

9. ACCOUNTANTS' REPORT

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ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)

The Board of Directors
Voir Holdings Berhad ("VHB")
Lot 1878, Jalan KP B 9
Kawasan Perindustrian Kg. Baru Balakong
Off Jalan Balakong
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Dear Sirs,

1. INTRODUCTION

This report has been prepared by HLB Ler Lum, approved company auditor for the purpose of inclusion in the Prospectus to be dated 28 September, 2007 in connection with the followings proposals and should not be relied on for any other purposes :-

- (a) Public Issue of 7,862,400 new VHB Shares of RM1 each at an Issue Price of RM1.91 per share ("Public Issue");
- (b) Offer for sale of 3,887,600 existing shares of RM1 each at an Offer Price of RM1.91 per share to be offered to bumiputera investors approved by the ministry of international trade and industry ("OFS");
- (c) Listing of and quotation for the entire issued and paid-up share capital of VHB on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities") comprising 45,000,000 ordinary shares of RM1 each.

9. ACCOUNTANTS' REPORT (Cont'd)

2. GENERAL INFORMATION

2.1 Listing scheme

In conjunction with and as an integral part of our Listing, we undertook the Listing Scheme which involved the following:

(a) Acquisition of KVS^B ⁽¹⁾ Group

VHB entered into share purchase agreements dated 4 May 2007 ("SPA") with MFSB ⁽²⁾, UTSB ⁽³⁾, JMSB ⁽⁴⁾ and UUSB ⁽⁵⁾ for the acquisition of 100% equity interest in KVS^B, comprising 3,065,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM37,137,598.00 satisfied wholly by the issuance of 37,137,598 Shares at an issue price of RM1.00 per Share, credited as fully paid-up. The Acquisition of KVS^B Group was completed on 17 August, 2007.

(b) Public Issue of 7,862,400 new VHB Shares of RM1 each at an Issue Price of RM1.91 per share ("Public Issue");

(c) Offer for sale of 3,887,600 existing shares of RM1 each at an Offer Price of RM1.91 per share to be offered to bumiputera investors approved by the ministry of international trade and industry ("OFS");

(d) Listing of and quotation for the entire issued and paid-up share capital of VHB on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities") comprising 45,000,000 ordinary shares of RM1 each.

The above scheme was approved by the Ministry of International Trade and Industry and Securities Commission on 7 August, 2007 and 9 August, 2007 respectively.

(1) KVS^B - Kumpulan Voir Sdn Bhd (169951-A)

(2) MFSB - Marvellous Future Sdn Bhd (713662-T)

(3) UTSB - Ulasan Teguh Sdn Bhd (713637-D)

(4) JMSB - Jenama Membara Sdn Bhd (689587-T)

(5) UUSB - Unggul Utama Sdn Bhd (375012-D)

The proceeds of approximately RM15.02 million to be raised by VHB through the Public Issue are proposed to be utilised as follows :-

	RM
Estimated listing expenses	1,750,000
Repayment of borrowings	8,000,000
Working capital	5,267,184

	15,017,184
	=====

9. ACCOUNTANTS' REPORT (Cont'd)

2. GENERAL INFORMATION - (continued)

2.2 The Company

VHB was incorporated on 12 March, 2007 in Malaysia under the Companies Act, 1965 as a private limited company in the name of Voir Holdings Sdn. Bhd.. The Company converted to a public limited company on 3 April, 2007 in the name of Voir Holdings Berhad ("VHB").

Presently, VHB has an authorised share capital of RM 100,000 comprising 100,000 ordinary shares of RM1 each and its issued and paid-up share capital is RM 2 comprising 2 ordinary shares of RM1 each.

Pursuant to the Initial Public Offering ("IPO"), VHB will increase its authorised share capital to RM 100,000,000 comprising 100,000,000 ordinary shares of RM1 each, subject to approvals being obtained from the relevant authorities for the proposal.

Upon completion of the listing exercise, the issued and paid-up capital of VHB will be enlarged to RM45,000,000 comprising 45,000,000 ordinary shares of RM1 each.

Currently VHB has yet to commence operation. The intended principal activities are investment holding and provision of management services.

2.3 Subsidiaries

2.3.1 The subsidiaries of VHB in connection with the listing ("Proforma Group") are as follow :-

Company -----	Effective Equity Interest (%) -----	Principal Activities -----
Kumpulan Voir Sdn. Bhd.	100%	Property, investment holding, designing, branding and retailing of fashionable ladies' apparels, footwear and accessories
Applemints Apparels Sdn. Bhd.	100%	Designing, branding and retailing of fashionable ladies', men's and children's apparels and accessories
Green Point Sdn. Bhd.	100%	Designing, branding and retailing of casual wear, sportswear, footwear and accessories

9. ACCOUNTANTS' REPORT (Cont'd)**2. GENERAL INFORMATION - (continued)**

Company -----	Effective Equity Interest (%) -----	Principal Activities -----
Radical Marketing Sdn. Bhd.	100%	Designing, branding and retailing of fashionable ladies' and men's apparels and accessories
Strong Reach Sdn Bhd	70%	Designing, branding and retailing of apparels and accessories
Visual Joy Sdn Bhd	75%	Designing, branding and retailing of ladies' and men's apparels, accessories, home furnishing and decorations, tableware, bed and bath products

2.3.2 A summary of the particulars of the subsidiaries of VHB are as follows :-

- (a) Kumpulan Voir Sdn. Bhd. ("KVSb") was incorporated on 14 April, 1988 in Malaysia under the Companies Act, 1965 as a private limited company.

KVSb has an authorised share capital of 5,000,000 ordinary shares of RM1 each and its issued and paid up share capital is 3,065,000 ordinary shares of RM1 each.

