialised retail centres	2,329		2,279		2,348		2,203	

Note:

\* Include sales of health supplements, OTC drugs and personal care products via other retail channels namely internet, warehouse and roadshows.

The above table categorises our Group's revenue according to the type of outlets. In FYE 2011, there is a shift in the largest category of revenue contributor from street outlets to shopping complex outlets, notwithstanding the increase in the number of shopping complex outlets is lesser than the street outlets.

The shift in the largest category of revenue contributor is attributable to the higher revenue per unit contribution by the shopping complex outlets as compared to the street outlets.

Analysis shows that the average revenue per unit of our shopping complex outlets (RM4.57 million and RM4.27 million respectively for FYE 2011 and FYE 2012) is higher than that of our street retail outlets (RM3.80 million and RM3.04 million respectively for FYE 2011 and FYE 2012). As our shopping complex outlets generally enjoy higher number of sales transactions as well as higher sales value per transaction compared to our street outlets.

For FYE 2013, shopping complex outlets remained our largest category of revenue contributor and the average revenue per complex outlet (RM4.36 million). However, the incremental average revenue per shopping complex outlet (approximately RM0.09 million) is lower than that of our street outlets (approximately RM0.33 million). This is mainly due to the fact that 6 out of our 10 new outlets opened during FYE 2013 are shopping complex outlets resulting in an averaging down of our revenue per shopping complex outlet.

**11. FINANCIAL INFORMATION (Cont'd)**

The ensuing table further analyses our revenue according to product category.

**Table 3: Revenue by product category**

	Audited							
	FYE 2010		FYE 2011		FYE 2012		FYE 2013	
	RM '000	%	RM '000	%	RM '000	%	RM '000	%
<b>Pharmaceutical Products</b>	<b>111,797</b>	<b>65.54</b>	<b>137,303</b>	<b>66.49</b>	<b>158,400</b>	<b>63.80</b>	<b>187,399</b>	<b>62.17</b>
- Scheduled Drugs	52,004	30.49	62,126	30.09	73,635	29.66	88,208	29.26
- Health Supplements	47,641	27.93	60,012	29.06	69,472	27.98	81,055	26.89
- OTC Drugs	12,152	7.12	15,165	7.34	15,293	6.16	18,136	6.02
<b>Personal Care Products</b>	<b>39,616</b>	<b>23.23</b>	<b>48,009</b>	<b>23.25</b>	<b>61,039</b>	<b>24.58</b>	<b>75,707</b>	<b>25.12</b>
<b>Medical and Healthcare Devices</b>	<b>11,511</b>	<b>6.75</b>	<b>11,408</b>	<b>5.52</b>	<b>13,686</b>	<b>5.51</b>	<b>15,694</b>	<b>5.21</b>
<b>Other Products and Services*</b>	<b>7,642</b>	<b>4.48</b>	<b>9,781</b>	<b>4.74</b>	<b>15,159</b>	<b>6.11</b>	<b>22,617</b>	<b>7.50</b>
<b>Total</b>	<b>170,566</b>	<b>100.00</b>	<b>206,501</b>	<b>100.00</b>	<b>248,284</b>	<b>100.00</b>	<b>301,417</b>	<b>100.00</b>

Note:

\* Include mainly health food, confectionery, beverages, household products and blood glucose tests.

The above table shows the revenue contribution by product categories has been fairly consistent for the Financial Years Under Review.

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## 11. FINANCIAL INFORMATION (Cont'd)

Table 4: PBT by subsidiaries

Subsidiaries	Audited							
	FYE 2010		FYE 2011		FYE 2012		FYE 2013	
	RM '000	%	RM '000	%	RM '000	%	RM '000	%
CPRM*	1,090	5.50	659	2.75	(829)	(3.08)	(1,334)	(4.47)
<i>Wholly-owned subsidiaries:</i>								
Caring (MSF)	(156)	(0.79)	(25)	(0.10)	(105)	(0.39)	260	0.87
Caring (SW)	(166)	(0.84)	(19)	(0.08)	(107)	(0.40)	75	0.25
Caring eStore	^ (4)	(0.02)	(4)	(0.02)	143	0.53	83	0.28
Caring Help	**_	**_	**_	**_	**_	**_	**_	**_
CPSB	12,487	62.95	16,161	67.37	20,599	76.44	24,081	80.75
Miracle Cure	**_	**_	**_	**_	**_	**_	^ (5)	(0.02)
UC Venture	229	1.15	453	1.89	508	1.89	416	1.40
Viva Caring	1,281	6.46	1,490	6.21	1,410	5.23	1,141	3.83
<i>Partially-owned subsidiaries:</i>								
Ace Caring	427	2.15	496	2.07	357	1.32	321	1.08
Be Caring	170	0.86	444	1.85	251	0.93	85	0.29
Caring Belle	479	2.41	503	2.10	498	1.85	396	1.33
Caring Health Solutions	285	1.44	323	1.35	444	1.65	496	1.66
Caring 'N' You	294	1.48	333	1.39	333	1.24	317	1.06
Caring (ABM)	(173)	(0.87)	(134)	(0.56)	(363)	(1.35)	(260)	(0.87)
Caring (AMC)	(113)	(0.57)	(198)	(0.83)	(139)	(0.52)	(155)	(0.52)
Caring (Ampang)	235	1.18	233	0.97	206	0.76	54	0.18
Caring (IDR)	**_	**_	**_	**_	(213)	(0.79)	309	1.04
Caring (JB Molek)	**_	**_	**_	**_	(18)	0.07	36	0.12
Caring (Kinrara)	383	1.93	678	2.83	707	2.62	623	2.09
Caring (KLP)	925	4.66	871	3.63	918	3.41	1,010	3.39
Caring (Lifepius)	**_	**_	**_	**_	(85)	(0.32)	(135)	(0.45)
Caring (Puchong)	180	0.91	144	0.60	89	0.33	8	0.03
Caring (Shah Alam)	**_	**_	**_	**_	(84)	(0.31)	131	0.44
Caring (SK)	**_	**_	**_	**_	(137)	(0.38)	(144)	(0.48)
Caring Always	^ (4)	(0.02)	^ (2)	(0.01)	(33)	0.05	5	0.02
Caring Paradise	**_	**_	**_	**_	(75)	(0.27)	(70)	(0.23)
Caring Rising	**_	**_	**_	**_	**_	**_	^ (5)	(0.02)
Caring Trio	**_	**_	**_	**_	***_	***_	(70)	(0.23)
Caring Trinity	**_	**_	**_	**_	**_	**_	^ (5)	(0.02)
Cosy Vision	**_	**_	**_	**_	***_	***_	(151)	(0.51)

## 11. FINANCIAL INFORMATION (Cont'd)

Subsidiaries	Audited							
	FYE 2010		FYE 2011		FYE 2012		FYE 2013	
	RM '000	%	RM '000	%	RM '000	%	RM '000	%
Fuji Acre	**_	**_	**_	**_	**_	**_	(132)	(0.44)
Green Surge	**_	**_	^ (3)	(0.01)	(106)	(0.34)	(170)	(0.57)
Living Glory	**_	**_	**_	**_	(124)	(0.44)	(164)	(0.55)
Mega Caring	**_	**_	**_	**_	**_	**_	(128)	(0.43)
MN Pharmacy	84	0.42	49	0.97	83	0.62	65	0.22
My Caring	(87)	(0.44)	416	1.73	432	1.60	309	1.04
One Caring	^ (3)	(0.02)	(50)	(0.21)	232	0.86	229	0.77
Preciouslife	624	3.15	781	3.26	725	2.69	439	1.47
Stay Caring	1,063	5.36	900	3.75	1,359	5.04	1,155	3.87
Sterling Pharmacy	1,028	5.18	1,406	5.86	1,497	5.56	812	2.72
Tonic Pharma	223	1.12	189	0.79	184	0.68	46	0.15
URX Care	^ (3)	(0.02)	15	0.06	(27)	(0.10)	(179)	(0.60)
Vertex Pharmacy	153	0.77	(42)	(0.18)	379	1.41	51	0.17
Victorie Caring	(59)	(0.30)	(100)	(0.42)	33	0.12	(20)	(0.07)
<b>TOTAL</b>	<b>19,835</b>	<b>^^100.00</b>	<b>23,989</b>	<b>^^100.00</b>	<b>26,947</b>	<b>^^100.00</b>	<b>#29,819</b>	<b>^^100.00</b>

## Notes:

\* After elimination of inter-company dividends.

\*\* Subsidiaries yet to be incorporated.

\*\*\* Subsidiaries yet to be commence operations.

^ Subsidiaries with loss before taxation due to pre-operating expenses but have yet to commence operations.

^^ Figures do not tie up due to rounding.

# The figure includes a RM7,000 loss by CARiNG due to pre-operating expenses.

The above table shows the PBT contribution based on CARiNG and its subsidiaries after eliminating intercompany transactions.

CPSB has been the largest contributor to our PBT for the past four (4) FYE 2010 to 2013, with a total PBT of RM12.49 million (62.95%), RM16.16 million (67.37%), RM20.60 million (76.44%) and RM24.08 million (80.75%) respectively.

A total of 10 to 16 subsidiaries in the past four (4) FYE 2010 to FYE 2013 are loss making, with an average of not less than negative one percentage (-1%) for each subsidiaries. The reason for such loss making occurrence is due to these subsidiaries not reaching their respective break even points to cover their operating overheads.

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**11. FINANCIAL INFORMATION (Cont'd)****11.4.4 Significant Factors Materially Affecting Our Group's Operation and Financial Results**

Our competitive strengths and advantages as set out in Section 6.2 of this Prospectus provide the foundation for the sustainability of our business and financial growth. Our future plans as set out in Section 6.15 will further contribute to sustainable growth in our financial performance.

Our Group's financial condition and results of operations may be affected by the following factors:

**(i) External Factors****(a) Industry Outlook**

Performance of the community pharmacy industry is largely dependent on the general economic conditions, consumer confidence and spending in Malaysia.

In 2012, the Malaysian economy registered real GDP growth of 5.6% and between 2008 and 2012, real GDP of the Malaysian economy grew by an AAGR of 4.1%. Furthermore, despite the uncertainties in global growth prospects, the Malaysian economy is forecasted to grow between 4.5% and 5.0% in 2013 with expectations of growth being driven by expansion in the private sector investment and consumption, as well as a gradual improvement in external demand. *(Source: IMR Report)*

Generally, consumer confidence level will have an impact on consumer spending patterns that will affect businesses in Malaysia, including the community pharmacy industry. During the first quarter of 2013, the consumer sentiment index improved to 122.9 from 118.7 in the fourth quarter of 2012. The consumer sentiment index during first quarter of 2013 was the highest in six years. However by the second quarter of 2013, the consumer sentiment index registered a contraction of 10.7% to 109.7 points due to concerns of inflation coupled with bleak employment and financial expectations *(Source: IMR Report)*.

The outlook of the Community Pharmacy Industry is dependent on the performance of the retail trade sector.

Between 2008 and 2012, the retail trade sector and retail trade of other goods in specialised stores in Malaysia grew at an AAGR of 8.5% and 7.3%, respectively. The continuing growth in retail trade in the last few years would augur well for the future growth and prospects of the Community Pharmacy Industry in Malaysia *(Source: IMR Report)*.

The prospects in the services sector are expected to remain upbeat in 2013 with the accelerated implementation with major initiatives under the National Key Result Areas and continued investment in the seven services subsectors under the National Key Economic Areas. These initiatives are expected to drive the wholesale and retail trade to grow 6.8% in year 2013 *(Economic Report 2012/ 2013, Ministry of Finance Malaysia)*.

**11. FINANCIAL INFORMATION (Cont'd)****(b) Population and Consumer Demographics**

As the Community Pharmacy Industry services the general population, thus changes in population and demographics would have an impact on the long-term prospects in the industry. Some indicators are illustrated as follows:

	<b>AAGR (%)</b>
Total population (2008 to 2012)	1.6
Population of Age 65+ (2008 to 2012)	5.7
Per Capita Income (2008 to 2012)	4.3
Average monthly household expenditure (2004/05-2009/10)	2.3

(Source: IMR Report)

A growth in population would increase the potential customer base for community pharmacies, while an ageing population would increase demand for pharmaceutical products. The population of Malaysia in 2012 was estimated to be 29.3 million which reflects an AAGR of 1.6% since 2008. Between 2008 and 2012, Malaysia's population aged 65 and above recorded an AAGR of 5.7%, which is significantly higher than the other age groups (Source: IMR Report).

In addition, Malaysia's per capita income is forecasted to grow by 7.2% to RM33,015 in 2013 (Source: IMR Report).

**(c) Economic Slowdown**

Any widespread and/or prolonged economic slowdown would affect consumer and business confidence, and subsequently their propensity to spend. The uncertainty over the global economics, particularly resulting from the Euro zone debt problem, may also impact on the local economy. This may cause consumers to be more cautious in their spending patterns, thus leading to a slowdown in consumer spending on discretionary items. All these may impair the performance of operators within the Community Pharmacy Industry considering that the general public is their end-user (Source: IMR Report).

**(d) Competition**

In general, operators in the Community Pharmacy Industry in Malaysia face normal competitive conditions where the industry is not dominated by a single or small number of operators and no single or small group of operators is large enough to dictate pricing. In addition, there are no undue government regulations or licensing requirements with the exception that pharmacists are required to be registered and licensed to dispense scheduled drugs and operators are required to be registered with the Pharmacy Board. In such an environment, the industry is subjected to normal supply and demand conditions moderated by the price mechanism. Operators in the industry, including CARiNG Group, compete on service differentiations and other factors of competition (Source: IMR Report).

**(e) Substitutes**

There are substitutes for community pharmacies depending on the type of pharmaceutical products. Scheduled drugs and some of the OTC drugs may be obtained through healthcare institutions, but they mainly service their own patients or customers. Some of the OTC drugs may be purchased from supermarkets, convenience stores and Chinese Medical Halls. Many of the health supplements may be purchased from specialised health food and supplement stores, supermarkets, convenience

**11. FINANCIAL INFORMATION (Cont'd)**

stores, Chinese Medical Halls and through direct sales using single-level and multilevel marketing or through the internet (*Source: IMR Report*).

**(f) Impact of inflation**

There is no material impact of inflation on our historical financial results for the past four (4) financial years, FYE 2010, FYE 2011, FYE 2012 and FYE 2013.

**(g) Impact Of Foreign Exchange/Interest Rates/Commodity Prices on Our Group's Operations**

Our Group is not exposed to risks in foreign exchange fluctuations as all our purchases and sales are transacted in Malaysian Ringgit.

Our Group's total outstanding borrowings of RM10.05 million as at FYE 2013 are relatively low. Hence, based on current levels of borrowings, any fluctuation in interest rate will not materially affect our Group's profitability.

As our Group is involved in the trading business, we are not directly affected by the fluctuation in commodity prices.

**(h) Impact of Government, Economic, Fiscal Or Monetary Policies on Our Group's Operations**

Risks relating to government, economical, fiscal or monetary policies or factors, which may materially affect our operations, are as set out in Section 4 of this Prospectus.

There were no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits during the financial years or financial period under review.

**(i) Public health threats**

Emerging public health threats such as H1N1, avian influenza and chemical attack are also a major factor affecting our Group's revenue.

**(ii) Internal factors****(a) Material Changes in Sales or Revenue**

A discussion on the reasons on material changes in our revenue for the Financial Years under Review is set out in Section 11.4.2(i) of this Prospectus.

**(b) Business Growth and Expansion**

As at June 2013, we had a total of 83 'CARiNG' community pharmacy outlets in Malaysia. Based on the number of community pharmacy outlets, we ranked among the top three (3) community pharmacy operators in Malaysia as at June 2013 (*Source: Vital Factor Consulting Sdn Bhd*). As at LPD, CARiNG Group had a total of 85 community pharmacy outlets in Malaysia.

**11. FINANCIAL INFORMATION (Cont'd)****(c) Business Growth and Expansion**

As we are operating in a consumer-oriented industry and extensive network of community pharmacies where it is very important to ensure our products and services reach as many consumers as possible. In this respect, a wide network of community pharmacies would provide convenience and proximity to a larger base of customers. Our large chain of community pharmacies is competitive advantage as it enables us to reach to a larger base of population, which would provide us with the platform for growth opportunities.

**(d) Established Brand Name and Reputation**

Established brand name and market reputation are our key competitive advantages as they help us to create customer loyalty and brand recognition, which are important in sustaining the growth of our business. Our "CARiNG" brand name has been in the Malaysian market since 1994 when we started our first community pharmacy in Cheras, Kuala Lumpur. Since then, we have expanded our chain of community pharmacies to a total of 85 retail outlets in Malaysia as at LPD. Our extensive chain of community pharmacies has enabled us to increase our profile and awareness of our brand among urban consumers in a number of states and federal territory in Malaysia.

**(e) Pharmacists as Business Partners and Shareholders**

In each of our partially owned subsidiaries, most of the business partners are qualified and trained pharmacists. This is one of the preferred criteria under our Caring Joint Venture Scheme for individual shareholders. Therefore our business partners possess the necessary qualifications, licenses, experience and knowledge to operate our community pharmacies including dispensing of scheduled drugs.

Our business partners who are pharmacists are also required to devote full-time to the management and operation of their respective community pharmacies on a daily basis.

**(f) Full Time Pharmacist Service at Every Outlet**

All of our community pharmacies have full time pharmacists who are licensed to dispense scheduled drugs throughout the retail operating hours of our respective outlets to service our customers. As at LPD, we have a total of 85 community pharmacies, with a total of 154 pharmacists including area managers who are responsible for the retailing operations of a chain of community pharmacies within a certain territory.

The provision of full time pharmacist services are an important competitive advantage as it assists us in building good customer relationships and ensures that a certain level of service quality is met. In addition, being able to provide professional advice differentiates us from other retail outlets like health food stores that also sell health related products.

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## 11. FINANCIAL INFORMATION (Cont'd)

## 11.4.5 Liquidity and Capital Resources

## (i) Working Capital

Our business operations are funded through a combination of shareholders' equity and cash generated from our operating activities. Our principal uses of cash have been for trade payment to suppliers, operating, administrative and financial expenses.

As at 31 May 2013, we have cash and bank balances and deposits with financial institutions of approximately RM41.52 million.

After incorporating the effects of the Listing Scheme and utilisation of proceeds as at FYE 2013, our Group's pro forma cash, bank balances and fixed deposits are RM53.10 million. Short term borrowing is RM0.44 million and the gearing ratio is 0.09 times for FYE 2013.

Our Directors are of the opinion that, after taking into account of our Group's current cash flow position, the banking facilities available, our Group's capacity to obtain further institutional financing, and the net cash envisaged to be generated from our Group's operations, our Group will have adequate working capital for a period of 12 months from the date of issue of this Prospectus.

## (ii) Cash Flows

The following is a summary of our consolidated statement of cash flow for the Financial Years Under Review, and should be read in conjunction with the Accountants' Report as set out in Section 12.

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	14,370	23,257	18,291	27,260
Net cash for investing activities	(4,076)	(1,185)	(7,115)	(19,115)
Net cash for financing activities	(2,223)	(13,964)	(8,377)	(2,872)
Net increase in cash and cash equivalents	8,071	8,108	2,799	5,273
Opening cash and cash equivalents	17,273	25,344	33,452	36,251
Closing cash and cash equivalents	25,344	33,452	36,251	41,524

There are no legal or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loan or advances. Therefore, we are confident that we can meet our cash obligations.