Detail of the changes in the issued and paid-up share capital of KVSb since the date of incorporation are as follows :-

Date of allotment	No. of ordinary shares of RM1 each issued	Consideration	Total issued and paid-up share capital RM
14.4.1988	2	Cash (Subscriber's shares)	2
1.11.1988	24,998	Cash	25,000
13.3.1990	25,000	Cash	50,000
30.6.1992	450,000	Cash	500,000
5.10.1993	500,000	Bonus Issue	1,000,000
10.8.1995	2,000,000	Bonus Issue	3,000,000
28.12.2005	65,000	Other than cash	3,065,000

The principal activities of KVSb are property, investment holding, designing, branding and retailing of fashionable ladies' apparels, footwear and accessories.

9. ACCOUNTANTS' REPORT (Cont'd)

2. GENERAL INFORMATION - (continued)

- (b) Applemints Apparels Sdn. Bhd. ("AASB") was incorporated on 27 June, 1990 in Malaysia under the Companies Act, 1965 as a private limited company.

AASB has an authorised share capital of 5,000,000 ordinary shares of RM1 each and its issued and paid up share capital is 2,000,000 ordinary shares of RM1 each.

Detail of the changes in the issued and paid-up share capital of AASB since the date of its incorporation are as follows :-

<u>Date of allotment</u>	<u>No. of ordinary shares of RM1 each issued</u>	<u>Consideration</u>	<u>Total issued and paid-up share capital RM</u>
27.06.1990	2	Cash (Subscriber's shares)	2
20.4.1995	1,400,000	Cash	1,400,002
20.4.1995	599,998	Other than cash	2,000,000

The principal activities of AASB are designing, branding and retailing of fashionable ladies', men's and children's apparels and accessories.

- (c) Green Point Sdn. Bhd. ("GPSB") was incorporated on 29 March, 1991 in Malaysia under the Companies Act, 1965 as a private limited company.

GPSB has an authorised share capital of 500,000 ordinary shares of RM1 each and its issued and paid up share capital is 500,000 ordinary shares of RM1 each.

Detail of the changes in the issued and paid-up share capital of GPSB since the date of its incorporation are as follows :-

<u>Date of allotment</u>	<u>No. of ordinary shares of RM1 each issued</u>	<u>Consideration</u>	<u>Total issued and paid-up share capital RM</u>
29.3.1991	2	Cash (Subscriber's shares)	2
20.2.1992	199,998	Cash	200,000
31.5.1993	300,000	Cash	500,000

The principal activities of GPSB are designing, branding and retailing of casual wear, sportswear, footwear and accessories.

9. ACCOUNTANTS' REPORT (Cont'd)

2. GENERAL INFORMATION - (continued)

- (d) Radical Marketing Sdn. Bhd. ("RMSB") was incorporated on 29 December, 1993 in Malaysia under the Companies Act, 1965 as a private limited company.

RMSB has an authorised share capital of 5,000,000 ordinary shares of RM1 each and its issued and paid up share capital is 1,020,000 ordinary shares of RM1 each.

Detail of the changes in the issued and paid-up share capital of RMSB since the date of its incorporation are as follows :-

Date of allotment	No. of ordinary shares of RM1 each issued	Consideration	Total issued and paid-up share capital RM
29.12.1993	2	Cash (Subscriber's shares)	2
6.12.1996	125,000	Cash	125,002
6.12.1996	374,998	Other than cash	500,000
28.2.2004	200,000	Cash	700,000
1.9.2004	300,000	Other than cash	1,000,000
22.10.2004	20,000	Cash	1,020,000

The principal activities of RMSB are designing, branding and retailing of fashionable ladies' and men's apparels and accessories.

- (e) Strong Reach Sdn. Bhd. ("SRSB") was incorporated on 11 January, 2006 in Malaysia under the Companies Act, 1965 as a private limited company.

SRSB has an authorised share capital of 500,000 ordinary shares of RM1 each and its issued and paid up share capital is 500,000 ordinary shares of RM1 each.

Detail of the changes in the issued and paid-up share capital of SRSB since the date of its incorporation are as follows :-

Date of allotment	No. of ordinary shares of RM1 each issued	Consideration	Total issued and paid-up share capital RM
11.1.2006	2	Cash (Subscriber's shares)	2
4.10.2006	150,000	Cash	150,002
4.10.2006	349,998	Other than cash	500,000

The principal activities of SRSB are designing, branding and retailing of apparels and accessories.

9. ACCOUNTANTS' REPORT (Cont'd)

2. GENERAL INFORMATION - (continued)

- (f) Visual Joy Sdn. Bhd. ("VJSB") was incorporated on 9 January, 2006 in Malaysia under the Companies Act, 1965 as a private limited company.

VJSB has an authorised share capital of 1,000,000 ordinary shares of RM1 each and its issued and paid up share capital is 980,000 ordinary shares of RM1 each.

Detail of the changes in the issued and paid-up share capital of VJSB since the date of its incorporation are as follows :-

<u>Date of allotment</u>	<u>No. of ordinary shares of RM1 each issued</u>	<u>Consideration</u>	<u>Total issued and paid-up share capital</u> RM
9.1.2006	2	Cash (Subscriber's shares)	2
25.3.2006	98	Cash	100
20.12.2006	262,925	Cash	263,025
20.12.2006	716,975	Other than cash	980,000

The principal activities of VJSB are designing, branding and retailing of ladies' and men's apparels, accessories, home furnishing and decorations, tableware, bed and bath products.

3. FINANCIAL STATEMENTS AND AUDITORS

VHB was incorporated on 12 March, 2007 for the purpose of facilitating the Listing and the Acquisition of KVS B Group was only completed subsequent to 30 June, 2007. Accordingly, there was only audited financial statements of VHB for the six (6) months financial period ended on that date.

We have also been appointed to act as auditors of AASB, GPSB, KVS B and RMSB since 14 July, 1997, 17 November, 1996, 25 June, 1989 and 14 June, 1995 each respectively. The financial statements for the last five years ended 31 December 2006 have been reported by us without any qualification.

We have also been appointed to act as auditors of SRSB and VJSB since 15 December, 2006. The financial statements for period ended 31 December 2006 have been reported by us without any qualification.