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**11. FINANCIAL INFORMATION (Cont'd)****Net Cash From Operating Activities**

For FYE 2013, we generated operating cash flows before working capital changes amounting to RM31.58 million. After adjusting for net inflow of RM3.66 million from working capital changes, interest paid of RM0.05 million and income tax paid of RM7.93 million, we generated net cash from operating activities of RM27.26 million. Working capital changes during the financial year arose mainly from the increase in inventories and payables amounting to RM7.19 million and RM12.22 million respectively as the Group continues to expand its number of community pharmacies resulting in higher sales volume achieved; and the increase in receivable amounting to RM1.37 million mainly attributable to rental and utilities deposits paid for 10 new community pharmacies and upward revision of rental deposit for existing outlets.

For FYE 2012, we generated operating cash flows before working capital changes amounting to RM28.74 million. After adjusting for net outflow of RM3.13 million from working capital changes, interest paid of RM0.01 million and income tax paid of RM7.31 million, we generated net cash from operating activities of RM18.29 million. Working capital changes during the financial year arose mainly from the increase in inventories and payables amounting to RM12.55 million and RM10.39 million respectively as the Group continues to expand its number of community pharmacies resulting in higher sales volume achieved; and the increase in receivable amounting to RM0.97 million attributable to rental and utilities deposits paid for the 19 new community pharmacies set up during the financial year.

For FYE 2011, we generated operating cash flows before working capital changes amounting to RM25.36 million. After adjusting for net inflow of RM3.29 million from working capital changes, interest paid of RM0.02 million and income tax paid of RM5.37 million, we generated net cash from operating activities of RM23.26 million. Working capital changes during the financial year arose mainly from the increase in inventories and payables amounting to RM2.70 million and RM6.26 million respectively in line with higher sales volume achieved and increase in number of community pharmacies; and increase in receivable amounting to RM0.27 million as a result of rental and utilities deposits paid for the 6 new community pharmacies set up during the financial year.

For FYE 2010, we generated operating cash flows before working capital changes amounting to RM21.10 million. After adjusting for net outflow of RM2.28 million from working capital changes, interest paid of RM0.04 million and income tax paid of RM4.41 million, we generated net cash from operating activities of RM14.37 million. Working capital changes during the financial year arose mainly from the increase in inventories and payables amounting to RM8.71 million and RM7.18 million respectively in line with higher sales volume achieved and increase in number of community pharmacies; and increase in receivable amounting to RM0.76 million mainly due to rental and utilities deposits paid for 7 new community pharmacies set up during the financial year.

**Net Cash For Investing Activities**

For the FYE 2013, we utilised net cash for investing activities amounting to RM19.12 million, mainly for the expansion in the number of our community pharmacies with the purchase of property, plant and equipment of RM5.61 million and additional progress billing amounting to RM12.87 million from the developer in relation to acquisition of land and construction of our new head office and warehouse, a payment of deposit for acquisition of property, plant and equipment (ERP system) amounting to RM1.71 million and after netting off interest and rental received amounting to RM0.81 million and RM0.16 million respectively.



**11. FINANCIAL INFORMATION (Cont'd)**

For the FYE 2012, we utilised net cash for investing activities amounting to RM7.11 million, mainly for the expansion in the number of our community pharmacies with the purchase of property, plant and equipment of RM6.97 million; payment of goodwill in connection with the acquisition of an existing retail pharmaceutical business amounting to RM0.96 million; and after netting off interest and rental received amounting to RM0.71 million and RM0.08 million respectively.

For the FYE 2011, we utilised net cash for investing activities amounting to RM1.18 million for the expansion in the number of our community pharmacies after deducting interest and rental received amounting to RM0.53 million and RM0.07 million respectively.

For the FYE 2010, we utilised net cash for investing activities amounting to RM4.08 million, mainly due to the purchase of property, plant and equipment of RM2.59 million for setting up of our new community pharmacies; and the purchase of trademark of RM1.87 million; and after deducting interest and rental received amounting to RM0.31 million and RM0.08 million respectively.

**Net Cash For Financing Activities**

For FYE 2013, we utilised net cash for financing activities amounting to RM2.87 million, mainly for the payment of dividend of RM11.58 million; drawdown and repayment of term loan amounting to RM9.06 million and RM0.22 million respectively; and after netting off proceed from issuance of shares by our partially owned subsidiaries to their non-controlling shareholders of subsidiary companies of RM0.22 million; advances from non-controlling shareholders of subsidiary companies of RM0.60 million for the purposes of working capital for the partially owned subsidiaries; and partial payment of listing expenses of RM0.96 million.

For FYE 2012, we utilised net cash for financing activities amounting to RM8.38 million, mainly for the payment of dividend of RM9.84 million; repayment of term loan of RM0.21 million; and after netting off proceed from issuance of shares to non-controlling interest of RM0.26 million; and advances from non-controlling interests of RM1.64 million for the purposes of working capital for the partially owned subsidiaries.

For FYE 2011, we utilised net cash for financing activities amounting to RM13.96 million, mainly for the payment of dividend of RM13.65 million; repayment of term loan of RM0.65 million; and after deducting loans from non-controlling interests of RM0.39 million.

For FYE 2010, we utilised net cash for financing activities amounting to RM2.22 million, mainly for the payment of dividend of RM2.23 million; repayment of term loan of RM0.19 million; and after deducting the proceeds from issuance of shares to non-controlling interest and advances from non-controlling interests of RM0.17 million and RM0.32 million respectively.

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**11. FINANCIAL INFORMATION (Cont'd)****(iii) Borrowing**

	Audited			
	FYE 2010	FYE 2011	FYE 2012	FYE 2013
	RM '000	RM '000	RM '000	RM '000
Interest bearing short-term borrowing - Term loan	144	170	175	442
Interest bearing long-term borrowing - Term loan	1,928	1,254	1,035	9,603
<b>Total interest-bearing borrowings</b>	<b>2,072</b>	<b>1,424</b>	<b>1,210</b>	<b>10,045</b>

Our borrowings are made up of 4 term loans obtained for the purpose of financing the acquisition of our properties in Taman Kinrara, Sri Petaling, Taman Segar and our new office and warehouse building in progress located in Tiong Nam Industrial Park in PJ Old Town. Details of these properties are set out in Section 6.11.1.

The term loan for the Taman Kinrara property is secured via a deed of assignment of all rights, title and interest to the property to the lender and the term loans for the Sri Petaling and Taman Segar properties are secured by a charge over the respective property. For our new office and warehouse building in progress located in Tiong Nam Industrial Park in PJ Old Town, the property is not charged but assigned to HSBC Amanah. Further details of our new office and warehouse building in progress are set out in Section 6.11.4.

The Board of Directors confirms, as at LPD, there has been no default or any known event that could give rise to a default of payments of either interest and/or principal sums in relation to any borrowing of our Group throughout the Financial Years Under Review, and neither we nor any of our subsidiaries are in breach of any terms and conditions or covenants associated with the term loans, which can materially affect our financial results or business operations, or the investments by holders of securities in our Company.

**11.4.6 Financial Instruments Used**

Financial instrument, from an accounting perspective, may include investments, short-term funds, borrowings, trade and other receivables, amount due from and due to related companies, trade and other payables as shown on the Statement of Financial Position. The abovementioned financial instruments are used in our Group's ordinary course of business.

As at LPD, our Group does not use any financial instrument for hedging purposes.

**11.4.7 Treasury Policy and Objectives**

We have been financing our operations through a combination of shareholders' equity and cash generated from operations. Our Group also enjoys credit terms extended by our supplier. Our total interest-bearing borrowing as at LPD was RM9.96 million.

The decision to either utilise internally generated funds or banking facilities for our operations depends on, among others, our cash reserve, expected cash inflows, future working capital requirements, future capital expenditure requirements and the interest rates of the banking facilities.

**11. FINANCIAL INFORMATION (Cont'd)****11.4.8 Material Commitment For Capital Expenditures**

Save as disclosed below, as at LPD, our Group do not have any material capital commitments for capital expenditure incurred or known to be incurred, which upon becoming enforceable may have a material effect on the financial position of our Group.

Capital expenditure commitments	LPD RM'000
Authorised and contracted for	
- property, plant and equipment	2,970
- ERP System	783

In addition, our non-cancellable lease commitments in respect of rental of premises that are mainly our retail outlets are as follows:

Non-cancellable lease commitments	RM'000
Payable within 1 year	7,765
Payable in more than 1 year	8,660
<b>Total</b>	<b>16,125</b>

The above commitment for acquisition of land and construction of new office building will be financed by our internally generated funds as well as external sources of funds including bank loans and borrowings and proceeds from Public Issue. Our management expects that we should have the necessary fund available to fund the abovementioned commitments.

**11.4.9 Material Litigation/Arbitration**

As at LPD, neither we nor our subsidiaries are engaged in any litigation or arbitration, either plaintiff or defendant, which has or might have material effects and/or adverse effect on our financial position or business. Our Directors are also not aware of any proceedings which might materially and adversely affect our business and financial position.

**11.4.10 Contingent Liabilities**

As at LPD, we are not aware of any contingent liabilities which have become enforceable or likely to become enforceable, which in the opinion of our Directors, will or may substantially affect our ability to meet our obligations as and when they fall due.

**11.4.11 Key Financial Ratio**

	FYE 2010	FYE 2011	FYE 2012	FYE 2013
Trade receivables' turnover period <sup>(a)</sup> (days)	1	1	1	1
Trade payables' turnover period <sup>(b)</sup> (days)	83	84	87	89
Inventory turnover period <sup>(c)</sup> (days)	102	92	100	94

Notes:

- (a) Calculated based on the consolidated trade receivables' balances as at the respective balance sheet date over revenue for the respective financial year.
- (b) Calculated based on the consolidated trade payables' balances as at the respective balance sheet date over cost of sales for the respective financial year.
- (c) Calculated based on the consolidated inventory balances as at the respective balance sheet date over cost of sales for the respective financial year.

**11. FINANCIAL INFORMATION (Cont'd)****Trade Receivables**

Our sales is transacted on cash basis, therefore we do not have amount due from customers. However, as at LPD, our outstanding trade receivables of RM0.17 million comprise mainly of amount owing by Bonuslink arising from on-the-spot redemption of BonusLink points for cash vouchers by customers at CARiNG's community pharmacy outlets. The credit term granted to BonusLink is 30 days from statement date. The amount owing by BonusLink as at LPD is within the credit term period.

**Trade Payables**

Our trade payables comprise amounts owing to our suppliers in connection with the purchase of our trading goods. The normal credit term granted by our trade creditor generally ranges from 30 days to 120 days. Our trade payables turnover period for the past 4 financial years were fairly constant and is within the credit term granted to us by our suppliers.

The ageing analysis of our trade payables as at FYE 2013 and LPD is as follow:

As at FYE 2013	0-30 Days	31-60 Days	61-90 Days	91-120 Days	>120 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables (*)	18,136	17,559	17,541	707	280	54,223
<i>Percentage of total trade payables (%)</i>	<i>33.45</i>	<i>32.38</i>	<i>32.35</i>	<i>1.30</i>	<i>0.52</i>	<i>100.00</i>
Less: Subsequent payment (^)	(17,518)	(17,188)	(17,479)	(625)	(61)	(52,871)
Balances as at LPD	618	371	62	82	219	1,352
<i>Percentage of total trade payables (%)</i>	<i>45.71</i>	<i>27.44</i>	<i>4.59</i>	<i>6.06</i>	<i>16.20</i>	<i>100.00</i>

*Notes:*

\* As at FYE 2013

^ As at LPD

As at LPD, we are not aware of any actions, legal or otherwise, that have been taken against us by trade suppliers due to our non-payment or late payment in the amount owed to them.

**Inventory Turnover**

Our inventories mainly comprise pharmaceutical products as well as non-pharmaceutical products like personal care products, medical and healthcare devices, health food and confectionery which are managed via the Supply Chain Inventory Management as explained in Section 6.1.4 (ii) of the Prospectus.

For the past four (4) years up to FYE 2013, the inventories turnover period of our Group have been fairly constant, ranging from 85 days to 102 days.

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**11. FINANCIAL INFORMATION (Cont'd)**

The table below set out the analysis of our inventory turnover for FYE 2013.

FYE 2013	0 - 3months RM'000	4 - 6 months RM'000	7 - 12 months RM'000	> 12months RM'000	Total RM'000
<b>Pharmaceutical Products</b>					
- Scheduled Drugs	13,166	2,068	215	92	15,541
(%)	84.72	13.31	1.38	0.59	100
- Health Supplements	13,377	2,314	406	67	16,164
(%)	82.76	14.32	2.51	0.41	100
- OTC Drugs	5,323	315	50	37	5,725
(%)	92.98	5.50	0.87	0.65	100
<b>Personal Care Products</b>	12,557	2,919	823	249	16,548
(%)	75.89	17.64	4.97	1.50	100
<b>Medical and Healthcare Devices</b>	2,221	368	246	126	2,961
(%)	75.03	12.43	8.31	4.23	100
<b>Other Products and Services</b>	490	59	12	7	568
(%)	86.42	10.41	2.12	1.05	100
<b>Total</b>	<b>47,134</b>	<b>8,043</b>	<b>1,752</b>	<b>578</b>	<b>57,507</b>
(%)	81.97	13.99	3.05	0.99	100

As at LPD, we are of the view that there is no provision required for slow moving or obsolete inventories due to the following reasons:

- For scheduled drugs, these items can be returned to suppliers 6 months before the expiry of the products
- For health supplement and personal care products, these items can be returned to the suppliers any time, excluding products that are damaged
- For medical and healthcare devices, these items do not have specific shelf life. Furthermore, these items are also returnable
- For other products comprising of health food, confectionery, beverages, and household products, these items are all returnable.

**11.4.12 Trend Information****(i) Business And Financial Prospects**

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

- 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 Group's financial performance, position and operations other than those discussed in this section and Section 4 and Section 5 of this Prospectus;
- material commitment for capital expenditures as set out in Section 11.4.8 of this Prospectus;
- unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section and in Section 4 of this Prospectus;

**11. FINANCIAL INFORMATION (Cont'd)**

- known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group's revenue and/or profits save for those that have been disclosed in this section, industry overview as set out in Section 7, of this Prospectus;
- known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and in Section 4 of this Prospectus; and
- 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 Group's liquidity and capital resources, other than those discussed in this section and in Section 4 of this Prospectus.

Our Board is optimistic about our future prospect given the favourable outlook as set out in Section 6.16 of this Prospectus, our competitive advantages and key strengths set out in Section 6.2 of this Prospectus and our dedication to implement the business strategies and future plans set out in Section 6.15 of this Prospectus.

**(ii) State of Order Book**

The state of order book is not relevant to our trading operations where orders are placed almost immediately upon customer request.

**11.5 Dividend Policy**

Going forward, the Directors of the Company intend to recommend and distribute dividends of not less than 30% of the Company's annual profit attributable to the equity holders of the Company. This is in line with the Directors' policy to recommend dividends to shareholders to participate in the profits of the Group as well as leaving adequate reserves for the future growth of the Group.

Notwithstanding the above, the Directors of the Company will consider, amongst others, the following factors, when recommending the final dividends for approval by shareholders or when declaring any interim dividends:

- (i) The availability of adequate distributable reserve and cash flows;
- (ii) Our operating cash flow requirements and financial commitments;
- (iii) Our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- (iv) Any material impact of tax laws and other regulatory requirements.

Investors should note that this dividend policy merely describes the Company's present intention and shall not constitute legally binding statements in respect of the Company's future dividends which are subject to modification (including reduction or non-declaration thereof) at the Board's direction.

## 12. ACCOUNTANTS' REPORT

Date: **18 SEP 2013**

The Board of Directors  
**Caring Pharmacy Group Berhad**  
 No. 3-2, 3rd Mile Square  
 No. 151, Jalan Kelang Lama  
 Batu 3½  
 58100 Kuala Lumpur

**Crowe Horwath AF 1018**  
 Chartered Accountants  
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Dear Sirs,

**CARING PHARMACY GROUP BERHAD (“CARiNG” OR “the Company”)  
 ACCOUNTANTS' REPORT**

**1. PURPOSE OF REPORT**

This report has been prepared by Messrs. Crowe Horwath, an approved company auditor and a firm of chartered accountants registered in Malaysia, for inclusion in the Prospectus of CARiNG in connection with the listing of CARiNG on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The details of the listing scheme are disclosed in paragraph 2.2 of this report.

**1.1 ABBREVIATIONS**

Unless the context otherwise requires, the following abbreviations shall apply throughout this report:

***Abbreviations***

CARiNG or the Company	Caring Pharmacy Group Berhad (1011859-D)
CARiNG Group	CARiNG and its subsidiaries
CPRM	Caring Pharmacy Retail Management Sdn Bhd (757411-U)
CPRM Group or the Group	CPRM and its group of subsidiaries
MASB	Malaysian Accounting Standards Board
FPE	Financial Period Ended 31 May
FYE	Financial Year Ended 31 May
MFRS	Malaysian Financial Reporting Standards
FRS	Financial Reporting Standards
PERS	Private Entity Reporting Standards

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Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan

**12. ACCOUNTANTS' REPORT (Cont'd)****1. PURPOSE OF REPORT (CONT'D)****1.1 ABBREVIATIONS (CONT'D)****Abbreviations**

Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
RM and Sen	Ringgit Malaysia and sen, respectively
PAT	Profit After Taxation
IPO	The Initial Public Offering for the IPO Shares in conjunction with our Listing
IPO Shares	The Public Issue Shares collectively

**2. DETAILS OF LISTING SCHEME****2.1 THE COMPANY**

CARiNG was incorporated in Malaysia under the Companies Act, 1965 on 30 July 2012 as a private limited company under the name of Caring Pharmacy Group Sdn. Bhd.. On 24 October 2012, the Company was converted to a public limited by shares and assumed its present name of Caring Pharmacy Group Berhad.

CARiNG's principal activities are investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Section 3.2 of this report.

**2.2 LISTING SCHEME**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of CARiNG on the Main Market of Bursa Securities, the Company will implement the following:-

**(i) Acquisition**

On 25 February 2013, the Company has entered into a conditional Share Purchase Agreement with the vendors of CPRM for the acquisition of 2,310,918 ordinary share of RM1.00 each, representing the entire issued and paid up share capital of CPRM, for a total consideration of RM182,706,397 based on the audited consolidated profit after tax attributable to equity holders of CPRM Group ("PATAMI") as at 31 May 2012 which amounted to RM18,270,641. The purchase consideration represents a PE Multiple of approximately 10 times based on the audited consolidated PATAMI of CPRM Group for FYE 2012 and was satisfied by the issuance of 182,706,397 new ordinary shares of RM1.00 each in CARiNG at an issue price of RM1.00 per share.

The acquisition exercise was completed on 4 September 2013.



**12. ACCOUNTANTS' REPORT (Cont'd)**



**2. DETAILS OF LISTING SCHEME (CONT'D)**

**2.2 LISTING SCHEME (CONT'D)**

**(ii) Public Issue**

Pursuant to the Public Issue, the Company shall issue 35,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per Share to be allocated in the following manner:

- (a) 10,886,000 new shares, representing approximately 5.00% of the enlarged issue and paid-up share capital of CARiNG will be made available for application by Malaysian public and to be allocated via ballot, of which at least 50% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.
- (b) 5,716,000 new shares, representing approximately 2.63% of the enlarged issued and paid-up share capital of CARiNG, will be made available for application by the eligible directors, employees and business associates of the CARiNG Group.
- (c) 4,200,000 new shares, representing approximately 1.93% of the enlarged issued and paid-up share capital of CARiNG, will be reserved for private placement to Bumiputera investors to be approved by the Ministry of International Trade and Industry ("MITI").
- (d) 14,198,000 new shares, representing approximately 6.52% of the enlarged issued and paid-up share capital of CARiNG, will be made available for private placement to selected investors.

**(iii) Listing**

Upon completion of the IPO, the Company shall list its entire enlarged issued and paid-up share capital of RM217,706,400 comprising 217,706,400 ordinary shares of RM1.00 each, on the Main Market of Bursa Securities.

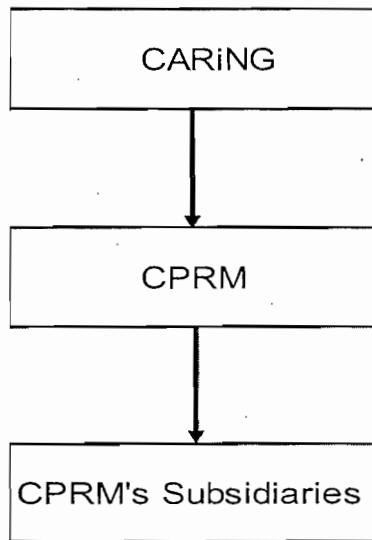
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12. ACCOUNTANTS' REPORT (Cont'd)



3. GROUP STRUCTURE

3.1 The group structure of CARiNG at the date of this report is as follow:-



The list of CPRM subsidiary companies are set out in Section 3.2 of this report.

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**12. ACCOUNTANTS' REPORT (Cont'd)****3. GROUP STRUCTURE (CONT'D)****3.2 SUBSIDIARY COMPANIES**

Details of the subsidiary companies, which are all incorporated in Malaysia, under the CARING Group as at the date of this report are as follows:-

***Direct***

Name of company	Date of incorporation	Fully Issued and Paid-up Capital RM	Effective Equity Interest %	Principal activities
CPRM	26 December 2006	2,310,918	100	Investment holding and the provision of management services

***Indirect – held through CPRM*****Wholly-owned subsidiaries**

Caring Pharmacy Estore Sdn. Bhd.	8 December 2009	2	100	Internet and warehouse sales of healthcare and personal care products
Caring Pharmacy (MSF) Sdn. Bhd.	10 February 2009	100,000	100	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (SW) Sdn. Bhd.	20 February 2009	300,000	100	As above
Caring Pharmacy Sdn. Bhd.	21 April 1994	1,000,000	100	As above
United Caring Venture Sdn. Bhd.	4 May 2005	100,000	100	As above
Viva Caring Sdn. Bhd.	25 April 2000	100,000	100	As above
Miracle Cure Caring Sdn. Bhd.	25 March 2013	2	100	Dormant
Caring Pharmacy Help Sdn. Bhd.	10 July 2013	2	100	Dormant

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 3. GROUP STRUCTURE (CONT'D)

## 3.2 SUBSIDIARY COMPANIES (CONT'D)

Name of company	Date of incorporation	Fully Issued and Paid-up Capital RM	Effective Equity Interest %	Principal activities
<i>Indirect – held through CPRM</i>				
<b><u>Partially-owned subsidiaries</u></b>				
Ace Caring Pharmacy Sdn. Bhd.	3 August 2007	100,000	51	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Be Caring Sdn. Bhd.	31 March 2003	100,000	51	As above
Caring Belle Sdn. Bhd.	16 February 2001	100,000	80	As above
Caring Health Solutions Sdn. Bhd.	10 January 2007	100,000	51	As above
Caring 'N' You Pharmacy Sdn. Bhd.	23 August 2007	100,000	60	As above
Caring Pharmacy (ABM) Sdn. Bhd.	25 September 2009	100,000	75	As above
Caring Pharmacy (AMC) Sdn. Bhd.	30 September 2009	100,000	60	As above
Caring Pharmacy (Ampang) Sdn. Bhd.	14 July 2008	100,000	60	As above
Caring Pharmacy (IDR) Sdn. Bhd.	22 September 2011	100,000	51	As above
Caring Pharmacy (JB Molek) Sdn. Bhd.	15 July 2011	100,000	60	As above
Caring Pharmacy (Kinrara) Sdn. Bhd.	1 June 2000	100,000	50	As above
Caring Pharmacy (KLP) Sdn. Bhd.	11 June 2007	100,000	60	As above
Caring Pharmacy (Lifeplus) Sdn. Bhd.	11 November 2011	100,000	70	As above
Caring Pharmacy (Puchong) Sdn. Bhd.	6 November 2008	100,000	80	As above

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## 12. ACCOUNTANTS' REPORT (Cont'd)



## 3. GROUP STRUCTURE (CONT'D)

## 3.2 SUBSIDIARY COMPANIES (CONT'D)

Name of company	Date of incorporation	Fully Issued and Paid-up Capital RM	Effective Equity Interest %	Principal activities
<b>Indirect – held through CPRM</b>				
<b><u>Partially-owned subsidiaries</u></b>				
Caring Pharmacy (Shah Alam) Sdn. Bhd.	15 July 2011	100,000	60	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (SK) Sdn. Bhd.	2 June 2011	100,000	90	As above
Caring Pharmacy Always Sdn. Bhd.	8 April 2010	100,000	70	As above
Caring Pharmacy Paradise Sdn. Bhd.	15 March 2012	100,000	60	As above
Green Surge Sdn. Bhd.	8 July 2010	100,000	70	As above
Caring Trio Sdn. Bhd.	31 May 2012	100,000	60	As above
Cosy Vision Sdn. Bhd.	20 November 2012	100,000	60	As above
Living Glory Sdn. Bhd.	7 October 2011	100,000	70	As above
Mega Caring Sdn. Bhd.	5 October 2012	100,000	60	As above
MN Pharmacy Sdn. Bhd.	23 April 2004	100,000	60	As above
My Caring Pharmacy Sdn. Bhd.	21 April 2009	100,000	60	As above
One Caring Pharmacy Sdn. Bhd.	3 February 2010	100,000	60	As above
Preciouslife Pharmacy Sdn. Bhd.	30 May 2008	100,000	70	As above
Stay Caring Sdn. Bhd.	3 August 2004	100,000	51	As above
Sterling Pharmacy Sdn. Bhd.	2 April 2002	100,000	50	As above

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 3. GROUP STRUCTURE (CONT'D)

## 3.2 SUBSIDIARY COMPANIES (CONT'D)

Name of company	Date of incorporation	Fully Issued and Paid-up Capital RM	Effective Equity Interest %	Principal activities
<i>Indirect – held through CPRM</i>				
<u><i>Partially-owned subsidiaries</i></u>				
Tonic Pharma Sdn. Bhd.	4 July 2007	100,000	60	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
United RX Care Sdn. Bhd.	31 March 2010	100,000	60	As above
Vertex Pharmacy Sdn. Bhd.	7 July 2008	100,000	51	As above
Victorie Caring Sdn. Bhd.	16 December 2009	100,000	60	As above
Fuji Acre Sdn. Bhd.	4 March 2013	100,000	70	As above
Caring Trinity Sdn. Bhd.	2 May 2013	100,000	60	Dormant
Caring Pharmacy Rising Sdn. Bhd.	2 May 2013	100,000	60	Dormant

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**12. ACCOUNTANTS' REPORT (Cont'd)****4. DIVIDENDS**

No dividend has been paid by CARiNG since the date of its incorporation.

Details of dividend paid or declared by CPRM for the financial years under review are as follows:

Company	Related to	Paid on	Type of Dividend	Dividend Rate (%)	Net Amount (RM'000)
CPRM	FYE 31 May 2010	9 November 2009	Interim single-tier dividend	52%	1,200
CPRM	FYE 31 May 2011	22 October 2010	Interim single-tier dividend	519%	12,000
CPRM	FYE 31 May 2012	16 August 2011	Interim single-tier dividend	346%	8,000
CPRM	FYE 31 May 2012	2 November 2012	Final single-tier dividend	250%	5,777
CPRM	FYE 31 May 2013	18 February 2013	Interim single-tier dividend	150%	3,466

**5. RELEVANT FINANCIAL PERIOD AND AUDITORS**

The relevant financial period of the audited financial statements provided in this report ("Relevant Financial Period") and the auditors for the Relevant Financial Period are as follows:-

Entity	FPE/FYE	Auditors	Auditors' Report
CARiNG	FPE 31 May 2013	Messrs. Crowe Horwath	Appendix I
CPRM Group	FYE 31 May 2010	Messrs. Crowe Horwath	Appendix II
	FYE 31 May 2011	Messrs. Crowe Horwath	Appendix III
	FYE 31 May 2012	Messrs. Crowe Horwath	Appendix IV
	FYE 31 May 2013	Messrs. Crowe Horwath	Appendix V

CARiNG Group only existed on 4 September 2013 upon completion of the Acquisition by CARiNG of CPRM. Hence, there are no consolidated financial statements of CARiNG Group for FYE 31 May 2013.

**12. ACCOUNTANTS' REPORT (Cont'd)****5. RELEVANT FINANCIAL PERIOD AND AUDITORS (CONT'D)**

For the purpose of this report, the audited financial statements of CARiNG for FPE 2013 and audited consolidated financial statements of CPRM Group for FYE 2010 to FYE 2013 are presented.

The financial statements for CARiNG for the FPE 31 May 2013 have been reported in accordance with applicable approved MFRSs in Malaysia.

The consolidated financial statements of CPRM Group for the FYE 2010 and FYE 2011 were prepared based on PERSs. CPRM Group had adopted applicable approved FRSs in Malaysia for the FYE 2012 and adopted applicable approved MFRSs in Malaysia for the FYE 2013.

We have reviewed the consolidated financial statements of CPRM Group for FYE 2010 and FYE 2011 for the conversion to FRSs in Malaysia, prepared for the purpose of this report. This adoption of FRS did not have any material financial effect on the consolidated financial statements of CPRM Group except as disclosed in Section 6.1.1 (a).

The audited financial statements of CARiNG and CPRM Group for the Relevant Financial Period under review were not subject to any audit qualification or emphasis of matter. There has been no exceptional or extraordinary item during the Relevant Financial Period under review.

**6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****6.1 BASIS OF PREPARATION****6.1.1 New FRSs, Amendments to FRSs and IC Interpretations adopted**

For FYE 2012, the Group has applied FRS 1, First-Time Adoption of Financial Reporting Standards, in preparing these financial statements. The transition date to FRS is 1 June 2010. Except as disclosed in Section 6.1.1 (a) and additional disclosure in the notes to the financial statements, there were no significant differences between FRS and PERS on the Group's financial statements.

At the beginning of FYE 2012, the Group had adopted all the new and revised FRSs issued by the MASB which are effective for the financial periods beginning on or after 1 June 2011.

**(a) FRS 132 Financial Instruments : Disclosure and Presentation****Quasi loans**

Prior to 1 June 2010, loans or advances to subsidiaries were stated at cost less accumulated impairment loss, if any. Under FRS 132, these loans or advances of which the settlement is neither planned nor likely to occur in the foreseeable future are, in substance, a part of the shareholder's net investment in the subsidiaries. This change of accounting policy is to be applied retrospectively.



**12. ACCOUNTANTS' REPORT (Cont'd)****6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.1 BASIS OF PREPARATION (CONT'D)****6.1.1 New FRSs, Amendments to FRSs and IC Interpretations adopted**

For FYE 2013, the financial statements of the Group have been prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

There were no financial impacts on the transition from FRSs to MFRSs.

The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments) that have been issued by the MASB but are not yet effective for FYE 2013:-

<b>MFRSs and IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

The above accounting standards and interpretations (including the consequential amendments) do not have any significant financial impact on the Group's financial statements upon their initial application.

**6.2 CONSISTENCY OF APPLICATION OF ACCOUNTING POLICIES**

This report is prepared on a basis consistent with the accounting policies adopted by the Group as disclosed in paragraph 6.3.

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**12. ACCOUNTANTS' REPORT (Cont'd)****6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 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 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.

**(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 year in which such determination is made.

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**12. ACCOUNTANTS' REPORT (Cont'd)****6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Critical Accounting Estimates and Judgements (Cont'd)***(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) Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

*(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 loans and receivables financial assets on a case by case basis as the risk of impairment on these assets is not considered significant in view of the Group's business. 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.

*(vi) Classification of Leasehold Land*

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (a) Critical Accounting Estimates and Judgements (Cont'd)

(vii) *Impairment of Goodwill and Trademark*

Goodwill and trademark are tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill and trademark are allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to revenue growth rates estimated, budgeted gross margin and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying values of goodwill and trademark.

## (b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries.

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

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (b) Basis of Consolidation (Cont'd)

Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to the owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

**12. ACCOUNTANTS' REPORT (Cont'd)****6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Basis of Consolidation (Cont'd)**

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

However, a business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

An acquisition that resulted in a business combination involving common control entities is outside the scope of MFRS 3 Business Combinations. For such common control combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the audited financial statements.

In applying merger accounting, financial statements items of the combining entities or businesses for the reporting period in which common control combination occurs are included in the audited financial statements of the Group as if the combination had occurred from the date when the combining entities or businesses first come under the control of the controlling party or parties.

Under merger accounting, the Group recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amount as if such audited financial statements had been prepared by the controlling party including adjustments required for conforming to the Groups' accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or a gain from a bargain purchase at the time of the common control combination. The effect of all transactions and balances between combining entities, whether occurring before or after the combination, are eliminated in preparing the audited financial statements of the Group.

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition (1 June 2011). Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition.

12. ACCOUNTANTS' REPORT (Cont'd)



6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Goodwill

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 profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

(d) 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 ("RM"), which is the CPRM's functional and presentation currency.

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## 12. ACCOUNTANTS' REPORT (Cont'd)



## 6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (e) Financial Instruments

Financial instruments are recognised in the statements 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.

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 statements of financial position are disclosed in the individual policy statement associated with each item.

## (i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *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.

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 when the Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category.



## 12. ACCOUNTANTS' REPORT (Cont'd)



## 6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (e) Financial Instruments (Cont'd)

## (i) Financial Assets (Cont'd)

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

- *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.

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

**12. ACCOUNTANTS' REPORT (Cont'd)****6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Financial Instruments (Cont'd)****(i) Financial Assets (Cont'd)****• Available-for-sale Financial Assets (Cont'd)**

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

As at the end of the reporting period, there were no financial assets classified under this category.

**(ii) Financial Liabilities**

All financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method 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.

**(iii) Equity Instruments**

Ordinary shares classified as equity are measured at cost and are not remeasured subsequently.

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.

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## 12. ACCOUNTANTS' REPORT (Cont'd)



## 6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (f) Investment in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of CPRM, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

## (g) Trademark

Expenditure incurred on the acquisition of trademarks is capitalised as non-current assets. The useful life of trademark is estimated to be indefinite because based on the current market share of the trademark, management believes there is no foreseeable limit to the period over which the trademark is expected to generate net cash flows to the Group. Trademark is stated at cost less any impairment losses. The carrying amount of trademark is reviewed annually and adjusted for impairment where it is considered necessary.

## (h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the cost of the property, plant and equipment over their estimated useful lives. The principal annual rates used for this purpose are as follows:-

Leasehold lands	Over the lease period of 70 to 80 years
Buildings	2%
Computer equipment	33.33%
Motor vehicles	20%
Office equipment	20%
Furniture and fittings	20%
Renovation	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods 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.

Depreciation on assets under construction commences when the assets are ready for their intended use.

**12. ACCOUNTANTS' REPORT (Cont'd)****6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Property, plant and equipment (Cont'd)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 recognised in profit or loss.

**(i) Impairment****(i) *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.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

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**12. ACCOUNTANTS' REPORT (Cont'd)**

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**6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(i) Impairment (Cont'd)***(i) Impairment of Financial Assets (Cont'd)*

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

*(ii) Impairment of Non-Financial Assets*

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period 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' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

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 profit or loss immediately.

**12. ACCOUNTANTS' REPORT** (Cont'd)**6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) 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.

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

Where necessary, write down or write off is made for all damaged, obsolete and slow moving items.

**(k) Income Taxes**

Income tax for the year comprises 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 tax 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.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or a gain from a bargain purchase 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 profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period 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.

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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (k) Income Taxes (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or a gain from a bargain purchase.

## (l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with financial institutions 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.

## (m) Employee Benefits

## (i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised in profit or loss 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 recognised in profit or loss 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.

## (n) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
- (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (n) Related Parties (Cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

## (o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.



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**12. ACCOUNTANTS' REPORT (Cont'd)**

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**6. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(p) Borrowing Costs**

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

**(q) Revenue and Other Income****(i) Sale of Goods**

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

**(ii) Rental Income**

Rental income is recognised on an accrual basis.

**(iii) Interest Income**

Interest income is recognised on an accrual basis.

**(iv) Advertising and promotion income**

Advertising and promotion income is recognised on an accrual basis.

**7. FINANCIAL INFORMATION AND LIMITATION**

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 is extracted from a combination of the audited financial statements, management accounts, representations and/or explanations provided by the management of the Group and mathematical calculations.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.1 CARING

## 8.1.1 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CARING

	Note	30.07.2012 to 31.05.2013 RM'000
Revenue		-
Administrative expenses		(7)
Loss for the financial period	8.1.5	(7)
Taxation	8.1.6	-
Loss for the financial period/Total comprehensive expense for the financial period		(7)
GP margin (%)		n/a
PBT margin (%)		n/a
PAT margin (%)		n/a
Effective tax rate (%)		n/a
Earning before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)		(7)
Number of ordinary shares in issue of RM1.00 each ('000)		*
Gross earnings per share ("EPS") (sen)		n/a
Net EPS (sen)		n/a

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.1 CARING

## 8.1.2 STATEMENT OF FINANCIAL POSITION OF CARING

	Note	31.05.2013 RM'000
<b>CURRENT ASSET</b>		
Cash and bank balances		10
<b>TOTAL ASSET</b>		<u>10</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	8.1.7	*
Accumulated losses		(7)
<b>TOTAL EQUITY</b>		<u>(7)</u>
<b>CURRENT LIABILITIES</b>		
Accruals		2
Amount owing to a related party	8.1.8	15
<b>TOTAL LIABILITIES</b>		<u>17</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>10</u>

Note :

(\*) - Represents RM3

Number of ordinary shares in issue of RM1.00 each ('000)	*
Net tangible assets ("NTA") (RM'000)	(7)
NTA per ordinary share (RM)	n/a
Inventory turnover period (days)	n/a
Trade receivables turnover ratio (days)	n/a
Trade payables turnover ratio (days)	n/a
Gearing ratio (times)	n/a

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.1 CARING

## 8.1.3 STATEMENT OF CASH FLOWS OF CARING

	30.07.2012 to 31.05.2013 RM'000
CASH FLOWS FOR OPERATING ACTIVITY	
Loss before taxation/Operating loss before working capital changes	(7)
Increase in accruals	2
NET CASH FOR OPERATING ACTIVITY	<u>(5)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceed from issuance of shares	*
Advances from a related party	15
NET CASH FROM FINANCING ACTIVITIES	<u>15</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>10</u>

Note :

(\*) - Represents RM3

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.1 CARING

## 8.1.4 STATEMENT OF CHANGES IN EQUITY OF CARING

	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 30.07.2012 (date of incorporation)	*	-	*
Total comprehensive expense for the financial period	-	(7)	(7)
Balance at 31.5.2013	*	(7)	(7)

Note :

(\*) - Represents RM3

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.1 CARING

## 8.1.5 LOSS BEFORE TAXATION

	30.07.2012 to 31.05.2013 RM'000
Loss for the financial period is arrived at after charging:-	
Audit fee	2
Incorporation fee	3
	<hr/>

## 8.1.6 INCOME TAX EXPENSE

	30.07.2012 to 31.05.2013 RM'000
Malaysian Income Tax - Current period	-
	<hr/>
Loss for the financial period	(7)
	<hr/>
Tax at the statutory tax rate	(2)
Tax effect of :- Non-deductible expenses	2
	<hr/>
Income tax expense for the financial period	-
	<hr/>

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.1 CARING

## 8.1.7 SHARE CAPITAL

	31.05.2013	31.05.2013
	Number of shares '000	RM'000
Ordinary shares of RM1.00 each:-		
Authorised:-		
At 30.7.2012 (Date of incorporation)	100	100
Increase during the financial period	499,900	499,900
At 31.5.2013	500,000	500,000
Issued and fully paid-up		
At date of incorporation/At 31.5.2013	*	*

Note :

(\*) - Represent RM3

## 8.1.8 AMOUNT OWING TO A RELATED PARTY

	RM'000
A company in which certain directors have significant financial interests	
Non-trade balances	15

The non-trade balance represents unsecured, interest free advances and payments made on behalf. The amount owing is repayable on demand and is to be settled in cash.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.1 CARiNG

## 8.1.9 FINANCIAL INSTRUMENT

CARiNG's financial risk management policy seeks to ensure that adequate financial resources are available for the development of CARiNG's business whilst managing its market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

## (a) Financial Risk Management Policies

CARiNG's is dormant and therefore the exposure to any financial risks including market, credit and liquidity is minimal.