4. ACCOUNTING POLICIES AND STANDARDS

This report is prepared on a basis consistent with the accounting policies normally adopted by the Group and in accordance with applicable approved MASB Accounting standards in Malaysia for Entities other than Private Entities.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS

The Income Statements of VHB and its subsidiaries ("Proforma Group") for the past three (3) financial years/period ended 31 December 2004 to 2006 and the six (6) months financial period ended 30 June, 2007 based on their respective audited financial results are as follows :-

5.1 Proforma Group

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	92,547	113,535	117,150	54,768	51,936
Gross Profit	44,127	52,029	57,472	30,733	26,183
EBITDA ⁽⁶⁾	10,726	13,453	16,132	6,797	6,255
Depreciation and amortisation expenses	(1,870)	(1,738)	(1,947)	(1,080)	(1,063)
Finance costs	(1,648)	(1,537)	(2,374)	(1,272)	(1,141)
PBT ⁽⁷⁾	7,208	10,178	11,811	4,445	4,051
Taxation	(2,032)	(3,106)	(3,803)	(1,450)	(1,256)
PAT ⁽⁸⁾	5,176	7,072	8,008	2,995	2,795
MI ⁽⁹⁾	(218)	(202)	107	157	54
Net profit for the years/ periods	4,958	6,870	8,115	3,152	2,849
Attributable to equity holders	4,958	6,870	8,115	3,152	2,849

Note: The six (6) months financial period ended 30 June 2006 was unaudited and stated for comparative purpose.

(6) EBITDA - Earnings before finance costs, taxation, depreciation and amortisation

(7) PBT - Profit before taxation

(8) PAT - Profit after tax

(9) MI - Minority interest

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS - (continued)

5.1 Proforma Group – (continued)

	Financial year ended 31 December			Six (6) months financial period ended 30 June	
	2004	2005	2006	2007	#2006
Gross profit margin (%)	47.68	45.83	49.06	56.11	50.41
Net profit margin (%)	5.36	6.05	6.93	5.76	5.49
No. of ordinary shares in issue ('000)*	37,138	37,138	37,138	37,138	37,138
Proforma EPS ⁽¹⁰⁾ (RM)	0.13	0.18	0.22	0.08	0.08
Effective tax rate (%)	28.19	30.52	32.20	32.62	31.00

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

* Note: The number of ordinary shares assumed in issue throughout the financial years under review represents the number of ordinary shares in issue after the KVS B Group Acquisition.

(10) EPS – Earnings per share

Notes : -

- (a) The Proforma Consolidated Income Statements have been prepared for illustrative purposes only and are based on the audited financial statements of KVS B Group for the six (6) months financial period ended 30 June, 2007 and on accounting policies consistent with those previously adopted in the preparation of the audited financial statements and in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.
- (b) The Proforma Group's revenue is mainly derived from the sales of fashion apparels and related accessories via consignment counters, and specialty stores and wholesale customers.

In year 2004, the significant increase in revenue was mainly due to introduction of new product line by AASB and increase in number of consignment counters and specialty stores. The gross profit margin has also increased significantly was mainly due to the economies of scale and enhanced brand image/equity. The increased gross profit margin contributed to the significantly higher net profit margin.

In year 2005, the significant increase in revenue was mainly due to full year revenue contribution from the counters opened in 2004 as mentioned above and additional revenue contribution from new specialty stores. The revenue growth contributed to the significantly higher net profit margin.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS - (continued)**5.1 Proforma Group – (continued)**

In year 2006, the net profit margin increased significantly was mainly due to the Group continues to enjoy economies of scale in its business operations.

For the six (6) months period ended 30 June, 2007, the gross profit margin was significant increased mainly attributable to the increase in the number of specialty stores and consignment counters and higher gross profit margin generated from specialty stores sales compare to the corresponding period ended 30 June, 2006.

VHB group's consignment counters and specialty stores :-

	<--- Financial year ended 31 December --->			<Financial period ended 30 June>	
	2004	2005	2006	2007	# 2006
Number of consignment	302	302	307	307	302
Number of specialty stores	28	35	40	41	36

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

- (c) The gross profit margin and net profit margin have been calculated based on gross profit and net profit for the years/ periods respectively over revenue. The proforma EPS has been calculated based on net profit for the years/ periods over the number of ordinary shares in issue.
- (d) Effective tax rate has been calculated based on taxation over profit before taxation. The Proforma Group's effective tax rate was higher than the statutory income tax rate mainly due to certain expenses which were disallowed for tax purpose in the respective financial years/ periods, adjustment of provision for taxation in prior years and unrecognised deferred tax assets.

The submission of tax returns and settlement of tax liabilities of the Proforma Group are up to date.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS - (continued)

5.2 Kumpulan Voir Sdn. Bhd. ("KVSB")

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	41,841	46,137	51,348	23,434	23,294
Gross Profit	18,501	22,766	25,659	13,613	12,215
EBITDA	5,885	7,110	8,714	3,525	3,917
Depreciation and amortisation expenses	(1,114)	(891)	(946)	(551)	(588)
Finance costs	(920)	(913)	(1,418)	(627)	(733)
PBT	3,851	5,306	6,350	2,347	2,596
Taxation	(1,124)	(1,486)	(2,204)	(703)	(822)
Net profit for the years/ periods	2,727	3,820	4,146	1,644	1,774
Attributable to equity holders	2,727	3,820	4,146	1,644	1,774

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
Gross profit margin (%)	44.22	49.34	49.97	58.09	52.44
Net profit margin (%)	6.52	8.28	8.07	7.01	7.61
No. of ordinary shares in issue ('000)	3,000	3,065	3,065	3,065	3,065
Proforma EPS (RM)	0.91	1.25	1.35	0.54	0.58
Effective tax rate (%)	29.19	28.01	34.71	29.95	31.66

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS – (continued)

5.2 Kumpulan Voir Sdn. Bhd. (“KVSb”) – (continued)

Notes :-

- (a) Revenue of KVSb consists of retail sales from consignment counters, specialty stores and wholesale. The two major revenue contributions for KVSb are consignment sales and specialty stores sales. The significant increase in revenue for the financial year 2005 was due to additional revenue contribution from shoe business, VOIR Shoez, which was launched in 2004 and opening of new consignment counters and specialty stores. Revenue growth in 2006 was mainly due to stores growth.

In financial years 2004 and 2005, gross profit margin has increased significantly was mainly due to economies of scale and enhanced brand image / equity. Similarly, net profit margin increased significantly.

The gross profit margin was significant increased mainly due to significant reduced in holding inventories and purchase in bulk.

KVSb's consignment counters and specialty stores :-

	<--- Financial year ended 31 December ---->			<Financial period ended 30 June>	
	2004	2005	2006	2007	#2006
Number of consignment	114	121	123	120	120
Number of specialty stores	17	21	24	23	23

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

- (b) The gross profit margin and net profit margin have been calculated based on gross profit and net profit for the years/ periods respectively over revenue. The EPS has been calculated based on net profit for the years/ periods over the number of ordinary shares in issue.
- (c) Effective tax rate has been calculated based on taxation over profit before taxation. In years 2004 to 2006, the effective tax rates were higher than the statutory income tax rate mainly due to certain expenses which were disallowed for tax purpose in the respective financial years/ periods, adjustment of provision for taxation in prior years and unrecognised deferred tax assets.

In year 2006, there was net effect of under-provision for taxation for years 1997, 1998, 2000, 2001, 2002, 2003 and 2005 and over-provision for taxation for years 1996 and 1999, amounting to RM192,000 mainly due to certain expenses which were not allowable for tax purposes or vice-versa.

The submission of tax returns and settlement of tax liabilities of KVSb are up to date.

9. ACCOUNTANTS' REPORT (Cont'd)
5. SUMMARISED INCOME STATEMENTS - (continued)
5.3 Applemints Apparels Sdn. Bhd. ("AASB")

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	32,445	45,489	44,438	19,807	19,537
Gross Profit	16,085	18,665	20,261	10,869	9,063
EBITDA	2,913	3,836	5,075	2,753	1,574
Depreciation and amortisation expenses	(495)	(552)	(575)	(308)	(296)
Finance costs	(512)	(384)	(533)	(406)	(231)
PBT	1,906	2,900	3,967	2,039	1,047
Taxation	(543)	(882)	(1,115)	(562)	(295)
Net profit for the years/ periods	1,363	2,018	2,852	1,477	752
Attributable to equity holders	1,363	2,018	2,852	1,477	752

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
Gross profit margin (%)	49.58	41.03	45.59	54.87	46.39
Net profit margin (%)	4.20	4.44	6.42	7.46	3.85
No. of ordinary shares in issue ('000)	2,000	2,000	2,000	2,000	2,000
Proforma EPS (RM)	0.68	1.01	1.43	0.74	0.38
Effective tax rate (%)	28.49	30.41	28.11	27.56	28.18

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

9. ACCOUNTANTS' REPORT (Cont'd)**5. SUMMARISED INCOME STATEMENTS – (continued)****5.3 Applemints Apparels Sdn. Bhd. (“AASB”) – (continued)**

Notes :-

- (a) Revenue of AASB consists of retail sales from consignment counters, specialty stores and wholesale. The two major revenue contributions for AASB are consignment counters sales and specialty stores sales. In years 2004 and 2005, the revenue of AASB significant increase was mainly due to introduction of children's wear business segment, SODA Kids, and increase in the number of consignment counters and specialty stores particularly from SODA Kids.

In financial years 2004 to 2006, gross profit margin has significant increased was mainly due to economies of scale, enhanced brand image / equity and introduction of new product line. Similarly, the net profit margin increased significantly.

The gross profit margin was significant increased attributable to the increase in the number of specialty stores and consignment counters and higher gross profit margin generated from specialty stores sales compare to the corresponding period ended 30 June, 2006. As a result, the net profit margin was significant increased.

AASB's consignment counters and specialty stores :-

	<--- Financial year ended 31 December ---->			<Financial period ended 30 June>	
	2004	2005	2006	2007	# 2006
Number of consignment	129	125	129	132	127
Number of specialty stores	10	12	12	12	11

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

- (b) The gross profit margin and net profit margin have been calculated based on gross profit and net profit for the years/ periods respectively over revenue. The EPS has been calculated based on net profit for the years/ periods over the number of ordinary shares in issue.
- (c) The effective tax rate has been calculated based on taxation over profit before taxation. In years 2004 to 2006, the effective tax rates were higher than the statutory income tax rate mainly due to certain expenses which were disallowed for tax purposes and under provision of deferred tax liabilities.

Throughout the years, the (over) / under-provision for taxation of AASB in prior years mainly due to certain expenses which were tax deductible or vice-versa.

The submission of tax returns and settlement of tax liabilities of AASB are up to date.

9. ACCOUNTANTS' REPORT (Cont'd)
5. SUMMARISED INCOME STATEMENTS - (continued)
5.4 Green Point Sdn. Bhd. ("GPSB")

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	10,882	10,823	10,827	5,276	5,264
Gross Profit	4,265	4,089	4,565	2,471	2,202
EBITDA	680	736	1,154	731	528
Depreciation and amortisation expenses	(116)	(118)	(163)	(82)	(63)
Finance costs	(114)	(162)	(269)	(138)	(115)
PBT	450	456	722	511	350
Taxation	(97)	(325)	(228)	(153)	(74)
Net profit for the years/ periods	353	131	494	358	276
Attributable to equity holders	353	131	494	358	276

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
Gross profit margin (%)	39.19	37.78	42.16	46.85	41.83
Net profit margin (%)	3.24	1.21	4.56	6.79	5.24
No. of ordinary shares in issue ('000)	500	500	500	500	500
Proforma EPS (RM)	0.71	0.26	0.99	0.72	0.55
Effective tax rate (%)	21.56	71.27	31.58	29.94	21.14

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS – (continued)

5.4 Green Point Sdn. Bhd. (“GPSB”) – (continued)

Notes :-

- (a) Revenue of GPSB consists of retail sales from consignment counters, specialty stores and wholesale. Throughout the years, the revenue of GPSB is stable.