## (b) Classification of Financial Instruments

	31.05.2013 RM'000
<b>Financial Asset</b>	
<u>Loan and receivables financial asset</u>	
Cash and bank balances	10
<hr/>	
<b>Financial Liabilities</b>	
<u>Other financial liabilities</u>	
Accruals	2
Amount owing to a related party	15
	<hr/>
	17
	<hr/>

## (c) Fair Values Of Financial Instruments

The carrying amount of the financial assets and liabilities reported in the financial statements approximated their fair values due to the relatively short-term maturity of the financial instruments.

## (d) Fair Value Hierarchy

At the end of the reporting period, there were no financial instruments carried at fair values.



**12. ACCOUNTANTS' REPORT** (Cont'd)**8. AUDITED FINANCIAL STATEMENTS****8.1 CARING****8.1.10 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

On 25 February 2013, CARiNG entered into a conditional Share Purchase Agreement with the vendors of CPRM for the acquisition of 2,310,918 ordinary share of RM1.00 each, representing the entire issued and paid up share capital of CPRM, for a total consideration of RM182,706,397 for the purpose of listing on the Main Market of Bursa Malaysia Securities Berhad. The purchase consideration was to be satisfied by the issuance of 182,706,397 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 per share.

The completion of the Share Purchase Agreement was conditional upon the fulfillment of the following conditions precedent:

- i) the approval of the shareholders of the vendor to the disposal;
- ii) the approval of the shareholders of CARiNG;
- iii) the approval of the Securities Commission of Malaysia for the listing of CARiNG on the Main Market of Bursa Malaysia Securities Berhad; and
- iv) if required, any other governmental, administrative or regulatory authorities whose approvals are deemed necessary by CARiNG and the vendor to complete the sale and purchase exercise.

**8.1.11 SIGNIFICANT EVENTS AFTER THE FINANCIAL PERIOD**

The approval from the Securities Commission Malaysia for the listing of CARiNG on the Main Market of Bursa Malaysia Securities Berhad was obtained on 9 July 2013.

The sale and purchase exercise as highlighted in Note 8.1.10 to the financial statements has been completed on 4 September 2013.

**8.1.12 COMPARATIVE FIGURES**

No comparative figures are available as this is the first set of financial statements prepared by CARiNG since incorporation.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS

## 8.2 CPRM GROUP

## 8.2.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF CPRM GROUP

	Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Revenue	8.2.5	170,566	206,501	248,284	301,417
Cost of sales		(124,860)	(150,261)	(184,152)	(223,627)
Gross profit ("GP")		45,706	56,240	64,132	77,790
Other operating income	8.2.6	7,840	9,563	15,229	19,580
		53,546	65,803	79,361	97,370
Selling and distribution expenses		(19,319)	(24,500)	(30,798)	(40,175)
Administrative expenses		(12,595)	(15,312)	(18,959)	(24,551)
Other operating expenses		(1,756)	(1,972)	(2,641)	(2,763)
Finance costs		(41)	(30)	(16)	(55)
Profit before taxation ("PBT")	8.2.7	19,835	23,989	26,947	29,826
Taxation	8.2.8	(4,561)	(5,808)	(6,876)	(7,497)
Profit after taxation ("PAT")		15,274	18,181	20,071	22,329
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial year		15,274	18,181	20,071	22,329
Profit before taxation attributable to:-					
Owners of the Company		17,664	21,746	24,501	27,397
Non-controlling interests		2,171	2,243	2,446	2,429
		19,835	23,989	26,947	29,826
Profit after taxation attributable to:-					
Owners of the Company		13,552	16,458	18,271	20,559
Non-controlling interests		1,722	1,723	1,800	1,770
		15,274	18,181	20,071	22,329
GP margin (%)		26.80	27.23	25.83	25.81
PBT margin (%)		11.63	11.62	10.85	9.90
PAT margin (%)		8.95	8.80	8.08	7.41
Effective tax rate (%)		22.99	24.21	25.52	25.14
Earning before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)		21,605	25,986	29,535	32,615
Number of ordinary shares in issue of RM1.00 each ('000)		2,311	2,311	2,311	2,311
Gross earnings per share ("EPS") (sen)		764	941	1,060	1,186
Net EPS (sen)		586	712	791	890

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPRM GROUP

	Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	8.2.9	7,252	7,090	11,475	27,192
Intangible assets	8.2.10	1,986	1,986	2,946	2,946
Deferred tax assets	8.2.11	168	188	165	448
		9,406	9,264	14,586	30,586
<b>CURRENT ASSETS</b>					
Inventories	8.2.12	35,069	37,771	50,319	57,507
Trade receivables	8.2.13	408	252	375	176
Other receivables, deposits and prepayments	8.2.14	2,127	2,549	3,404	7,947
Amounts owing by related companies	8.2.15	-	4	^	-
Tax recoverable		476	364	396	587
Deposits with financial institutions	8.2.16	16,292	27,644	25,869	28,355
Cash and bank balances		9,052	5,808	10,382	13,159
		63,424	74,392	90,745	107,731
<b>TOTAL ASSETS</b>		<b>72,830</b>	<b>83,656</b>	<b>105,331</b>	<b>138,317</b>

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## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CPRM GROUP (CONT'D)

	Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	8.2.17	2,311	2,311	2,311	2,311
Retained profits		33,109	37,567	47,875	59,191
Merger deficit	8.2.18	(1,589)	(1,589)	(1,589)	(1,589)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
<b>NON-CONTROLLING INTERESTS</b>	8.2.19	4,029	4,224	6,277	6,534
<b>TOTAL EQUITY</b>		37,860	42,513	54,874	66,447
<b>NON-CURRENT LIABILITIES</b>					
Term loans	8.2.20	1,928	1,254	1,035	9,603
Deferred tax liabilities	8.2.11	232	311	205	150
		2,160	1,565	1,240	9,753
<b>CURRENT LIABILITIES</b>					
Trade payables	8.2.21	28,580	34,514	43,795	54,223
Other payables and accruals	8.2.22	2,070	2,706	3,604	5,718
Amount owing to non-controlling shareholders	8.2.23	257	469	252	256
Amounts owing to related parties	8.2.24	372	63	52	40
Provision for taxation		1,387	1,656	1,339	1,438
Term loans	8.2.20	144	170	175	442
		32,810	39,578	49,217	62,117
<b>TOTAL LIABILITIES</b>		34,970	41,143	50,457	71,870
<b>TOTAL EQUITIES AND LIABILITIES</b>		72,830	83,656	105,331	138,317
<i>Number of ordinary shares in issue of RM1.00 each ('000)</i>					
		2,311	2,311	2,311	2,311
<i>Net tangible assets ("NTA") (RM'000)</i>					
		33,831	38,289	48,597	59,913
<i>NTA per ordinary share (RM)</i>					
		15	17	21	26
<i>Inventory turnover period (days)</i>					
		103	92	100	94
<i>Trade receivables turnover ratio (days)</i>					
		1	1	1	1
<i>Trade payables turnover ratio (days)</i>					
		84	84	87	89
<i>Gearing ratio (times)</i>					
		0.05	0.03	0.02	0.15

Notes:-

^ - Amount represents less than RM1,000

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## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.3 CONSOLIDATED STATEMENTS OF CASH FLOWS OF CPRM GROUP

Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	19,835	23,989	26,947	29,826
Adjustments for:-				
Depreciation of property, plant and equipment	1,734	1,970	2,576	2,737
Equipment written off	3	-	-	21
Interest expenses	36	27	12	52
Gain on disposal of property, plant and equipment	(122)	(26)	(2)	(85)
Interest income	(311)	(527)	(709)	(809)
Rental income	(77)	(70)	(82)	(158)
Operating profit before working capital changes	21,098	25,363	28,742	31,584
Increase in inventories	(8,706)	(2,702)	(12,547)	(7,188)
Increase in trade and other receivables	(757)	(270)	(976)	(1,368)
Increase in trade and other payables	7,182	6,261	10,393	12,216
<b>CASH FROM OPERATIONS</b>	<b>18,817</b>	<b>28,652</b>	<b>25,612</b>	<b>35,244</b>
Interest paid	(36)	(27)	(12)	(52)
Tax refunded	-	22	50	10
Tax paid	(4,411)	(5,390)	(7,359)	(7,937)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>14,370</b>	<b>23,257</b>	<b>18,291</b>	<b>27,265</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>				
Proceeds from dilution in equity interest in a subsidiary	20	-	15	14
Proceeds from disposal of property, plant and equipment	167	30	8	88
Purchase of intangible asset	(1,874)	-	-	-
Payment of goodwill	-	-	(960)	-
Payment of deposit for the acquisition of property, plant and equipment	-	-	-	(1,706)
Purchase of property, plant and equipment	(2,585)	(1,812)	(6,969)	(18,478)
Accretion in equity interest in a subsidiary	(192)	-	-	-
Interest received	311	527	709	809
Rental received	77	70	82	158
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(4,076)</b>	<b>(1,185)</b>	<b>(7,115)</b>	<b>(19,115)</b>
<b>BALANCE CARRIED FORWARD</b>	<b>10,294</b>	<b>22,072</b>	<b>11,176</b>	<b>8,150</b>

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.3 CONSOLIDATED STATEMENTS OF CASH FLOWS OF CPRM GROUP (CONT'D)

	Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
BALANCE BROUGHT FORWARD		10,294	22,072	11,176	8,150
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid		(2,230)	(13,648)	(9,843)	(11,583)
Payment of initial public offering expenses		-	-	-	(956)
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders		170	30	259	218
Net (repayment to)/advances from non-controlling shareholders		(211)	(90)	(217)	4
Quasi loans from non-controlling shareholders		320	392	1,638	595
Drawdown of term loans		-	-	-	9,055
Repayment of term loans		(187)	(648)	(214)	(220)
Repayment of hire purchase obligations		(85)	-	-	-
NET CASH FOR FINANCING ACTIVITIES		(2,223)	(13,964)	(8,377)	(2,887)
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,071	8,108	2,799	5,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		17,273	25,344	33,452	36,251
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	8.2.25	25,344	33,452	36,251	41,514

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## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.4 STATEMENTS OF CHANGES IN EQUITY OF CPRM GROUP

	Note	Share capital RM'000	Retained profits RM'000	Merger deficit RM'000	Total shareholders equity RM'000	Non-controlling Interests RM'000	Total equity RM'000
Balance at 1.6.2009		2,276	20,527	(1,594)	21,209	3,177	24,386
Issuance of share capital		35	-	-	35	-	35
Effect of issue of share capital by subsidiaries		-	-	-	-	170	170
Quasi loans from non-controlling shareholders		-	-	-	-	320	320
Total comprehensive income for the financial year		-	13,552	-	13,552	1,722	15,274
Accretion in equity interest in a subsidiary		-	230	5	235	(330)	(95)
Dividends paid							
- by the Company	8.2.26	-	(1,200)	-	(1,200)	-	(1,200)
- by subsidiaries to non-controlling shareholders		-	-	-	-	(1,030)	(1,030)
Balance at 31.5.2010/1.6.2010		2,311	33,109	(1,589)	33,831	4,029	37,860
Total comprehensive income for the financial year		-	16,458	-	16,458	1,723	18,181
Effect of issue of share capital by subsidiaries		-	-	-	-	30	30
Quasi loans from non-controlling shareholders		-	-	-	-	90	90
Dividends paid							
- by the Company	8.2.26	-	(12,000)	-	(12,000)	-	(12,000)
- by subsidiaries to non-controlling shareholders		-	-	-	-	(1,648)	(1,648)
Balance at 31.5.2011		2,311	37,567	(1,589)	38,289	4,224	42,513

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.4 STATEMENTS OF CHANGES IN EQUITY OF CPRM GROUP (CONT'D)

	Note	Share capital RM'000	Retained profits RM'000	Merger deficit RM'000	Total shareholders equity RM'000	Non-controlling Interests RM'000	Total equity RM'000
Balance at 1.6.2011		2,311	37,567	(1,589)	38,289	4,224	42,513
Total comprehensive income for the financial year		-	18,271	-	18,271	1,800	20,071
Effect of issue of share capital by subsidiaries		-	-	-	-	259	259
Quasi loans from non-controlling shareholders		-	-	-	-	1,859	1,859
Dilution in equity interest in a subsidiary		-	37	-	37	(22)	15
Dividends paid							
- by the Company	8.2.26	-	(8,000)	-	(8,000)	-	(8,000)
- by subsidiaries to non-controlling shareholders		-	-	-	-	(1,843)	(1,843)
Balance at 31.5.2012/1.6.2012		2,311	47,875	(1,589)	48,597	6,277	54,874
Total comprehensive income for the financial year		-	20,559	-	20,559	1,770	22,329
Effect of issue of share capital by subsidiaries		-	-	-	-	218	218
Quasi loans from non-controlling shareholders		-	-	-	-	595	595
Dilution in equity interest in a subsidiary		-	1	-	1	13	14
Dividends paid							
- by the Company	8.2.26	-	(9,244)	-	(9,244)	-	(9,244)
- by subsidiaries to non-controlling shareholders		-	-	-	-	(2,339)	(2,339)
Balance at 31.5.2013		2,311	59,191	(1,589)	59,913	6,534	66,447



## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.5 REVENUE

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Sales of goods	170,536	206,471	248,264	301,367
Rental income	30	30	20	50
	<u>170,566</u>	<u>206,501</u>	<u>248,284</u>	<u>301,417</u>

## 8.2.6 OTHER OPERATING INCOME

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Advertising and promotion income	5,343	6,535	11,343	14,657
Distribution and delivery charges	1,766	2,189	2,756	3,585
Gain on disposal of property, plant and equipment	122	26	2	85
Interest income	311	527	709	809
Other contribution from suppliers	61	88	144	170
Rental income	47	40	62	108
Sundry income	190	158	213	166
	<u>7,840</u>	<u>9,563</u>	<u>15,229</u>	<u>19,580</u>

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**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.7 PROFIT BEFORE TAXATION**

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Profit before taxation is arrived at after charging:-				
Audit fee				
- for the current financial year	105	116	187	227
- under provision in the previous financial year	-	6	14	-
- others	-	60	-	-
Depreciation of property, plant and equipment	1,734	1,970	2,576	2,737
Directors' fee paid	524	789	588	813
Directors' non-fee emoluments	3,938	5,436	6,512	8,062
Equipment written off	3	-	-	21
Incorporation expenses	10	4	15	11
Interest expenses	36	27	12	52
Rental of equipment	330	-	-	-
Rental of premises	5,351	7,004	9,064	12,154
Staff costs	12,588	15,456	19,483	26,435

**8.2.8 TAXATION**

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Current tax expenses:-				
- Malaysian Income Tax for the financial year	4,427	5,704	6,946	7,807
- (over)/under provision in the previous financial year	(50)	45	13	28
	4,377	5,749	6,959	7,835
Deferred tax expenses :- (Note 8.2.11)				
- relating to origination and reversal of temporary differences	151	79	(81)	(345)
- under/(over) provision in the previous financial year	33	(20)	(2)	7
	184	59	(83)	(338)
	4,561	5,808	6,876	7,497

**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.8 TAXATION (CONT'D)**

The corporate tax rate on the first RM500,000 of chargeable income in respect of companies with issued and paid-up share capital not exceeding RM2,500,000 is 20% while the rate applicable to the remaining balance of the chargeable income is at 25%.

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

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Profit before taxation	19,835	23,989	26,947	29,826
Tax at the applicable corporate tax rate	4,668	5,711	6,425	7,164
Tax effects of:-				
Non-taxable income	(180)	(144)	(129)	(183)
Non-deductible expenses	133	122	217	265
Reversal of deferred tax assets not recognised in prior years	(53)	-	-	-
Deferred tax assets not recognised during the financial year	10	94	352	216
(Over)/Under provision in the previous financial year				
- Malaysian Income Tax	(50)	45	13	28
- deferred tax	33	(20)	(2)	7
Tax charge for the financial year	4,561	5,808	6,876	7,497

Subject to agreement with tax authorities, at the end of the reporting period, the unutilised capital allowances and unabsorbed tax losses of CPRM Group are as follow:-

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Unutilised capital allowances	1,106	1,037	1,891	2,025
Unabsorbed tax losses	852	633	1,975	3,728
	1,958	1,670	3,866	5,753

## 12. ACCOUNTANTS' REPORT (Cont'd)



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## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.9 PROPERTY, PLANT AND EQUIPMENT

Net Book Value	Leasehold lands		Buildings		Computer equipment		Motor vehicles		Office equipment		Furniture and fittings		Renovation		Asset in progress		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		
At 1.6.2009	1,481	1,697	290	465	583	991	942	-	-	-	-	-	-	-	-	-	6,449	
Additions	-	-	306	437	453	918	471	-	-	-	-	-	-	-	-	-	-	2,585
Disposal	-	-	(8)	(35)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	(45)
Written off	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)
Depreciation charge	(20)	(23)	(295)	(213)	(307)	(462)	(414)	-	-	-	-	-	-	-	-	-	-	(1,734)
At 31.5.2010	1,461	1,674	290	654	727	1,447	999	-	-	-	-	-	-	-	-	-	-	7,252
At 1.6.2010	1,461	1,674	290	654	727	1,447	999	-	-	-	-	-	-	-	-	-	-	7,252
Additions	-	-	287	95	350	753	327	-	-	-	-	-	-	-	-	-	-	1,812
Disposal	-	-	-	-	(2)	(2)	-	-	-	-	-	-	-	-	-	-	-	(4)
Depreciation charge	(20)	(24)	(284)	(232)	(344)	(644)	(422)	-	-	-	-	-	-	-	-	-	-	(1,970)
At 31.5.2011	1,441	1,650	293	517	731	1,554	904	-	-	-	-	-	-	-	-	-	-	7,090

## 12. ACCOUNTANTS' REPORT (Cont'd)



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## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Net Book Value	Leasehold lands		Buildings		Computer equipment		Motor vehicles		Office equipment		Furniture and fittings		Renovation		Asset in progress		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	
At 1.6.2011	1,441	1,650	293	517	731	1,554	904	-	7,090								
Additions	746	540	390	178	810	1,404	921	1,980	6,969								
Disposal	-	-	-	-	(1)	(5)	-	-	(6)								
Reversal	-	-	(2)	-	-	-	-	-	(2)								
Depreciation charge	(38)	(26)	(326)	(268)	(447)	(890)	(581)	-	(2,576)								
At 31.5.2012	2,149	2,164	355	427	1,093	2,063	1,244	1,980	11,475								
At 1.6.2012	2,149	2,164	355	427	1,093	2,063	1,244	1,980	11,475								
Additions	2,250	419	601	114	664	821	668	12,941	18,478								
Disposal	-	-	(1)	-	(2)	-	-	-	(3)								
Written off	-	-	-	-	-	(14)	(7)	-	(21)								
Depreciation charge	(66)	(54)	(425)	(217)	(508)	(872)	(595)	-	(2,737)								
At 31.5.2013	4,333	2,529	530	324	1,247	1,998	1,310	14,921	27,192								

## 12. ACCOUNTANTS' REPORT (Cont'd)



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## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold lands RM'000	Buildings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Asset in progress RM'000	Total RM'000
At 31.5.2010									
Cost	1,511	1,729	1,578	1,133	2,014	3,377	2,658	-	14,000
Accumulated depreciation	(50)	(55)	(1,288)	(479)	(1,287)	(1,930)	(1,659)	-	(6,748)
Net book value	1,461	1,674	290	654	727	1,447	999	-	7,252
At 31.5.2011									
Cost	1,511	1,729	1,860	1,162	2,359	4,125	2,984	-	15,730
Accumulated depreciation	(70)	(79)	(1,567)	(645)	(1,628)	(2,571)	(2,080)	-	(8,640)
Net book value	1,441	1,650	293	517	731	1,554	904	-	7,090

**12. ACCOUNTANTS' REPORT (Cont'd)**

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**8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Leasehold lands RM'000	Buildings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Asset in progress RM'000	Total RM'000
At 31.5.2012									
Cost	2,257	2,268	2,253	1,340	3,167	5,524	3,906	1,980	22,695
Accumulated depreciation	(108)	(104)	(1,898)	(913)	(2,074)	(3,461)	(2,662)	-	(11,220)
Net book value	2,149	2,164	355	427	1,093	2,063	1,244	1,980	11,475
At 31.5.2013									
Cost	4,507	2,687	2,855	1,306	3,822	6,264	4,495	14,921	40,857
Accumulated depreciation	(174)	(158)	(2,325)	(982)	(2,574)	(4,266)	(3,186)	-	(13,665)
Net book value	4,333	2,529	530	324	1,248	1,998	1,309	14,921	27,192

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The net book value of properties pledged as security for bank borrowings are as follows:-

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Leasehold lands	1,461	1,441	1,415	3,685
Buildings	1,674	1,650	1,632	1,941
Asset in progress	-	-	1,980	14,921
	3,135	3,091	5,027	20,547

## 8.2.10 INTANGIBLE ASSETS

	Goodwill RM'000	Trademark RM'000	Total RM'000
<b>Net carrying amount:-</b>			
Balance at 1.6.2009	-	-	-
Addition during the financial year	112	1,874	1,986
At 31.5.2010 / 1.6.2010	112	1,874	1,986
Addition during the financial year	-	-	-
At 31.5.2011 / 1.6.2011	112	1,874	1,986
Addition during the financial year	960	-	960
At 31.5.2012 / 1.6.2012	1,072	1,874	2,946
Addition during the financial year	-	-	-
At 31.5.2013	1,072	1,874	2,946



## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.10 INTANGIBLE ASSETS (CONT'D)

**Key assumption used in value-in-use calculations**

The Group has assessed the recoverable amount of trademark and goodwill allocated and determined that no impairment is required.