In financial years 2004 and 2006, gross profit margin has significant increased mainly due to economies of scale and enhanced brand image / equity. Similarly, net profit margin increased significantly.

The gross profit margin was significant increased mainly due to significant reduced in holding inventories and purchase in bulk. As a result, the net profit margin was significant increased.

GPSB's consignment counters and specialty stores :-

	<--- Financial year ended 31 December ---->			<Financial period ended 30 June>	
	2004	2005	2006	2007	# 2006
Number of consignment	35	34	33	31	33
Number of specialty stores	-	1	1	1	1

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

- (b) The gross profit margin and net profit margin have been calculated based on gross profit and net profit for the years/ periods respectively over revenue. The EPS has been calculated based on net profit for the years/ periods over the number of ordinary shares in issue.
- (c) The effective tax rate has been calculated based on taxation over profit before taxation. In year 2004, the effective tax rate was lower the statutory income tax rate mainly due to certain expenses which were tax deductible. In years 2005 to 2006, the effective tax rates were higher than the statutory income tax rate mainly due to certain expenses which were disallowed for tax purpose in the respective financial years/ periods and under-provision for taxation.

In year 2005, there was under-provision for taxation for years 1997, 2000, 2001, 2002, 2003 and 2004, amounting to RM214,000 mainly due to certain expenses which were not allowable for tax purposes.

The submission of tax returns and settlement of tax liabilities of GPSB are up to date.

9. ACCOUNTANTS' REPORT (Cont'd)
5. SUMMARISED INCOME STATEMENTS – (continued)
5.5 Radical Marketing Sdn. Bhd. (“RMSB”)

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	10,305	10,558	9,384	4,356	3,812
Gross Profit	5,276	5,327	4,833	2,409	1,877
EBITDA	1,251	1,748	1,545	354	437
Depreciation and amortisation expenses	(146)	(177)	(237)	(111)	(107)
Finance costs	(102)	(77)	(148)	(102)	(58)
PBT	1,003	1,494	1,160	141	272
Taxation	(268)	(416)	(256)	(33)	(64)
Net profit for the years/ periods	735	1,078	904	108	208
Attributable to equity holders	735	1,078	904	108	208

	Financial year ended			Six (6) months	
	31 December			financial period ended	
	2004	2005	2006	2007	#2006
Gross profit margin (%)	51.20	50.45	51.50	55.30	49.24
Net profit margin (%)	7.13	10.21	9.63	2.48	5.46
No. of ordinary shares in issue ('000)	1,020	1,020	1,020	1,020	1,020
Proforma EPS (RM)	0.72	1.06	0.89	0.11	0.20
Effective tax rate (%)	26.72	27.83	22.07	23.40	23.53

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

9. ACCOUNTANTS' REPORT (Cont'd)**5. SUMMARISED INCOME STATEMENTS – (continued)****5.5 Radical Marketing Sdn. Bhd. (“RMSB”) – (continued)**

Note : -

- (a) Revenue of RMSB consists of retail sales from consignment counters, specialty stores and wholesale. The two major revenue contributions for RMSB are consignment counters sales and specialty stores sales. The significant increase in revenue for the financial year 2004 was mainly due to increase in the number of consignment counters.

In financial year 2004, gross profit margin has significant increased was mainly due to economies of scale, enhanced brand image/equity and introduction of new product line. Similarly, net profit margin increased significantly.

In year 2006, the significant decrease in revenue was mainly due to the loss of revenue contribution from the discontinuation of a brand. Similarly, the net profit margin decreased significantly.

The gross profit margin was significant increased in which mainly attributable to the increase in the number of consignment counters and specialty stores and consignment counters sales. However, the net profit margin was significant decreased due to the increased of the operating costs.

RMSB's consignment counters and specialty stores :-

	<--- Financial year ended 31 December ---->			<Financial period ended 30 June>	
	2004	2005	2006	2007	#2006
Number of consignment	24	22	22	24	22
Number of specialty stores	1	1	3	3	1

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

- (b) The gross profit margin and net profit margin have been calculated based on gross profit and net profit for the years/ periods respectively over revenue. The EPS has been calculated based on net profit for the years/ periods over the number of ordinary shares in issue.
- (c) The effective tax rate has been calculated based on taxation over profit before taxation. In years 2004 to 2006, the effective tax rates were lower than the statutory income tax rate mainly due to certain expenses which were tax deductible.

Throughout the years, the under/(over)-provision for taxation of RMSB in prior years mainly due to certain expenses which were disallowed for tax purposes or vice-versa.

The submission of tax return and settlement of tax liabilities of RMSB are up to date.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS - (continued)

5.6 Strong Reach Sdn Bhd ("SRSB")

	Financial period ended		Six (6) months	
	31 December		financial period ended	
	2006	2007	2007	#2006
	RM'000	RM'000	RM'000	RM'000
Revenue	712	459	133	
	=====	=====	=====	
Gross Profit/(Loss)	188	(63)	22	
	=====	=====	=====	
EBITDA	(190)	(172)	(102)	
Depreciation and amortisation expenses	(11)	(10)	(2)	
Finance costs	(5)	-	(3)	
	-----	-----	-----	
PBT	(206)	(182)	(107)	
Taxation	-	-	-	
	-----	-----	-----	
Net loss for the periods	(206)	(182)	(107)	
	=====	=====	=====	
Attributable to equity holders	(206)	(182)	(107)	
	=====	=====	=====	

	Financial period ended		Six (6) months	
	31 December		financial period ended	
	2006	2007	2007	#2006
Gross profit/ (loss) margin (%)	26.40*	(13.73)	16.54	
Net loss margin (%)	(28.93)*	(39.65)	(80.45)	
No. of ordinary shares in issue ('000)	500	500	1	
Proforma loss per share (RM)	(0.41)*	(0.36)	(107)	
Effective tax rate (%)	-	-	-	

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

*Note: These numbers do not provide meaningful ratio as SRSB only commenced business in April 2006.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS – (continued)

5.6 Strong Reach Sdn Bhd (“SRSB”) – (continued)

Notes :-

- (a) Revenue of SRSB consists of retail sales from consignment counters, specialty stores and wholesale. The major revenue contribution for SRSB is specialty stores sales. SRSB commenced operations in April 2006.

The revenue was significant increased for the six months financial period ended 30 June, 2007 mainly due to sales volume increased compare to the corresponding period ended 30 June, 2006. However, the gross loss margin and net loss margin was significant decreased mainly due to the high inventories holding.

- (b) The gross profit margin and net loss margin have been calculated based on gross profit and net loss for the periods respectively over revenue. The loss per share has been calculated based on net loss for the periods over the number of ordinary shares in issue.
- (c) There is no taxation charged/provided for the financial periods as SRSB incurred operating loss.

SRSB has unabsorbed tax loss and unutilised capital allowance carried forward as at 30 June, 2007 estimated at RM335,973 and RM75,174 respectively. These are however, subject to confirmation by the Inland Revenue Board.

9. ACCOUNTANTS' REPORT (Cont'd)
5. SUMMARISED INCOME STATEMENTS – (continued)
5.7 Visual Joy Sdn. Bhd. (“VJSB”)

	Financial period ended		Six (6) months	
	31 December		financial period ended	
	2006	2007	30 June	
	RM'000	RM'000	#2006	
			RM'000	
Revenue	23	652	-	
	=====	=====	=====	
Gross Profit	17	424	-	
	=====	=====	=====	
EBITDA	(167)	(428)	(79)	
Depreciation and amortisation expenses	(13)	(18)	(7)	
Finance costs	-	-	-	
	-----	-----	-----	
PBT	(180)	(410)	(86)	
Taxation	-	-	-	
	-----	-----	-----	
Net loss for the periods	(180)	(410)	(86)	
	=====	=====	=====	
Attributable to equity holders	(180)	(410)	(86)	
	=====	=====	=====	
	Financial period ended		Six (6) months	
	31 December		financial period ended	
	2006	2007	30 June	
			#2006	
Gross profit margin (%)	73.91*	65.03	-	
Net loss margin (%)	(782.61)*	(62.88)	-	
No. of ordinary shares in issue ('000)	980	980	1	
Proforma loss per share (RM)	(0.18)*	(0.42)	(86)	
Effective tax rate (%)	-	-	-	

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

*Note: These numbers do not provide meaningful ratio as VJSB only commenced business in December 2006.

9. ACCOUNTANTS' REPORT (Cont'd)

5. SUMMARISED INCOME STATEMENTS – (continued)**5.7 Visual Joy Sdn. Bhd. (“VJSB”) – (continued)**

Notes :-

- (a) Revenue of VJSB consist of specialty stores sales. VJSB commenced operations in December 2006. As a result, no comparative figure was available.

VJSB's consignment counters and specialty stores :-

	<Financial period ended 30 June>	
	2007	# 2006
Number of consignment	-	-
Number of specialty stores	2	-

Note: The six (6) months financial period ended 30 June, 2006 was unaudited and stated for comparative purpose.

- (b) The gross profit margin and net loss margin have been calculated based on gross profit and net loss for the periods respectively over revenue. The loss per share has been calculated based on net loss for the periods over the number of ordinary shares in issue.
- (c) There is no taxation charged/provided for the financial periods as VJSB incurred operating loss.

VJSB has unabsorbed tax loss and unutilised capital allowance carried forward as at 30 June, 2007 estimated at RM533,371 and RM237,049 respectively. These are however, subject to confirmation by the Inland Revenue Board.

6. DIVIDENDS

There have been no dividends declared or paid by VHB and its subsidiaries in respect of the financial years/ periods under review.

9. ACCOUNTANTS' REPORT (Cont'd)**7. SUMMARISED BALANCE SHEETS**

The balance sheets of VHB and its subsidiaries ("Proforma Group") as at the past three (3) financial years/period ended 31 December, 2004 to 2006 and the period ended 30 June, 2007 based on their respective audited balance sheet are as follows :-

7.1 Proforma Group

The Proforma Consolidated Balance Sheets of the Proforma Group for the financial years/ periods under review are presented for illustrative purposes only as the purchase considerations of KVSBS group, are determined based on the net assets of KVSBS group as at 31 December, 2006.

	As at 31 December			As at 30 June
	2004	2005	2006	2007
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				

Property, plant & equipment	16,659	20,140	23,959	25,455
Quoted investment	-	44	35	35
Unquoted investment	4	4	-	-
Other investment	15	15	15	15
Intangible assets	63	86	235	271
Goodwill	15,716	8,115	33	33
Current Assets	64,488	67,149	67,517	67,870
	-----	-----	-----	-----
Total assets	96,945	95,553	91,794	93,679
	=====	=====	=====	=====

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)

7.1 Proforma Group - (continued)

	As at 31 December			As at 30 June
	2004	2005	2006	2007
	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	37,138	37,138	37,138	37,138
Unappropriated profits	(3)	(3)	31	3,184
	-----	-----	-----	-----
	37,135	37,135	37,169	40,322
Minority interest	469	-	288	131
	-----	-----	-----	-----
Total equity	37,604	37,135	37,457	40,453
	-----	-----	-----	-----
Non-current liabilities	2,202	11,537	12,171	12,358
Current liabilities	57,139	46,881	42,166	40,868
	-----	-----	-----	-----
Total liabilities	59,341	58,418	54,337	53,226
	-----	-----	-----	-----
Total equity and liabilities	96,945	95,553	91,794	93,679
	=====	=====	=====	=====
	As at 31 December			As at 30 June
	2004	2005	2006	2007
No of shares in issue ('000)	37,138	37,138	37,138	37,138
NTA ⁽¹¹⁾ ('000)	21,357	28,934	36,901	40,018
NTA per share (RM)	0.58	0.78	0.99	1.08