The recoverable amount of cash-generating unit is determined based on value-in-use calculation using discounted cash flow projection based on financial budgets approved by management covering a ten-year period. The key assumptions used for value-in-use calculation are based on past experience and the discount rate applied to the cash flow projection is 6.60% per annum which was the base lending rate of leading financial institutions in Malaysia as at 31 May 2013.

## 8.2.11 DEFERRED TAXATION

	Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<b>Deferred tax assets</b>					
At 1 June		(153)	(168)	(188)	(165)
Recognised in profit or loss	8.2.8	(15)	(20)	23	(283)
At 31 May		(168)	(188)	(165)	(448)
<b>Deferred tax liabilities</b>					
At 1 June		33	232	311	205
Recognised in profit or loss	8.2.8	199	79	(106)	(55)
At 31 May		232	311	205	150
Net deferred tax liabilities/(assets)		64	123	40	(298)

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.11 DEFERRED TAXATION (CONT'D)

Deferred tax assets and liabilities are attributable to the following items:-

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<b>Deferred tax liabilities:-</b>				
- An excess of carrying amount over tax base	463	426	287	241
<b>Deferred tax assets:-</b>				
- Unabsorbed business losses	(190)	(110)	(185)	(392)
- Unutilised capital allowances	(209)	(193)	(62)	(147)
	(399)	(303)	(247)	(539)
Net deferred tax liabilities/(assets)	64	123	40	(298)

No deferred tax assets are recognised in respect of the following items:-

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Unutilised capital allowances	-	168	618	1,177
Unabsorbed tax losses	-	282	1,222	2,129
	-	450	1,840	3,306

## 8.2.12 INVENTORIES

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
At cost :-				
Trading goods	35,069	37,771	50,319	57,507

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.12 INVENTORIES (CONT'D)

The ageing of the Group's inventories as at the end of the respective financial years are as follows:-

## FYE 2010

	< 3months RM'000	4 - 6 months RM'000	7 - 12 months RM'000	> 12months RM'000	Total RM'000
Pharmaceutical Products					
- Scheduled Drugs	8,245	1,546	216	95	10,102
- Health Supplements	7,579	2,082	377	236	10,274
- OTC Drugs	1,994	336	71	37	2,438
Personal Care Products	6,691	1,215	532	1,102	9,540
Medical and Healthcare Devices	1,468	236	235	189	2,128
Other Products and Services	334	65	12	176	587
Total	26,311	5,480	1,443	1,835	35,069

## FYE 2011

	< 3months RM'000	4 - 6 months RM'000	7 - 12 months RM'000	> 12months RM'000	Total RM'000
Pharmaceutical Products					
- Scheduled Drugs	8,873	935	128	23	9,959
- Health Supplements	9,664	1,055	740	63	11,522
- OTC Drugs	2,723	299	153	4	3,179
Personal Care Products	7,737	1,032	611	809	10,189
Medical and Healthcare Devices	1,633	190	165	383	2,371
Other Products and Services	421	69	10	51	551
Total	31,051	3,580	1,807	1,333	37,771

## FYE 2012

	< 3months RM'000	4 - 6 months RM'000	7 - 12 months RM'000	> 12months RM'000	Total RM'000
Pharmaceutical Products					
- Scheduled Drugs	11,154	1,197	226	58	12,635
- Health Supplements	11,699	1,869	531	287	14,386
- OTC Drugs	4,167	645	121	193	5,126
Personal Care Products	10,693	1,797	854	951	14,295
Medical and Healthcare Devices	1,983	467	214	544	3,208
Other Products and Services	557	45	18	49	669
Total	40,253	6,020	1,964	2,082	50,319

**12. ACCOUNTANTS' REPORT (Cont'd)****8.2 CPRM GROUP (CONT'D)****8.2.12 INVENTORIES (CONT'D)**

The ageing of the Group's inventories as at the end of the respective financial years are as follows:- (cont'd)

FYE 2013

	< 3months RM'000	4 - 6 months RM'000	7 - 12 months RM'000	> 12months RM'000	Total RM'000
Pharmaceutical Products					
- Scheduled Drugs	13,166	2,068	215	92	15,541
- Health Supplements	13,377	2,314	406	67	16,164
- OTC Drugs	5,323	315	50	37	5,725
Personal Care Products	12,557	2,919	823	249	16,548
Medical and Healthcare Devices	2,221	368	246	126	2,961
Other Products and Services	490	59	12	7	568
<b>Total</b>	<b>47,134</b>	<b>8,043</b>	<b>1,752</b>	<b>578</b>	<b>57,507</b>

None of the inventories are stated at net realisable value.

**8.2.13 TRADE RECEIVABLES**

CPRM Group's sales are normally conducted on cash basis. Credit terms on transactions conducted with business associates are assessed and approved on a case-by-case basis.

**8.2.14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Other receivables	100	272	359	1,967
Deposits	1,983	2,260	3,045	5,980
Prepayments	44	17	-	-
	<b>2,127</b>	<b>2,549</b>	<b>3,404</b>	<b>7,947</b>

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.15 AMOUNTS OWING BY RELATED COMPANIES

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Holding company				
Non-trade balances	-	3	^	-
Fellow subsidiaries				
Trade balances	-	1	-	-
	-	4	^	-

Notes:-

^ - Amount represents less than RM1,000

- (a) The trade balances are subject to the normal trade credit terms of 60 days. The amounts owing are to be settled in cash.
- (b) The non-trade balances represent unsecured, interest-free advances and payments made on behalf. The amounts owing are repayable on demand and to be settled in cash.

## 8.2.16 DEPOSITS WITH FINANCIAL INSTITUTIONS

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Fixed deposits with financial institution	-	-	-	360
Placements with financial institution	16,292	27,644	25,869	27,995
	16,292	27,644	25,869	28,355

The placements with financial institutions represent monies deposited into fixed income funds which are not restricted to fixed maturity. The funds invest mainly into fixed deposits with licensed banks, short-term repurchase agreements (REPOs) and short term Malaysian Government Securities and thus have minimum exposure to changes in market value. These deposits can be cashed out on call basis and have cheque facilities.

The weighted average effective interest rates per annum of deposits at the end of the reporting period are as follows:

	FYE 2010 %	FYE 2011 %	FYE 2012 %	FYE 2013 %
Fixed deposits with financial institution	-	-	-	3.00 - 3.15
Placements with financial institution	1.46 - 2.59	2.51 - 2.77	2.17 - 2.77	2.09 - 2.72

**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.16 DEPOSITS WITH FINANCIAL INSTITUTIONS (CONT'D)**

The average maturities of fixed deposits as at the end of the reporting period are as follows:-

	FYE 2010 Days	FYE 2011 Days	FYE 2012 Days	FYE 2013 Days
Fixed deposits with financial institution	-	-	-	30 - 365

**8.2.17 SHARE CAPITAL**

	FYE 2010 ( <sup>'000</sup> )	FYE 2011 ( <sup>'000</sup> )	FYE 2012 ( <sup>'000</sup> )	FYE 2013 ( <sup>'000</sup> )	FYE 2010 RM' <sup>000</sup>	FYE 2011 RM' <sup>000</sup>	FYE 2012 RM' <sup>000</sup>	FYE 2013 RM' <sup>000</sup>
Ordinary shares of RM1 each:-								
Authorised	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Issued and fully paid-up :-								
At 1 June	2,276	2,311	2,311	2,311	2,276	2,311	2,311	2,311
Allotment during the financial year	35	-	-	-	35	-	-	-
At 31 May	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311

**8.2.18 MERGER DEFICIT**

The merger deficit in the financial years arose from subsidiaries which were consolidated under the merger method of accounting.

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

**8.2.19 NON-CONTROLLING INTERESTS**

Included in non-controlling interests is an amount of RM2,864,136 (2012 - RM2,269,000; 2011 - RM90,000; 2010 - RM320,000) representing quasi loans from non-controlling shareholders.

Quasi loans represent advances from non-controlling shareholders of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the non-controlling shareholders' net investment in the subsidiaries.

**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.20 TERM LOANS**

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Current portion:-				
- repayable within one year	144	170	175	442
Non-current portion:-				
- repayable between one to two years	148	176	127	511
- repayable between two to five years	467	271	214	3,692
- repayable more than five years	1,313	807	694	5,400
Total non-current portion	1,928	1,254	1,035	9,603
	2,072	1,424	1,210	10,045

Term loans are repayable over 180 to 240 monthly instalments from the date of drawdown and secured by the following:-

- (i) legal charges over CPRM Group's leasehold lands and buildings as disclosed in Note 8.2.9; and
- (ii) joint and several guarantee from certain directors of CPRM Group.

The weighted average effective interest rates per annum at the end of the reporting period for borrowings were as follow:-

	FYE 2010 %	FYE 2011 %	FYE 2012 %	FYE 2013 %
Term loans	4.87	4.86	4.83	4.27

**8.2.21 TRADE PAYABLES**

The normal credit terms granted to CPRM Group range from 30 days to 120 days. Other credit terms are granted to CPRM Group on a case-by-case basis.

**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.22 OTHER PAYABLES AND ACCRUALS**

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Other payables	355	312	922	2,246
Accrued expenses	691	970	895	1,046
Payroll liabilities	1,024	1,424	1,787	2,426
	2,070	2,706	3,604	5,718

**8.2.23 AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS**

The amount owing is unsecured, interest-free and repayable on demand. The amount is to be settled in cash.

**8.2.24 AMOUNTS OWING TO RELATED PARTIES**

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Holding company				
Non-trade balances	312	-	-	-
Fellow subsidiaries				
Trade balances	60	63	52	-
Companies in which certain directors have significant financial interests				
Trade balances	-	-	-	40
	372	63	52	40

- (a) The trade balances are subject to the normal trade credit terms of 60 days. The amounts owing are to be settled in cash.
- (b) The non-trade balances represent unsecured, interest-free advances and payments made on behalf. The amounts owing are repayable on demand and to be settled in cash.



## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.25 CASH AND CASH EQUIVALENTS

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

	Note	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Deposits with financial institutions	8.2.16	16,292	27,644	25,869	28,355
Cash and bank balances		9,052	5,808	10,382	13,159
		<u>25,344</u>	<u>33,452</u>	<u>36,251</u>	<u>41,514</u>

## 8.2.26 DIVIDENDS

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<u>Paid:-</u>				
<u>In respect of the previous financial year:-</u>				
Final tax-exempt dividend of RM2.50 per ordinary share	-	-	-	5,777
<u>In respect of the current financial year:-</u>				
Interim tax-exempt dividend of RM0.5192 per ordinary share	1,200	-	-	-
Interim tax-exempt dividend of RM5.1927 per ordinary share	-	12,000	-	-
Interim tax-exempt dividend of RM3.4618 per ordinary share	-	-	8,000	-
Interim tax-exempt dividend of RM1.50 per ordinary share	-	-	-	3,467
	<u>1,200</u>	<u>12,000</u>	<u>8,000</u>	<u>9,244</u>

## 8.2.27 CAPITAL COMMITMENTS

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<b>Capital expenditure commitments</b>				
Authorised and contracted for - property, plant and equipment	-	-	17,820	4,950

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.28 SIGNIFICANT RELATED PARTY DISCLOSURES

## (a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial years:-

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
<b>Key management personnel</b>				
Gain on disposal of property, plant and equipment	-	-	-	(86)
<b>Holding company*</b>				
Rental expenses	301	270	270	112
Dividends paid	1,080	10,638	4,212	1,825
Purchase of trademark	1,874	-	-	-
<b>Fellow subsidiaries</b>				
Purchase of goods	202	217	210	-
Rental income	-	(35)	(42)	(42)
<b>Companies in which certain directors have significant financial interests</b>				
Consultancy fee	64	64	-	-
Purchase of equipment	-	5	1	-
Purchase of goods	114	9	10	222
Rental expenses	-	-	-	163
<b>A company in which a director and a substantial shareholder have significant financial interests</b>				
Rental expenses	-	-	-	163

Information regarding outstanding balances arising from related party transactions as at the end of the reporting period is disclosed in Notes 8.2.15 and 8.2.24.

Note:-

(\*) – Pursuant to a corporate restructuring exercise, Caring Pharmacy Holdings Sdn. Bhd. ceased to be the holding company on 22 October 2012 and has been re-designated to "a company in which certain directors have significant financial interests". With effect from 26 December 2012, the new holding company is Motivasi Optima Sdn. Bhd.

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.28 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel compensation:-

	FYE 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000
Short-term employee benefits	2,119	2,293	2,884	2,897
Post employment benefits	294	329	427	435
	2,413	2,622	3,311	3,332

## 8.2.29 FINANCIAL INSTRUMENTS

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

## (a) Financial Risk Management Policies

CPRM Group's policies in respect of the major areas of treasury activity are as follows:-

## (i) Market Risk

## (i) Foreign Currency Risk

CPRM Group does not have any transactions or balances denominated in foreign currency and hence is not exposed to foreign currency risks.

## (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CPRM Group's exposure to interest rate risk arises from interest-bearing financial assets and liabilities. CPRM Group's policy is to obtain the most favourable interest rates available. As CPRM Group's exposure to interest rate risk is immaterial, sensitivity analysis is not disclosed.

## (iii) Equity Price Risk

CPRM Group does not have any quoted investment and hence is not exposed to equity price risks.

**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.29 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk**

CPRM Group's business model does not result in significant exposure to credit risks from receivables. For other financial assets (including cash and bank balances and deposits with financial institutions), CPRM Group minimises credit risk by dealing exclusively with high credit rating counterparties.

CPRM Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

CPRM Group does not have any major concentration of credit risk related to any individual customer or counterparty.

Exposure to credit risk

As CPRM Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Ageing analysis

The ageing analysis of CPRM Group's trade receivables at the end of the reporting period is as follows:-

	2013 RM'000	2012 RM'000
Gross amount/carrying value		
Not past due	170	342
Past due:		
- less than 3 months	6	-
- Over 6 months	-	33
	176	375

## 12. ACCOUNTANTS' REPORT (Cont'd)



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## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.29 FINANCIAL INSTRUMENTS (CONT'D)

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

## (iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. CPRM Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual			
			Undiscounted Cash Flows RM'000	Within		
				1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2013						
Trade payables	-	54,223	54,223	54,223	-	-
Other payables and accruals	-	5,718	5,718	5,718	-	-
Amount owing to non-controlling shareholders	-	256	256	256	-	-
Amounts owing to related parties	-	40	40	40	-	-
Term loans	4.27	10,045	13,088	445	4,203	8,440
		70,282	73,325	60,682	4,203	8,440

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## 12. ACCOUNTANTS' REPORT (Cont'd)



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## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.29 FINANCIAL INSTRUMENTS (CONT'D)

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

## (iii) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows		Within		Over 5 Years RM'000
			RM'000	RM'000	1 Year RM'000	1 - 5 Years RM'000	
Trade payables	-	43,795	43,795	43,795	43,795	-	-
Other payables and accruals	-	3,604	3,604	3,604	3,604	-	-
Amount owing to non-controlling shareholders	-	252	252	252	252	-	-
Amounts owing to related parties	-	52	52	52	52	-	-
Term loans	4.83	1,210	2,056	226	396	396	1,434
		48,913	49,759	47,929	396	1,434	1,434

2012

**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.29 FINANCIAL INSTRUMENTS (CONT'D)****(b) Capital Risk Management**

CPRM Group manages its capital to ensure that entities within CPRM Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, CPRM Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

CPRM Group manages its capital based on debt-to-equity ratio. CPRM Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the CRPM Group at the end of the reporting period was as follows:-

	2013 RM'000	2012 RM'000
Trade payables	54,223	43,795
Other payables and accruals	5,718	3,604
Amount owing to non-controlling shareholders	256	252
Amounts owing to related parties	40	52
Term loans	10,045	1,210
	<u>70,282</u>	<u>48,913</u>
Less:		
Deposits with financial institutions	(28,355)	(25,869)
Cash and bank balances	(13,159)	(10,382)
	<u>28,768</u>	<u>12,662</u>
Net debt	28,768	12,662
	<u>66,447</u>	<u>54,874</u>
Total equity	66,447	54,874
	<u>0.43</u>	<u>0.23</u>
Debt-to-equity ratio	0.43	0.23

## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.29 FINANCIAL INSTRUMENTS (CONT'D)

## (c) Classification Of Financial Instruments

	2013 RM'000	2012 RM'000
<b>Financial Assets</b>		
<u>Loans and receivables financial assets</u>		
Trade receivables	176	375
Other receivables and deposits	7,947	3,404
Amounts owing by related companies	-	^
Deposits with financial institutions	28,355	25,869
Cash and bank balances	13,159	10,382
	49,637	40,030
<b>Financial Liabilities</b>		
<u>Other financial liabilities</u>		
Trade payables	54,223	43,795
Other payables and accruals	5,718	3,604
Amount owing to non-controlling shareholders	256	252
Amounts owing to related parties	40	52
Term loans	10,045	1,210
	70,282	48,913

Notes:-

^ - Amount represents less than RM1,000

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**12. ACCOUNTANTS' REPORT** (Cont'd)



**8. AUDITED FINANCIAL STATEMENTS (CONT'D)**

**8.2 CPRM GROUP (CONT'D)**

**8.2.29 FINANCIAL INSTRUMENTS (CONT'D)**

**(d) Fair Values Of Financial Instruments**

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values 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 the term loans approximated their fair values as these instruments bear interest at variable rates.

**(e) Fair Value Hierarchy**

At the end of the reporting period, there were no financial instruments carried at fair values.

**8.2.30 CURRENCY**

All amounts are stated in Ringgit Malaysia.

**8.2.31 TRANSITION TO THE MFRS FARMWORK**

These are the first financial statements of CPRM Group prepared in accordance with MFRSs. The accounting policies in Note 6.3 to this report have been applied to all financial information covered under this report.

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## 12. ACCOUNTANTS' REPORT (Cont'd)



## 8. AUDITED FINANCIAL STATEMENTS (CONT'D)

## 8.2 CPRM GROUP (CONT'D)

## 8.2.32 RESTATEMENT TO THE AUDITED FINANCIAL STATEMENTS

(a) The following comparative figures have been reclassified to conform with the presentation of the audited financial statements for the FYE 2011 and FYE 2012:-

	As previously reported RM'000	As restated RM'000
<b>Statement of Profit Or Loss And Other Comprehensive Income (Extract):-</b>		
<b>FYE 2010</b>		
Cost of sales	127,705	124,860
Other operating income	11,335	7,840
Selling and distribution expenses	17,961	19,319
Administrative expenses	14,603	12,595
<b>FYE 2011</b>		
Cost of sales	152,571	150,261
Other operating income	11,873	9,563
Selling and distribution expenses	21,998	24,500
Administrative expenses	17,814	15,312

The above reclassifications have been effected due to the following:-

- (i) Reclassification of redemption cost in connection with CPRM Group's loyalty programme from administrative expenses to selling and distribution expenses for FYE 2010 and FYE 2011;
- (ii) Reclassification of purchase and product rebates given by our suppliers from other operating income to cost of sales for FYE 2010 and FYE 2011;
- (iii) Reclassification of prompt payment discount income given by our suppliers from other operating income to cost of sales for FYE 2010; and
- (iv) Reclassification of part time wages income from subsidiaries from other operating income to selling and distribution expenses for the FYE 2010.

These have been effected to reclassify the above items into more appropriate categories of expenses by function. They do not represent a change in accounting policies and do not have any impact on the profit before taxation or profit after taxation of the CPRM Group.

**12. ACCOUNTANTS' REPORT (Cont'd)****8. AUDITED FINANCIAL STATEMENTS (CONT'D)****8.2 CPRM GROUP (CONT'D)****8.2.32 RESTATEMENT TO THE AUDITED FINANCIAL STATEMENTS (CONT'D)**

- (a) The following comparative figures have been reclassified to conform with the adoption of FRS 132 – Financial Instruments: Disclosure and Presentation as disclosed in Section 6.1.1 (a).

	As previously reported RM'000	As restated RM'000
<b>Statement of Financial Position (Extract):-</b>		
<b>FYE 2010</b>		
Amount owing to directors	577	257
Non-controlling interests	3,709	4,029
<b>FYE 2011</b>		
Amount owing to directors	879	469
Non-controlling interests	3,814	4,224

**9. SUBSEQUENT EVENTS**

There is no significant subsequent event between the date of the last financial statements used in the preparation of this report and the date of this report which will affect materially the contents of this report except as disclosed below:-

- (a) Acquisition of additional 19,500 ordinary shares of RM1.00 each in Fuji Acre Sdn. Bhd. for a total consideration of RM19,500 satisfied by cash on 8 July 2013; and
- (b) Incorporation of Caring Pharmacy Help Sdn. Bhd. as a new wholly owned subsidiary on 10 July 2013 with an issued and paid-up capital of 2 ordinary shares of RM1.00 each.

**12. ACCOUNTANTS' REPORT** *(Cont'd)*



**10. AUDITED FINANCIAL STATEMENTS**

As of the date of this report, no audited financial statements have been prepared in respect of any period subsequent to 31 May 2013 for CARiNG and CPRM Group.

Yours faithfully

A stylized signature of the Crowe Horwath firm, written in a cursive script.

**Crowe Horwath**  
Firm No: AF 1018  
Chartered Accountants

A handwritten signature of Wong Tak Mun, written in black ink.

**Wong Tak Mun**  
Approval No: 1793/09/14 (J)  
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX I (i)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY GROUP BERHAD**  
(Incorporated in Malaysia)  
Company No: 1011859-D

CERTIFIED TRUE COPY

**WONG TAK MUN**  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants  
Crowe Horwath AF 1018  
Chartered Accountants  
Member Crowe Horwath International

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**Report on the Financial Statements**

We have audited the financial statements of Caring Pharmacy Group Berhad, which comprise statement of financial position as at 31 May 2013 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 22.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity'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 financial statements.

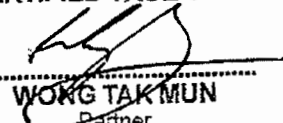
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX I (ii)



CERTIFIED TRUE COPY

  
WONG TAK MUN  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY GROUP BERHAD (CONT'D)**

(Incorporated in Malaysia)

Company No: 1011859-D

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 May 2013 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia 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

12 September 2013

Melaka

Wong Tak Mun  
Approval No: 1793/09/14 (J)  
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX II (i)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD.**

Company No : 757411-U

**Report on the Financial Statements**

We have audited the financial statements of Caring Pharmacy Retail Management Sdn. Bhd., which comprise the balance sheet as at 31 May 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 41.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 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*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 financial statements.

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

CERTIFIED TRUE COPY

  
WONG TAK MUN

Partner

Crowe Horwath AF 1018  
Chartered Accountants

Crowe Horwath AF 1018  
Chartered Accountants  
Member Crowe Horwath International


Melaka Office  
52 Jalan Kota Laksamana 2/15  
Taman Kota Laksamana, Seksyen 2  
75200 Melaka, Malaysia  
Main +6 06 2825 995  
Fax +6 06 2836 449  
www.crowehorwath.com.my  
info.mlk@crowehorwath.com.my

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX II (ii)



CERTIFIED TRUE COPY

  
WONG TAK MUN  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD. (CONT'D)**

Company No : 757411-U

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 May 2010 and of their financial performance and cash flows for the financial year then ended.

**Report on Other Legal and Regulatory Requirements**

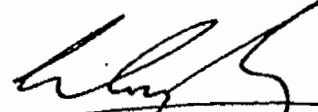
In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act;
- (b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and
- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia 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

  
Wong Tak Mun  
Approval No. 1793/09/12 (J)  
Chartered Accountant

Melaka

30 September 2010

Page 8

Offices in Malaysia:

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



12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX III (i)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD.**

Company No : 757411-U

**Report on the Financial Statements**

We have audited the financial statements of Caring Pharmacy Retail Management Sdn. Bhd., which comprise the balance sheet as at 31 May 2011 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 37.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 financial statements.

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

CERTIFIED TRUE COPY

**WONG TAK MUN**  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants  
Crowe Horwath AF 1018  
Chartered Accountants  
Member Crowe Horwath International

Melaka Office  
52 Jalan Kota Laksamana 2/15  
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www.crowehorwath.com.my  
info.mlk@crowehorwath.com.my

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX III (ii)



CERTIFIED TRUE COPY

  
WONG TAK MUN  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD. (CONT'D)**

Company No : 757411-U

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 May 2011 and of their financial performance and cash flows for the financial year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purpose.
- (c) The audit report on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia 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

Wong Tak Mun  
Approval No : 1793/09/12 (J)  
Chartered Accountant

7 October 2011

Melaka

Page 8

Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IV (i)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD.**

(Incorporated in Malaysia)  
Company No : 757411-U

**Report on the Financial Statements**

We have audited the financial statements of Caring Pharmacy Retail Management Sdn. Bhd., which comprise the statements of financial position as at 31 May 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 64.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

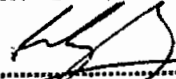
*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the financial statements that give a true and fair view 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 Company'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 financial statements.

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

CERTIFIED TRUE COPY

  
WONG TAK MUN  
Partner

Crowe Horwath AF 1018  
Chartered Accountants

Crowe Horwath AF 1018  
Chartered Accountants  
Member Crowe Horwath International

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52 Jalan Kota Laksamana 2/15  
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info.mlk@crowehorwath.com.my

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IV (ii)



CERTIFIED TRUE COPY

  
WONG TAK MUN  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD. (CONT'D)**

(Incorporated In Malaysia)  
Company No : 757411-U

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 May 2012 and of their financial performance and cash flows for the financial year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purpose.
- (c) The audit report on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia 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

14 SEP 2012

Melaka

Wong Tak Mun  
Approval No : 1793/09/12 (J)  
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX V (i)



CERTIFIED TRUE COPY

  
WONG TAK MUN  
Partner

Crowe Horwath AF 1018  
Chartered Accountants

Crowe Horwath AF 1018  
Chartered Accountants  
Member Crowe Horwath International

Melaka Office  
52 Jalan Kota Laksamana 2/15  
Taman Kota Laksamana, Seksyen 2  
75200 Melaka, Malaysia  
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Fax +6 06 2836 449  
www.crowehorwath.com.my  
info.mlk@crowehorwath.com.my

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD.**

(Incorporated in Malaysia)  
Company No :757411-U

**Report on the Financial Statements**

We have audited the financial statements of Caring Pharmacy Retail Management Sdn. Bhd., which comprise the statements of financial position as at 31 May 2013 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 69.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity'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 financial statements.

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

Page 8

Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan

**12. ACCOUNTANTS' REPORT (Cont'd)**

APPENDIX V (ii)



CERTIFIED TRUE COPY

WONG TAK MUN  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)  
Company No :757411-U

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 May 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit report on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Matters**

1. As stated in Note 4.1 to the financial statements, Caring Pharmacy Retail Management Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 June 2012 with a transition date of 1 June 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 May 2012 and 1 June 2011, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 May 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 May 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 June 2012 do not contain misstatements that materially affect the financial position as of 31 May 2013 and financial performance and cash flows for the financial year then ended.

Page 9

Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan

12. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX V (iii)

CERTIFIED TRUE COPY



  
WONG TAK MUN  
Partner  
Crowe Horwath AF 1018  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CARING PHARMACY RETAIL MANAGEMENT SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)  
Company No :757411-U

**Other Matters (Cont'd)**

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia 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

23 August 2013

Melaka



**Wong Tak Mun**  
Approval No : 1793/09/14 (J)  
Chartered Accountant

### 13. DIRECTORS' REPORT

## CARING PHARMACY GROUP BHD [Company No. 1011859-D]

Registered Address : No. 3-2, 3<sup>rd</sup> Mile Square, No. 151, Jalan Kelang Lama, Batu 3 ½, 58100 Kuala Lumpur.  
Correspondence Address : No 8B, Jalan 1/137C, Bedford Business Park, Jalan Kelang Lama, 58000 Kuala Lumpur  
Tel: (603) 77821988 Fax: (603) 77851928

Date: 7 October 2013

The Shareholders of Caring Pharmacy Group Berhad

Dear Sir/ Madam,

On behalf of the Board of Directors of Caring Pharmacy Group Berhad ("CARiNG"), we wish to report after due enquiry by the Board of Directors of CARiNG, that the period from 31 May 2013 (being the date of the last audited financial statements of Caring and its subsidiary companies ("Group") have been made up) to the date herein (being a date not earlier than fourteen (14) days before the issuance of this Prospectus):-

- (a) the business of our Group has, in the opinion of our Directors, been satisfactorily maintained;
- (b) in the opinion of our Directors, no circumstances have arisen since the last audited financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in the Prospectus, no contingent liabilities have arisen by reason of any guarantees or indemnities given by our Group;
- (e) since the last audited financial statements of our Group, there have been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings of our Group, in which the Directors are aware of; and
- (f) save as disclosed in the Prospectus, since the last audited financial statements of our Group, there have been no material changes in the published reserved or any unusual factors affecting the profits of our Group.

Yours faithfully

For and on behalf of the Board of Directors  
**Caring Pharmacy Group Berhad**

  
**CHONG YEOW SIANG**  
Managing Director



## 14. ADDITIONAL INFORMATION

### 14.1 SHARE CAPITAL

- (i) No securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) As at the date of this Prospectus, we have only one (1) class of shares in our Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed in Sections 2.6, 3.5, 5.4, 5.5 and 5.6 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company and our subsidiaries have been issued or are 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.
- (iv) Save for the IPO Shares reserved for the eligible Directors, eligible employees and shareholders of subsidiaries of our Group as disclosed in Section 3.5.1(ii) of this Prospectus, no person or eligible Director or eligible employee or shareholder of subsidiary of our Group has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries.
- (v) Save for the IPO Shares reserved for the eligible Directors, eligible employees and shareholders of subsidiaries of our Group as disclosed in Section 3.5.1(ii) of this Prospectus, there is currently no other scheme for or involving our Directors or employee or shareholder of subsidiary of our Group.
- (vi) Neither our Company nor our subsidiaries have any capital that is under option, or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (vii) Neither our Company nor our subsidiaries have any outstanding convertible securities as at the date of this Prospectus.

### 14.2 EXTRACTS OF ARTICLES OF ASSOCIATION

The following provisions are extracts from our Articles. Capitalised terms as used in this Section 14.2 of this Prospectus shall have the same meaning as defined in our Articles, unless otherwise defined in this Prospectus.

#### (i) Transfer of Securities

##### Article 34

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

##### Article 35

Subject to the provisions of the Act, the Depositories Act and the Rules, the transfer of all or any of his shares of the Company not so deposited with the Depository (not being Deposited Securities) by any Member shall be in the manner provided in the Rules to the extent that the same is not inconsistent with these Articles.

**14. ADDITIONAL INFORMATION (Cont'd)**

The instrument of transfer of any share shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered into the Register and/or the Record of Depositors as the case may be in respect thereof.

**Article 36**

Subject to the provisions of the Act, the Depositories Act and the Rules, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole, thirty (30) days in any year. Ten (10) Market Days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register and the reason thereof shall be given to the Exchange and published in a daily newspaper circulating in Malaysia. Such notice shall state the Books Closing Date which shall not be less than eight (8) clear market days from the date of notification to the Exchange.

**Article 38**

There should be no restriction on the transfer of fully paid Shares except where required by law or the relevant regulations or where the Company has a lien and no share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

**Article 39**

The Depository may refuse to register any transfer of deposited security that does not comply with the Depositories Act and the Rules.

**(ii) Remuneration of Directors**

**Article 105**

The Directors shall be paid for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine or failing agreement, equally PROVIDED ALWAYS that:

- (a) fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- (c) 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.
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid by the Director nominating him, unless the Company be instructed in writing by that Director to pay any portion of his remuneration to such alternate Director out of the remuneration of the latter.

**14. ADDITIONAL INFORMATION (Cont'd)**

**Article 106**

- (a) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.
- (b) If any Director being willing shall be called upon to perform extra services or to make any special exertions 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 of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determine by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors.

**Article 130(1)**

Each Director may from time to time appoint any person who is approved by a majority of his co-directors to act as his alternate Director. Any fee paid by the Company to an Alternate Director shall be deducted from the remuneration of the appointor.

**Article 132**

The remuneration of a Director holding an executive office pursuant to these Articles shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

**(iii) Voting and Borrowing Powers of Directors**

**Article 110**

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries, as they shall think fit.
- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the 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 may borrow or raise any such money as aforesaid upon or by the issue or sale of any bonds, debentures, debenture stock, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale; payment of premium or bonus upon redemption or repayment or upon any other terms as they may think proper.
- (d) Any debenture or other security may be issued at a discount, premium or otherwise and (with the sanction of the Company in general meeting) with any special privilege as to allotment of shares, attending and voting at general meetings of the Company, appointment of Directors or otherwise.

14. ADDITIONAL INFORMATION (Cont'd)

**Article 123**

Subject to these Articles, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In the case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote where:

- (a) two (2) Directors form a quorum and such a quorum is present at the meetings; or
- (b) only two (2) Directors form the quorum or are competent to vote on the question at issue.

**Article 125**

A Director may contract with and be directly or indirectly interested in any contract or proposed contract or arrangement with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the Director shall declare the nature of his interest in accordance with provision of the Act. Safe as herein provided a Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

**Article 126**

Where proposals are under the consideration concerning the appointment (including fixing or varying the terms of appointment) of two (2) or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each of the Directors separately and in such cases each of the Directors concerned shall be entitled to vote in respect of each resolution except that concerning his own appointment.

**Article 127**

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;
- (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 the deposit of a security.
- (c) any proposal concerning the adoption, modification operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval of the Board of Inland Revenue for taxation purposes.

**Article 130(7)**

One (1) person may act as Alternate Director to more than one (1) Director and while he is so acting shall be entitled to a separate vote for each Director he is representing and. If he is himself a Director his vote or votes as an Alternate Director shall be in addition to his own vote.

**14. ADDITIONAL INFORMATION (Cont'd)****(iv) Changes in Capital and Variation of Class Rights****Article 5**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors subject to any ordinary resolution of the Company, may determine but such rights shall be expressly provided by the terms of issue of such shares.

**Article 7**

The rights attaching to shares of a class other than ordinary shares shall be expressly set out in these Articles.

**Article 10**

If at any time the share capital of the Company 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, subject to the provision of Section 65 of the Act and whether or not the Company is being wound up, be varied with:

- (a) the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class obtained within two (2) months from the date of the separate general meeting; or
- (b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except 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 of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

**Article 11**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights 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 60**

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the issued shares shall have been fully called or not, in general meeting by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any) with regard to dividend, return of capital voting or otherwise, as the Company by the resolution authorising such increase directs.

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**14. ADDITIONAL INFORMATION** *(Cont'd)*

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**Article 63**

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise.

**Article 64**

The Company may by ordinary resolution:

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) sub-divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association; provided 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 share from which the reduced share is derived and so 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, return of capital, voting or otherwise over the others or any other of such shares and;
- (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

**Article 66**

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorization, and consent required by law.

**14.3 LIMITATION ON RIGHTS**

There are no limitations imposed by the laws of Malaysia or our Articles of Association on the rights to own securities, including limitations on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

**14.4 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The names, addresses and occupations of the Directors of our Company are set out in the Corporate Directory Section of this Prospectus.
- (ii) In accordance with the Articles, a Director is not required to hold any qualification share in CARiNG.

**14. ADDITIONAL INFORMATION** *(Cont'd)*

- (iii) Save as disclosed in Section 3.11, no commission, discounts, brokerages or other special terms have been paid, granted or are payable by our Company or our subsidiaries within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or debentures of our Company and our subsidiaries or in connection with the issue or sale of any capital of our Company or any of our subsidiaries and no Directors, Promoter or experts is or are entitled to receive any such payment.
- (iv) Other than salaries, employment related benefits, dividends payable to the Promoters and/or Directors as shareholders of our Company and/or subsidiaries and related party transactions as disclosed in Sections 8.4.4, 8.10 and 10 of this Prospectus, no amount or benefit has been paid or given within the two (2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any Promoter, Director and/or substantial shareholder.
- (v) Save as disclosed in Sections 10 and 14.5 of this Prospectus, none of our Directors and/or substantial shareholders have interest in any subsisting contract or arrangement, which is significant to the business of our Company or our Group taken as a whole.
- (vi) Our Directors and/or substantial shareholders are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over our Company and our subsidiaries.