(11) NTA – Net tangible assets attributable to ordinary shareholders

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS – (continued)**7.2 Kumpulan Voir Sdn. Bhd. (“KVSB”)**

	As at 31 December			As at 30 June
	2004	2005	2006	2007
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				

Property, plant & equipment	13,315	16,784	19,199	19,859
Investment in subsidiaries	2,000	2,005	3,090	3,090
Quoted investment	-	44	35	35
Unquoted investment	15	15	15	15
Intangible assets	20	33	83	99
Current Assets	31,218	32,521	29,894	30,590
Total assets	46,569	51,403	52,316	53,688
	=====	=====	=====	=====

9. ACCOUNTANTS' REPORT (Cont'd)
7. SUMMARISED BALANCE SHEETS – (continued)
7.2 Kumpulan Voir Sdn. Bhd. (“KVSb”) – (continued)

	As at			As at
	31 December			30 June
	2004	2005	2006	2007
	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	3,000	3,065	3,065	3,065
Revaluation reserve	325	325	325	325
Unappropriated profits	12,229	16,049	20,195	21,838
Total equity	15,554	19,439	23,585	25,228
Non-current liabilities	1,969	9,379	9,186	8,528
Current liabilities	29,046	22,585	19,545	19,932
Total liabilities	31,015	31,964	28,731	28,460
Total equity and liabilities	46,569	51,403	52,316	53,688
		As at		As at
		31 December		30 June
	2004	2005	2006	2007
No of shares in issue ('000)	3,000	3,065	3,065	3,065
NTA ('000)	15,534	19,406	23,502	25,129
NTA per share (RM)	5.18	6.33	7.67	8.20
Inventories turnover period (days)	241	245	242	324

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS – (continued)

7.2 Kumpulan Voir Sdn. Bhd. ("KVSB") – (continued)

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade receivables turnover period (days)	53	54	49	39

An ageing analysis of trade receivables is as follows :-

Credit period	<-----As at 30 June 2007----->					Total RM'000
	-----Within credit period -----			Exceeding credit period		
	0-30 days RM'000	31-90 days RM'000	91-180 days RM'000	181-365 days RM'000	>365 days RM'000	
Trade receivables	2,393	1,322	217	874	182	4,988
% of trade receivables	48%	27%	4%	18%	3%	100%

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade payables turnover period (days)	141	172	72	32

An ageing analysis of trade payables is as follows :-

	<-----As at 30 June 2007----->					Total RM'000
	0-30 days RM'000	31-90 days RM'000	91-180 days RM'000	181-365 days RM'000	>365 days RM'000	
Trade payables	828	873	103	-	-	1,804
% of trade payables	46%	48%	6%	-	-	100%

9. ACCOUNTANTS' REPORT (Cont'd)**7. SUMMARISED BALANCE SHEETS - (continued)****7.3 Applemints Apparels Sdn. Bhd. ("AASB")**

	As at 31 December			As at 30 June
	2004	2005	2006	2007
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				

Property, plant & equipment	1,859	1,896	2,409	2,687
Intangible assets	38	48	109	123
Current Assets	22,201	26,655	24,865	25,719
Total assets	24,098	28,599	27,383	28,529
	=====	=====	=====	=====
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	2,000	2,000	2,000	2,000
Unappropriated profits	2,687	4,705	7,557	9,034
Total equity	4,687	6,705	9,557	11,034
	-----	-----	-----	-----
Non-current liabilities	76	248	458	1,510
Current liabilities	19,335	21,646	17,368	15,985
Total liabilities	19,411	21,894	17,826	17,495
	-----	-----	-----	-----
Total equity and liabilities	24,098	28,599	27,383	28,529
	=====	=====	=====	=====

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)

7.3 Applemints Apparels Sdn. Bhd. ("AASB") – (continued)

	As at 31 December			As at 30 June
	2004	2005	2006	2007
No of shares in issue ('000)	2,000	2,000	2,000	2,000
NTA ('000)	4,649	6,657	9,448	10,911
NTA per share (RM)	2.32	3.33	4.72	5.46
Inventories turnover period (days)	309	245	262	354

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade receivables turnover period (days)	75	55	46	42

An ageing analysis of trade receivables is as follows :-

		-----As at 30 June 2007----->					
		-----Within credit period -----			Exceeding credit period		
Credit period		0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	30-180 days	2,715	1,715	140	17	-	4,587
% of trade receivables		59%	37%	3%	1%	-	100%

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade payables turnover period (days)	193	117	70	56

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)**7.3 Applemints Apparels Sdn. Bhd. ("AASB") – (continued)**

An ageing analysis of trade payables is as follows :-

	<-----As at 30 June 2007----->					
	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	1,758	952	106	-	-	2,816
% of trade payables	62%	34%	4%	-	-	100%

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS – (continued)**7.4 Green Point Sdn. Bhd. (“GPSB”)**

	As at 31 December		As at 30 June	
	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000
ASSETS				
Non-current assets -----				
Property, plant & equipment	594	510	679	663
Current Assets	9,835	7,551	7,472	7,823
Total assets	<u>10,429</u>	<u>8,061</u>	<u>8,151</u>	<u>8,486</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	500	500	500	500
Unappropriated profits	1,304	1,435	1,929	2,287
Total equity	<u>1,804</u>	<u>1,935</u>	<u>2,429</u>	<u>2,787</u>
Non-current liabilities				
Current liabilities	8,550	4,316	4,111	4,207
Total liabilities	<u>8,625</u>	<u>6,126</u>	<u>5,722</u>	<u>5,699</u>
Total equity and liabilities	<u>10,429</u>	<u>8,061</u>	<u>8,151</u>	<u>8,486</u>