**14.5 MATERIAL CONTRACTS**

Save as disclosed below, there are no contracts which are material (including contracts not reduced into writing and contracts not being entered into by the CARiNG Group in the ordinary course of business) that have been entered into by the CARiNG Group within two (2) years preceding the date of this Prospectus:

- (i) Sale and Purchase Agreement, dated 25 February 2013 between the Vendors and CARiNG for the sale and purchase of the entire issued and paid-up share capital of CPRM comprising 2,310,918 ordinary share of RM1.00 each for a total consideration of RM182,706,397 to be satisfied wholly by the issuance of 182,706,397 new shares in CARiNG at an issue price of RM1.00 per share ("**Sale and Purchase Agreement, dated 25 February 2013**"). As at LPD, the Sale and Purchase Agreement, dated 25 February 2013 has been completed;
- (ii) Sale and Purchase Agreement, dated 18 February 2013 between Yap Chai Company Sdn Bhd and CPRM for the sale and purchase of a 3 storey shophouse erected on a piece of land held under Pajakan Negeri 10493, Lot No. 39187, Mukim of Kuala Lumpur, District and State of Wilayah Persekutuan measuring approximately 1679.17 square feet bearing the postal address of No. 22, Jalan Manis 4, Taman Segar, Cheras, 56100 Kuala Lumpur, Wilayah Persekutuan for a total cash consideration of RM2.55 million ("**Sale and Purchase Agreement, dated 18 February 2013**"). As to date, the Sale and Purchase Agreement, dated 18 February 2013 has been completed;
- (iii) Sale and Purchase Agreement, dated 28 December 2011 between Complete Bayview Sdn Bhd and CPRM for the sale and purchase of a 4 storey corporate factory with mezzanine floor erected on Lot Nos. 1 and 2, measuring approximately 33,778 square feet with a built-up area measuring approximately 68,000 square feet, erected on a piece of land held under master title known as Pajakan Negeri 10310, Lot 73, Seksyen 20, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor Darul Ehsan having an aggregate area measuring approximately 333,777.88 square feet, which is part of an industrial development known as "Tiong Nam Industrial Park @ PJ" for a total cash consideration of RM19.8 million ("**Sale and Purchase Agreement, dated 28 December 2011**"). As at LPD, the Sale and Purchase Agreement, dated 28 December 2011 is pending completion;

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**14. ADDITIONAL INFORMATION (Cont'd)**

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- (iv) Underwriting Agreement dated 1 October 2013 between CARiNG and the Joint Underwriters for the underwriting of 15,151,500 Public Issue Shares for an underwriting commission of 1.5% and the Managing Underwriter a managing underwriting fee of 0.5% at the IPO Price; and
- (v) Placement Agreement dated 1 October 2013 between CARiNG and the Joint Placement Agents for the placement of 14,198,000 IPO Shares for a placement fee of 2.0% at the IPO Price.

**14.6 MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of our Company or our subsidiaries and our Directors do not have any knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Company or our subsidiaries.

**14.7 PUBLIC TAKE-OVER OFFERS**

None of the following has occurred in the last financial year and/or the current financial year up to the LPD:

- (i) Public take-over offers by third parties for the shares of our Company or any of our subsidiaries; or
- (ii) Public take-over offers by our Company or any of our subsidiaries for other companies' shares.

**14.8 CONSENTS**

The written consents of the Adviser, Joint Underwriters, Joint Placement Agents, Solicitors for the IPO, Share Registrar, Issuing House, Company Secretary and Principal Bankers to the inclusion in this Prospectus of their names and all references thereto in the manner, form and context in which their names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report, the Pro forma Consolidated Financial Information and their letter thereon, audit reports and all references thereto in the manner, form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of the Independent Business and Market Research Consultants to the inclusion in this Prospectus of their name and the IMR Report and all references thereto in the manner, form and context in which they contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

**14.9 RESPONSIBILITY STATEMENT**

Our Directors and Promoters have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained herein. Having made all reasonable enquiries, and that to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which if omitted, would make any statement herein false or misleading.



**14. ADDITIONAL INFORMATION** *(Cont'd)*

KIBB, being our Adviser, Managing Underwriter, Joint Underwriter and Joint Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

**14.10 DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (i) The Memorandum and Articles of Association of our Company;
- (ii) The material contracts as referred to in Section 14.5 of this Prospectus;
- (iii) The Pro forma Consolidated Financial Information together with the Reporting Accountants' letter thereon as included in Section 11.1 of this Prospectus;
- (iv) The Accountants' Report referred to in Section 12 of this Prospectus;
- (v) Our Directors' Report referred to in Section 13 of this Prospectus;
- (vi) The IMR Report referred to in Section 7 of this Prospectus prepared by Vital Factor;
- (vii) The letters of consent referred to in Section 14.8 of this Prospectus; and
- (viii) The audited financial statements of CPRM and its subsidiary companies for the past four (4) FYE 2010 to FYE 2013.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE**

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**15.1 OPENING AND CLOSING OF APPLICATION**

Opening of the application : 10.00 a.m. on 18 October 2013

Closing of the application : 5.00 p.m. on 30 October 2013

Applications will be accepted from 10.00 a.m. on 18 October 2013 and will remain open until 5.00 p.m. on 30 October 2013 as stated above or at such later date as our Board, Promoters and the Joint Underwriters at their absolute discretion may jointly decide. **Late applications will not be accepted.**

In the event the date of the closing of the application for the IPO Shares is extended, you will be notified of such extension by way of advertisements placed in widely circulated English and Bahasa Malaysia newspapers within Malaysia prior to the original closing date for application. Should the closing date of the application be extended, the dates for the balloting, despatch of notices of allotment to successful applicants and the Listing will be extended accordingly.

**15.2 ELIGIBILITY**

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

- (i) You must have a CDS Account. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs listed in Section 15.12 of this Prospectus;
- (ii) You must be one of the following:
  - (a) A Malaysian citizen or foreign citizen who is at least eighteen (18) years old as at the closing date of the application with a Malaysian address; or
  - (b) A corporation/institution incorporated in Malaysia and be subject to the following:
    - (i) If the corporation/institution has a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and
    - (ii) There is a majority of Malaysian citizens on the board of directors/trustee; or
  - (c) 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 paragraph (ii)(b) or (c) above or the trustees thereof; and**

- (iii) You are not a director or employee of Equiniti or their immediate family members.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.3 METHODS OF APPLICATION**

Applications for the IPO Shares may be made using either of the following ways:

<b>Class of applicants</b>	<b>Application method</b>
Malaysian Public (for individuals)	<b>White</b> Application Form or Electronic Share Application <sup>(a)</sup> or Internet Share Application <sup>(b)</sup>
Public (for non-individuals, e.g. corporations, institutions, etc.)	<b>White</b> Application Form only
Selected investors via private placement	Separate letters/forms delivered to the respective investors
Eligible Directors, eligible employees and shareholders of subsidiaries of our Group	<b>Pink</b> Application Form only

Notes:

- (a) *The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:*
- *Affin Bank Berhad – No fee will be charged for application by their account holders;*
  - *AmBank (M) Berhad – RM1.00;*
  - *CIMB Bank Berhad – RM2.50*
  - *HSBC Bank Malaysia Berhad – RM2.50;*
  - *Malayan Banking Berhad – RM1.00;*
  - *Public Bank Berhad – RM2.00;*
  - *RHB Bank Berhad – RM2.50; or*
  - *Standard Chartered Bank Malaysia Berhad (as selected branches only) – RM2.50*
- (b) *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](http://www.affinOnline.com)) - No fee will be charged for application by their account holders;*
  - (ii) *CIMB Investment Bank Berhad ([www.eipocimb.com](http://www.eipocimb.com)) – RM2.00 for payment via CIMB Bank or Malayan Banking Berhad;*
  - (iii) *CIMB Bank Berhad ([www.cimbclicks.com.my](http://www.cimbclicks.com.my)) – RM2.00 per Internet Share Application for applicants with CDS Account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS Accounts with other ADAs;*
  - (iv) *Malayan Banking Berhad ([www.maybank2u.com.my](http://www.maybank2u.com.my)) – RM1.00 per Internet Share Application;*
  - (v) *RHB Bank Berhad ([www.rhbbank.com.my](http://www.rhbbank.com.my)) – RM2.50 per Internet Share Application;*
  - (vi) *Public Bank Berhad ([www.pbebank.com](http://www.pbebank.com)) – RM2.00 per Internet Share Application; and*
  - (vii) *Affin Investment Bank Berhad ([www.affinTrade.com](http://www.affinTrade.com)) – No fee will be charged for application by their account holders.*

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.4 PROCEDURES FOR APPLICATION****15.4.1 Procedures for application by way of an Application Form**

The Malaysian Public should follow the following procedures in making their applications via the **White** Application Form:

**Step 1: Obtain application documents**

Obtain the **White** Application Form 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) KIBB;
- (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) Equiniti.

**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 White 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 the Bursa Depository. Please inform the 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 or passport number must be the same as that stated in:

- (i) your NRIC / passport; or
- (ii) your "Resit Pengenalan Sementara (KPPK 09)" issued pursuant to Peraturan 5(5), Peraturan-peraturan Pendaftaran Negara 1990; or
- (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.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**


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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**

Prepare the correct form of payment in RM for the FULL amount payable for the IPO Shares based on the IPO Price of RM1.25 per IPO Share.

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 Berhad; or
- (d) **ATM STATEMENT** obtained only from any of the following financial institutions:
  - (i) Affin Bank Berhad; or
  - (ii) Alliance Bank Malaysia Berhad; or
  - (iii) CIMB Bank Berhad; or
  - (iv) Hong Leong Bank Berhad; or
  - (v) Malayan Banking Berhad; or
  - (vi) RHB Bank Berhad,

and must be made out in favour of **"EQSB SHARE ISSUE ACCOUNT NUMBER: 652"** 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.

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****Step 5: Finalise application**

Insert the White Application Form with the appropriate payment and a legible photocopy of identification document (NRIC/passport/"Resit Pengenalan Sementara (KPPK 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/passport/"Resit Pengenalan Sementara (KPPK 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:

Equiniti Services Sdn Bhd (11324-H)  
Level 8, Menara MIDF  
82, Jalan Raja Chulan  
50200 Kuala Lumpur  
P.O. Box 11122  
50736 Kuala Lumpur

- (b) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Ground Floor of Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur.

so as to arrive not later than 5:00 p.m. on 30 October 2013 or such later date or dates as our Board, Promoters and KIBB at their absolute discretion may jointly decide.

No acknowledgement of receipt of the Application Forms or application monies will be made.

**The Application Forms set out the full instruction for the application of the IPO 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.**

**15.4.2 Procedures for application by way of an Electronic Share Application**

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

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Electronic Share Application and the procedures set out on the ATM screens of the Participating Financial Institution before making an Electronic Share Application.

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (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 15.4.2 (b) below) and an ATM card issued by that Participating Financial Institution to access the account;
- (ii) You **must** have a CDS Account; and
- (iii) You may apply for the IPO Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 15.4.2 (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);
  - EQSB Share Issue Account Number 652;
  - 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:
- (i) Affin Bank Berhad; or
- (ii) AmBank (M) Berhad; or
- (iii) CIMB Bank Berhad; or
- (iv) HSBC Bank Malaysia Berhad; or
- (v) Malayan Banking Berhad; or
- (vi) Public Bank Berhad; or
- (vii) RHB Bank Berhad; or
- (viii) Standard Chartered Bank Malaysia Berhad (at selected branches only).

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(Cont'd)*

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**(c) Terms and conditions of Electronic Share Applications**

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set forth on the ATM screens of the relevant Participating Financial Institutions ("Steps"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set forth in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 15.4.2 (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 Applications and the Steps shall mean the applicant who applies for the IPO 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 the IPO 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 Equiniti. 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 IPO Shares on 30 October 2013 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the IPO Shares to Equiniti as soon as practicable but not later than 12.00 p.m. of the second business day after the Closing Date and Time.

You are allowed to make an Electronic Share Application for the IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and 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.**

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the following terms and conditions:

- (i) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum of Association and Bye-laws.



15. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (ii) You are required to confirm the following statements (by depressing pre-designated 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 this application;
  - This is the only application that you are submitting; and
  - You hereby give consent to the Participating Financial Institution and the Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and the Bursa Depository to Equiniti 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 Act 1989 of Malaysia and Section 45 of the Central Depositories Act to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to Equiniti or any relevant regulatory bodies.

- (iii) **You confirm that you are not applying for the IPO Shares as a nominee of any other persons and that any Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for the IPO Shares, whether at the ATMs of any Participating Financial Institutions, on the prescribed Application Forms or via Internet Share Application.**
- (iv) 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 made, will be rejected.
- (v) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot any lesser number of the IPO Shares or not to allot or allocate any IPO 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 IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted to you and to be bound by our Memorandum of Association and Bye-laws.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(Cont'd)*


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(vi) 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 IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

(vii) 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 Equiniti. You may check your accounts on the fifth (5<sup>th</sup>) 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 Equiniti. A number of applications will, however, be held in reserve to replace any successful 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 Equiniti by crediting into the applicant's account with the Participating Financial Institution within ten (10) Market Days from the day of the final ballot of the application list.

If you encounter any problems in your application, you may refer to the Participating Financial Institutions.

(viii) You request and authorise us:

- to credit the IPO Shares allotted or allocated to you into your CDS Account; and
- to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of the Bursa Malaysia Depository Nominees Sdn. Bhd. and send the same to the Bursa Depository.

(ix) 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 Equiniti, the Participating Financial Institutions or Bursa Depository, irrevocably agrees that if:

- we or Equiniti do/does not receive your Electronic Share Application; or
- 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 Equiniti,

you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, Equiniti or the Participating Financial Institutions or the Bursa Depository for the IPO Shares applied for or for any compensation, loss or damage arising from it.

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(Cont'd)*

- (x) 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, Equiniti and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xi) You shall ensure that your personal particulars as recorded by both the 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 the 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.
- (xii) By making and completing an Electronic Share Application, you agree that:
- 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;
  - we, Equiniti, the Participating Financial Institutions and the 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;
  - notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation by us or our behalf for prescribed securities, in respect of the said IPO Shares;
  - you irrevocably authorises the Bursa Depository to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the IPO Shares allotted or allocated to you; and
  - 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 be bound by the decisions of the Courts of Malaysia.
- (xiii) If you are successful in your Electronic Share Application, our Directors reserves the rights to require you to appear in person at the registered office of Equiniti within fourteen (14) days of the date of the 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.
- (xiv) Equiniti, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.4.3 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 IPO Shares made available for application by the general 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:
  - (i) Affin Bank Berhad at [www.affinOnline.com](http://www.affinOnline.com); or
  - (ii) CIMB Investment Bank Berhad at [www.eipocimb.com](http://www.eipocimb.com); or
  - (iii) CIMB Bank Berhad at [www.cimbclicks.com.my](http://www.cimbclicks.com.my); or
  - (iv) Malayan Banking Berhad at [www.maybank2u.com.my](http://www.maybank2u.com.my); or
  - (v) RHB Bank Berhad at [www.rhbbank.com.my](http://www.rhbbank.com.my); or
  - (vi) Public Bank Berhad at [www.pbebank.com](http://www.pbebank.com); or
  - (vii) Affin Investment Bank Berhad at [www.affinTrade.com](http://www.affinTrade.com).
- (b) an individual CDS Account registered in your name (and not in a nominee's name).

**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 IPO 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 possible steps of an application of the IPO Shares using Internet Share Application.**

**PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS 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 IPO Shares through any website other than the Internet financial services website of the Internet Participating Financial Institution.

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (b) Login 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 IPO 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 IPO 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 application for the IPO Shares;
  - (ii) You are a Malaysian citizen residing in Malaysia;
  - (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 the terms and conditions of the Internet Share Application as set out in this Prospectus and has 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 IPO Shares;
  - (vi) You authorise the Internet Participating Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution;
  - (vii) You give 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 of Malaysia and Section 45 of the Central Depositories Act) to the disclosure by the Internet Participating Financial Institution and/or the 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 Institution, to Equiniti and the SC and any other relevant authority;
  - (viii) You are not applying for the IPO Shares as a nominee of any other person and the application is made in your own name as the beneficial owner and subject to the risks referred to in this Prospectus; and

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(Cont'd)*

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- (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 Applications 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 Applications services.
- (i) Upon submission of the online application form, you will be linked to the website of the Internet Participating Financial Institution to effect the online payment of your money for the IPO.
- (j) You must pay for the IPO Shares through the website of the Internet Participating 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 IPO 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 Internet Participating 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 IPO 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 your reference and retention.

**Terms and Conditions for 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 Institutions. Please refer to the Internet financial services website of the Internet Participating Financial Institutions 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 closing date and time of the IPO mentioned in Section 15.1 of this Prospectus.
- (b) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Internet Share Application. Your confirmation by clicking the designated hyperlink

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(Cont'd)*

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on the relevant screen of the website shall be treated as your acceptance of the number of IPO Shares allotted or allocated to you.

- (c) You request and authorise us:
  - (i) to credit the IPO Shares allotted or allocated to you into your CDS Account; and
  - (ii) to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn. Bhd. and send the same to the Bursa Depository.
  
- (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, problem occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires and other events which are beyond our control, and the control of the Internet Participating Financial Institution, irrevocably agrees that if:
  - (i) we, Equiniti or the Internet Participating 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 Equiniti,

you shall be deemed not to have made an Internet Share Application and you shall not claim whatsoever against us, Equiniti or the Internet Participating Financial Institutions for the IPO Shares applied for or for any compensation, loss or damage arising from it.
  
- (e) You irrevocably authorise the Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue or transfer of the IPO 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, Equiniti and/or the Internet Participating Financial Institutions 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 Institutions.
  
- (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 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.

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15. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

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15.5 OTHER TERMS AND CONDITIONS

- (a) You are required to pay the IPO Price of RM1.25 for each IPO Share you have applied for;
- (b) You can submit only one application for the IPO Shares offered to the general public. For example, if you submit an application using a White Application Form, you cannot submit an Electronic Share Application or Internet Share Application.

Equiniti 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 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 of Association and Bye-laws. You agree to be bound by our Memorandum of Association and Bye-laws.
- (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 the Equiniti 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. The Bursa Depository 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 the Bursa Depository.
- (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 the IPO Shares shall be constituted by the issue of notices of allotment for the IPO 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 the Bursa Depository and the Participating Financial Institutions, as the case may be, to disclose information pertaining to your CDS Account and other relevant information to us or Equiniti 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 IPO Shares to you.**

- (j) Additional terms and conditions for Electronic Share Applications are set out in Section 15.4.2 (c) above.
- (k) Additional terms and conditions for Internet Share Applications are set out in Section 15.4.3 above.



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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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**15.6 AUTHORITY OF OUR DIRECTORS AND EQUINITI**

If you are successful in your application, our Directors reserve the rights to require you to appear in person at the registered office of Equiniti 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 IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

Equiniti, on the authority of our Directors, reserves the rights to:

- (a) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete and 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 applicants which would subsequently be refunded without interest by registered post.

**15.7 OVER/UNDER-SUBSCRIPTION**

In the event of an over-subscription for the IPO Shares, Equiniti 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 IPO 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 to have a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of this IPO. We expect to achieve this at the point of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be refunded without interest.

In the event of an under-subscription in the Malaysian Public offering, the 10,886,000 Shares not applied for will be subscribed by our Joint Underwriters pursuant to the Underwriting Agreement.

**15.8 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:

**15.8.1 For applications by way of White Application From**

- (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 the Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot.

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (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 Pengenalán Sementara (KPPK 09)” or your corresponding Malaysian address or any valid temporary identity document issued by the National Registration Department from time to time, at your own risk.
- (c) Equiniti 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 the 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.

### 15.8.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) Equiniti 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 Equiniti.
- (b) You may check your account on the fifth (5<sup>th</sup>) Market Day from the balloting date.
- (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 Equiniti by crediting into the applicant’s account with the Participating Financial Institution within 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.

## 15.9 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (a) Our IPO Shares allocated to you will be credited into your CDS Account. We will not be issuing any shares certificate to you.
- (b) A notice of allotment will be despatched to you at the address last maintained with the 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.

## 15.10 CDS ACCOUNTS

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed the Shares as Prescribed Securities. In consequence thereof, the Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and the rules of Bursa Depository.

Pursuant to Section 29 of the Central Depositories Act, all dealings in the IPO Shares will be by book entries through CDS Account. No share certificates will be issued to successful applicants.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE** *(Cont'd)*

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Only an applicant who has a CDS Account can make an application by way of an Application Form. An applicant should state his CDS Account number in the space provided on the Application Form and he/she shall be deemed to have authorised the Bursa Depository to disclose information pertaining to the CDS Account to Equiniti/the Company. Where an applicant does not presently have a CDS Account, he/she should open a CDS Account at an ADA prior to making an application for the IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS Account can make an Electronic Share Application and the applicant shall furnish his CDS Account number to the Participating Financial Institution by way of keying in his CDS Account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS Account can make an Internet Share Application. In certain cases, only an applicant who has a CDS Account opened with the Internet Participating Financial Institutions can make an Internet Share Application. Arising therewith, the applicant's CDS Account number would automatically appear in the electronic online application form.

Failure to comply with these specific instructions or inaccuracy in the CDS Account number, arising from use of invalid, third party or nominee accounts, may result in the application being rejected. If a successful applicant fails to state his/her CDS Account number, Equiniti on the authority of our Company will reject the application. Equiniti on the authority of our Board also reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions or Internet Participating Financial Institution at the time of making the Electronic Share Application or Internet Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

**15.11 ENQUIRIES**

You may contact Equiniti if you have any queries on the White Application Form at 03-2166 0933 or 03-2166 0811. 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.

Applicants may also check the status of their application by logging on to Equiniti website at [www.equiniti.com.my](http://www.equiniti.com.my) or by calling their respective ADAs at the telephone number as stated in Section 15.12 of this Prospectus or Equiniti Enquiry Services at 03-2166 0933 or 03-2166 0811, between five (5) to ten (10) market days (during office hours only) after the balloting date.

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**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.12 LIST OF ADAs**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
<b><u>KUALA LUMPUR</u></b>			
AFFIN INVESTMENT BANK BERHAD Ground Mezzanine & 3rd Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	028-001	AFFIN INVESTMENT BANK BERHAD 38A & 40A Jalan Midah 1 Taman Midah, Cheras 56000 Kuala Lumpur Tel No: 03-9130 8803	028-005
ALLIANCE INVESTMENT BANK BERHAD 17th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2697 6333	076-001	AMINVESTMENT BANK BERHAD 15 <sup>th</sup> Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2078 2788	086-001
CIMB INVESTMENT BANK BERHAD 32nd Floor, Menara Multi-Purpose, Capital Square, 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur Tel No: 03-2691 8887	024-001	CIMB INVESTMENT BANK BERHAD 9 <sup>th</sup> Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2084 9999	065-001
HONG LEONG INVESTMENT BANK BERHAD Level 8, Menara HLA No.3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001	HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB INVESTMENT BANK BERHAD) Level 18, Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur	066-006
HWANGDBS INVESTMENT BANK BERHAD 2 <sup>nd</sup> 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 7 <sup>th</sup> , 22 <sup>nd</sup> , 23 <sup>rd</sup> & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2711 6888	068-014
HWANGDBS INVESTMENT BANK BERHAD No 57-10, Level 10 The Boulevard, Mid Valley City Lingkaran Syed Putra 59000 Kuala Lumpur Tel No.: 03-2287 2273	068-017	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

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
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 Lot 7 <sup>th</sup> - 9 <sup>th</sup> Floor Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001	KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 <sup>th</sup> -14 <sup>th</sup> 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	KENANGA INVESTMENT BANK BERHAD M3-A-7 & M3-A-8 Jalan Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806	073-20
KENANGA INVESTMENT BANK BERHAD Ground Mezzanine, 1st & 2nd Floor (West & Center Wing) Bangunan ECM Libra 8 Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-021	KENANGA INVESTMENT BANK BERHAD 3rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1133	073-029
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, 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

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
PM SECURITIES SDN BHD Ground, Mezzanine, 1 <sup>st</sup> & 10 <sup>th</sup> Floor Menara PMI No. 2, Jalan Cangkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001	PUBLIC INVESTMENT BANK BERHAD 27 <sup>th</sup> Floor, Bangunan Public Bank 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	RHB INVESTMENT BANK BERHAD 20 <sup>th</sup> Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	087-018
RHB INVESTMENT BANK BERHAD No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No.: 03-6257 5869	087-028	RHB INVESTMENT BANK BERHAD No 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058	TA SECURITIES HOLDINGS BERHAD Floor 13-16, 23, 28-30, 34 & 35 TA One Tower No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6201 1155	078-004		
<b><u>SELANGOR DARUL EHSAN</u></b>			
AFFIN INVESTMENT BANK BERHAD 2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> 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, 2 <sup>nd</sup> Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	028-003

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
AFFIN INVESTMENT BANK BERHAD 1 <sup>st</sup> Floor, 20-22 Jalan 21/22, SEA Park 46300 Selangor Darul Ehsan Tel No.: 03-7877 6229	028-006	AFFIN INVESTMENT BANK BERHAD No. 79-1 & 79-C Jalan Batu Nilam 5 Bandar Bukit Tinggi, Klang 41200 Selangor Darul Ehsan Tel No.: 03-3322 1999	028-007
AMINVESTMENT BANK BERHAD 4 <sup>th</sup> Floor, Plaza Damansara Utama No. 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003	CIMB INVESTMENT BANK BERHAD Ground Floor Tropicana City Office Tower 3 Jalan SS20./27 Petaling Jaya 47400 Selangor Darul Ehsan Tel No.: 03-7717 3319	065-009
HONG LEONG INVESTMENT BANK BERHAD Level 10 1 First Avenue Bandar Utama Petaling Jaya 47800 Selangor Darul Ehsan Tel No.: 03-7724 6888	066-002	HWANGDBS INVESTMENT BANK BERHAD 16 <sup>th</sup> , 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	JF APEX SECURITIES BERHAD 6 <sup>th</sup> Floor, Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BERHAD 15 <sup>th</sup> & 16 <sup>th</sup> Floor Menara Choy Fook On No.1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002	KENANGA INVESTMENT BANK BERHAD Ground to 5 <sup>th</sup> Floor East Wing, Quattro West 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7862 6200	073-005
KENANGA INVESTMENT BANK BERHAD 1 <sup>st</sup> 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

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
KENANGA INVESTMENT BANK BERHAD Lot 240, 2 <sup>nd</sup> Floor, The Curve No. 6, Jalan PJU 7/3 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016	KENANGA INVESTMENT BANK BERHAD Level 1 East Wing Wisma Consplant 2 No 7 Jalan SS 16/1 Subang Jaya 46400 Selangor Darul Ehsan Tel No.: 03-5621 2118	073-030
KENANGA INVESTMENT BANK BERHAD 35 (Ground & 1 <sup>st</sup> Floor) Jalan Tiara 3 Bandar Baru Klang, Klang 41150 Selangor Darul Ehsan Tel No.: 03-3348 8080	073-035	MALACCA SECURITIES SDN BHD No 16, Jalan SS 15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-002
MALACCA SECURITIES SDN BHD No 58A & 60A Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7876 1533	012-003	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	RHB INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30, Jalan SS2/63, 47300 Petaling Jaya, Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No: 03-8736 3378	087-045	RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Peniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048	RHB INVESTMENT BANK BERHAD Ground Floor and First Floor No 13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 6899	087-049



## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
RHB INVESTMENT BANK BERHAD 11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-6148 3361	087-051	RHB INVESTMENT BANK BERHAD 3 <sup>rd</sup> Floor, 1A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8023 6518	087-059
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 <sup>nd</sup> Floor Wisma TA 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 5713	058-007		
<b><u>MELAKA</u></b>			
CIMB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-289 8800	065-006	KENANGA INVESTMENT BANK BERHAD 71A & 73A Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-288 1720	073-028
KENANGA INVESTMENT BANK BERHAD 22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 73350 Batu Berendam Melaka Tel No.: 06-337 2550	073-034	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 Malaka Raya 75000 Melaka Tel No.: 06-292 1898	093-003	PM SECURITIES SDN BHD No. 11 & 13 Jalan PM2 Plaza Mahkota 75000 Melaka Tel No.: 06-286 6008	064-006

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
RHB INVESTMENT BANK BERHAD No. 19,21&23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-284 9885	087-002	RHB INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-282 5211	087-026
TA SECURITIES HOLDINGS BERHAD 59, 59A, 59B Jalan Merdeka Taman Merdeka Raya 75000 Melaka Tel No.: 06-286 2618	058-008		
<b><u>PERAK DARUL RIDZUAN</u></b>			
CIMB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-208 8688	065-010	KENANGA INVESTMENT BANK BERHAD No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-242 2828	073-022
KENANGA INVESTMENT BANK BERHAD No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-622 2828	073-026	KENANGA INVESTMENT BANK BERHAD Ground Floor No 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-693 9828	073-031
HONG LEONG INVESTMENT BANK BERHAD 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-253 0888	066-003	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 Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-255 9988	068-015	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

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
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.: 05-2453 400	098-002	RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor No. 17, Jalan Intan 2 Bandar Baru, 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-623 6498	087-014
RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-692 1228	087-016	RHB INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-241 5100	087-023
RHB INVESTMENT BANK BERHAD Ground Floor No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-808 8229	087-034	RHB INVESTMENT BANK BERHAD No. 72, Ground Floor, Jalan Idris, 31900 Kampar Perak Darul Ridzuan Tel No.: 05-465 1261	087-044
RHB SECURITIES BERHAD Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-717 0888	087-052	TA SECURITIES HOLDINGS BERHAD Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh, Perak Darul Ridzuan Tel No.: 05-253 1313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD 29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-623 2328	078-009		
<b><u>PULAU PINANG</u></b>			
ALLIANCE INVESTMENT BANK BERHAD Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No.25, Lebu 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

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
AMINVESTMENT BANK BERHAD Level 3 No 15 Lebu Pantai 10300 Pulau Pinang Tel No.: 04-261 8688	086-007	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
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 & 8 <sup>th</sup> Floor Bangunan Mayban Trust No. 3, Penang Street 10200 Pulau Pinang Tel No.: 04-269 0888	054-002	KENANGA INVESTMENT BANK BERHAD 7 <sup>th</sup> , 8 <sup>th</sup> & 16 <sup>th</sup> Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-228 3355	073-023
M&A SECURITIES SDN BHD 332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No.: 04-281 7611	057-005	MALACCA SECURITIES SDN BHD Prima Tanjung Suite 98-3-13A Jalan Fettes 11200 Tanjung Tokong Pulau Pinang Tel No.: 04-898 1525	012-004
MERCURY SECURITIES SDN BHD Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No.: 04-332 2123	093-001	MERCURY SECURITIES SDN BHD 2 <sup>nd</sup> Floor, Standard Chartered Bank Chambers 2 Lebu Pantai 10300 Pulau Pinang Tel No.: 04-263 9118	093-004
PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-227 3000	064-004	RHB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai, Pulau Pinang Tel No.: 04-390 0022	087-005

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
RHB INVESTMENT BANK BERHAD Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-540 2888	087-015	RHB INVESTMENT BANK BERHAD No. 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No.: 04-583 1888	087-032
RHB INVESTMENT BANK BERHAD 64 & 64D Tingkat 3 & 5 Lebuh Bishop 10200 Pulau Pinang Tel No.: 04-263 4222	087-033	RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> 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	087-042
RHB INVESTMENT BANK BERHAD 41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel No.: 04-835 2988	087-056	UOB KAY HIAN SECURITIES (M) SDN BHD 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-229 9318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Peniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-554 1388	078-003		
<b><u>KEDAH DARUL AMAN</u></b>			
ALLIANCE INVESTMENT BANK BERHAD 2 <sup>nd</sup> 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
RHB INVESTMENT BANK BERHAD No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-420 4888	087-017	RHB INVESTMENT BANK BERHAD No. 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-496 4888	087-019

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor 215-A & 215-B, Medan Putra, Jalan Putra 05150 Alor Star Kedah Darul Aman Tel No.: 04-720 9888	087-021	UOB KAY HIAN SECURITIES (M) SDN BHD Lot 4, 5 & 5A 1 <sup>st</sup> 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

**PERLIS INDRA KAYANGAN**

RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No.: 04-979 3888	087-060
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**NEGERI SEMBILAN DARUL KHUSUS**

HWANGDBS INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> 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
KENANGA INVESTMENT BANK BERHAD 1 C-1 & 1D-1, First Floor, Jalan Tuanku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-765 5998	073-033	PM SECURITIES SDN BHD 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor, 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-762 3131	064-002
RHB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-764 1641	087-024	RHB INVESTMENT BANK BERHAD 1 <sup>st</sup> Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-442 1000	087-037

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
RHB INVESTMENT BANK BERHAD 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, No. 168, Jalan Mewah (Pusat Perniagaan UMNO Jempol), 71200 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-455 3014	087-040	RHB 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	087-046
<b><u>JOHOR DARUL TAKZIM</u></b>			
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 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Penggaram Complex 1 Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-434 2282	086-002
AMINVESTMENT BANK BERHAD 18 <sup>th</sup> & 31 <sup>st</sup> Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-334 3855	086-006	HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB INVESTMENT BANK BERHAD) 1 <sup>st</sup> Floor, No. 9 Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-431 3688	066-004
HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB INVESTMENT BANK BERHAD) Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 7388	066-005	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

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
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 & 1 <sup>st</sup> 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
KENANGA INVESTMENT BANK BERHAD No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Baru Pahat Johor Darul Takzim Tel No.: 07-432 6963	073-017	KENANGA INVESTMENT BANK BERHAD Suite 16-02, 16-03 & 16-03 <sup>a</sup> Level 16 Menara MSC Cyberport No. 5 Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-223 7423	073-019
KENANGA INVESTMENT BANK BERHAD No. 57, 59 & 61 Jalan Ali, 84000 Muar Johor Darul Takzim Tel No.: 06-953 2222	073-024	KENANGA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-467 8885	073-025
M&A SECURITIES SDN BHD Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-338 1233	057-003	M&A SECURITIES SDN BHD 26 Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-236 6288	057-006
MERCURY SECURITIES SDN BHD Suite 17.1, Level 17 Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-331 6992	093-005	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



## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
PM SECURITIES SDN BHD Ground & 1 <sup>st</sup> 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	RHB INVESTMENT BANK BERHAD 6 <sup>th</sup> Floor, Wisma Tiong-Hua 8 Jalan Keris Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-278 8821	087-006
RHB INVESTMENT BANK BERHAD 53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-438 0288	087-009	RHB INVESTMENT BANK BERHAD No 33-1, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 8262	087-025
RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-557 7628	087-029	RHB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 3, Jalan Susur Utama 2/1, Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-932 1543	087-030
RHB INVESTMENT BANK BERHAD Ground & 1 <sup>ST</sup> Floor No.40 Jalan Haji Manan 86000 Kluang, Johor Darul Takzim Tel No.: 07-776 9655	087-031	RHB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 10 Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-662 6288	087-035
RHB INVESTMENT BANK BERHAD Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 343 Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 7180	087-038	RHB INVESTMENT BANK BERHAD 1 <sup>st</sup> Floor, No. 2 & 4 Jalan Makmur, Taman Sri Aman, 85300 Labis Johor Darul Takzim Tel No.: 07-925 6881	087-039
RHB INVESTMENT BANK BERHAD Tingkat Bawah, Tingkat 1 dan Tingkat 2 Nos. 21 dan 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-352 2293	087-043	UOB KAY HIAN SECURITIES (M) 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

## 15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
UOB KAY HIAN SECURITIES (M) SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-663 7398	078-005	UOB KAY HIAN SECURITIES (M) 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
UOB KAY HIAN SECURITIES (M) 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		
<b><u>KELANTAN DARUL NAIM</u></b>			
RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 0077	087-020	TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 2288	058-004
<b><u>PAHANG DARUL MAKMUR</u></b>			
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 <sup>st</sup> & 2 <sup>nd</sup> Floor No A-27(Aras G, 1 & 2) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-505 7800	065-007
KENANGA 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	073-027	RHB INVESTMENT BANK BERHAD B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-517 3811	087-007
RHB INVESTMENT BANK BERHAD Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-223 4943	087-022	RHB INVESTMENT BANK BERHAD Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-491 4913	087-041

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
<b><u>TERENGGANU DARUL IMAN</u></b>			
ALLIANCE INVESTMENT BANK BERHAD No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-631 7922	076-009	FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1 <sup>st</sup> Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-623 8128	021-001
RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-858 3109	087-027	RHB INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1 <sup>st</sup> Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-626 1816	087-055
<b><u>SABAH</u></b>			
CIMB INVESTMENT BANK BERHAD 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005	HWANGDBS INVESTMENT BANK BERHAD Suite 1-9-E1, 9 <sup>th</sup> Floor, CPS Tower Centre Point Sabah No. 1 Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
KENANGA INVESTMENT BANK BERHAD Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032	RHB INVESTMENT BANK BERHAD 5 <sup>th</sup> floor, Wisma BSN Sabah Jalan Kemajuan Karamunsing 88000 Kota Kinabalu Sabah Tel No.: 088-269788	087-010
RHB INVESTMENT BANK BERHAD Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah	087-036	RHB 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	087-057

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
UOB KAY HIAN SECURITIES (M) SDN BHD 11, Equity House, Block K Sadong Jaya, Karamuning 88100 Kota Kinabalu Sabah Tel No.: 088-234 4090	078-011		
<b><u>SARAWAK</u></b>			
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 Sibul Sarawak Tel No.: 084-36 7700	065-008	HWANGDBS INVESTMENT BANK BERHAD Ground Floor & 1st Floor, No. 1 Jalan Pending 1st Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-236 999	068-005
HWANGDBS INVESTMENT BANK BERHAD No. 282, 1 <sup>st</sup> Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016	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 & 1 <sup>st</sup> Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	073-012
RHB INVESTMENT BANK BERHAD Yung Kong Abell Units No. 1-10, 2 <sup>nd</sup> Floor Lot 365, Section 50, Jalan Abell 93100 Kuching Sarawak Tel No.: 082 250 888	087-003	RHB INVESTMENT BANK BERHAD Lot 170 & 171 Section 49, K.T.L.D Jalan Chan Chin Ann 93100 Kuching Sarawak Tel No.: 082-422 252	087-008

**15. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>	<b>NAME, ADDRESS &amp; TELEPHONE NUMBER</b>	<b>ADA Code</b>
RHB INVESTMENT BANK BERHAD Lot 1268, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Lot 1269 2 <sup>nd</sup> Floor Centre Point Commercial Centre Jalan Melayu, 98000 Miri Sarawak Tel No.: 085-422 788	087-012	RHB INVESTMENT BANK BERHAD 101 & 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100	087-013
RHB INVESTMENT BANK BERHAD Ground & 1 <sup>st</sup> Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100	087-050	RHB INVESTMENT BANK BERHAD Ground and 1 <sup>st</sup> Floor No. 221 Park City Commercial Centre Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BERHAD 12G, H & I, Jalan Kampung Datu 96000 Sibul Sarawak Tel No.: 084-319 998	058-002	TA SECURITIES HOLDINGS BERHAD 2 <sup>nd</sup> Floor, (Bahagian Hadapan) Bangunan Binamas Lot 138, Section 54 Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333	058-006

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