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)

7.4 Green Point Sdn. Bhd. ("GPSB") – (continued)

	As at 31 December			As at 30 June
	2004	2005	2006	2007
No of shares in issue ('000)	500	500	500	500
NTA ('000)	1,804	1,935	2,429	2,787
NTA per share (RM)	3.61	3.87	4.86	5.57
Inventories turnover period (days)	309	240	280	286

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade receivables turnover period (days)	75	55	46	83

An ageing analysis of trade receivables is as follows :-

		As at 30 June 2007					Total RM'000
		Within credit period			Exceeding credit period		
Credit period		0-30 days RM'000	31-90 days RM'000	91-180 days RM'000	181-365 days RM'000	>365 days RM'000	
Trade receivables	30-180 days	922	1,254	235	22	-	2,433
% of trade receivables		38%	52%	9%	1%	-	100%

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade payables turnover period (days)	193	117	70	65

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)**7.4 Green Point Sdn. Bhd. ("GPSB") – (continued)**

An ageing analysis of trade payables is as follows :-

	<-----As at 30 June 2007----->					
	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	424	280	131	29	-	864
% of trade payables	49%	32%	15%	4%	-	100%

9. ACCOUNTANTS' REPORT (Cont'd)
7. SUMMARISED BALANCE SHEETS – (continued)
7.5 Radical Marketing Sdn Bhd (“RMSB”)

	As at 31 December			As at 30 June
	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000
ASSETS				
Non-current assets				

Property, plant & equipment	892	950	1,373	1,394
Intangible assets	4	4	43	45
Current Assets	7,027	6,292	6,024	7,034
Total assets	7,923	7,246	7,440	8,473
	=====	=====	=====	=====
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	1,020	1,020	1,020	1,020
Unappropriated profits	847	1,926	2,830	2,938
Total equity	1,867	2,946	3,850	3,958
	-----	-----	-----	-----
Non-current liabilities	81	98	916	829
Current liabilities	5,975	4,202	2,674	3,686
Total liabilities	6,056	4,300	3,590	4,515
	-----	-----	-----	-----
Total equity and liabilities	7,923	7,246	7,440	8,473
	=====	=====	=====	=====

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)

7.5 Radical Marketing Sdn Bhd ("RMSB") – (continued)

	As at 31 December			As at 30 June
	2004	2005	2006	2007
No of shares in issue ('000)	1,020	1,020	1,020	1,020
NTA ('000)	1,863	2,942	3,807	3,913
NTA per share (RM)	1.83	2.88	3.73	3.84
Inventories turnover period (days)	267	279	289	365

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade receivables turnover period (days)	61	52	48	47

An ageing analysis of trade receivables is as follows :-

		As at 30 June 2007					Total RM'000
		Within credit period			Exceeding credit period		
	Credit period	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	30-180 days	519	580	28	-	-	1,127
% of trade receivables		46%	51%	3%	-	-	100%

	As at 31 December			As at 30 June
	2004	2005	2006	2007
Trade payables turnover period (days)	153	71	99	42

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)**7.5 Radical Marketing Sdn Bhd ("RMSB") – (continued)**

An ageing analysis of trade payables is as follows :-

	<-----As at 30 June 2007----->					
	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	480	(20)	-	7	58	523
% of trade payables	92%	(4%)	-	1%	11%	100%

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS – (continued)**7.6 Strong Reach Sdn Bhd (“SRSB”)**

	As at 31 December	As at 30 June
	2006	2007
	RM 000	RM 000
ASSETS		
Non-current assets		

Property, plant & equipment	152	136
Current Assets	1,097	594
	-----	-----
Total assets	1,249	730
	=====	=====
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	500	500
Accumulated loss	(206)	(388)
	-----	-----
Total equity	294	112
	-----	-----
Current liabilities	955	618
	-----	-----
Total liabilities	955	618
	-----	-----
Total equity and liabilities	1,249	730
	=====	=====

9. ACCOUNTANTS' REPORT (Cont'd)**7. SUMMARISED BALANCE SHEETS – (continued)****7.6 Strong Reach Sdn Bhd (“SRSB”) – (continued)**

	As at 31 December	As at 30 June
	2006	2007
No of shares in issue ('000)	500	500
NTA ('000)	294	112
NTA per share (RM)	0.59	0.22
Inventories turnover period (days)	507*	80

	As at 31 December	As at 30 June
	2006	2007
Trade receivables turnover period (days)	173*	14

An ageing analysis of trade receivables is as follows :-

		<-----As at 30 June 2007----->					
		-----Within credit period -----			Exceeding credit period		
Credit period	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Trade receivables	30-180 days	-	35	-	-	-	35
% of trade receivables		-	100%	-	-	-	100%

*Note: These numbers do not provide meaningful ratio as SRSB only commenced business in April 2006.

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS – (continued)**7.6 Strong Reach Sdn Bhd (“SRSB”) – (continued)**

	As at 31 December	As at 30 June
	2006	2007
Trade payables turnover period (days)	153*	582

An ageing analysis of trade payables is as follows :-

	<-----As at 30 June 2007----->					
	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	-	11	69	-	-	80
% of trade payables	-	14%	86%	-	-	100%

*Note: These numbers do not provide meaningful ratio as SRSB only commenced business in April 2006.

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS – (continued)**7.7 Visual Joy Sdn. Bhd. (“VJSB”)**

	As at 31 December	As at 30 June
	2006	2007
	RM 000	RM 000
ASSETS		
Non-current assets		

Property, plant & equipment	146	715
Intangible Assets	-	4
Current Assets	720	1,442
	-----	-----
Total assets	866	2,161
	=====	=====
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	980	980
Accumulated loss	(180)	(590)
	-----	-----
Total equity	800	390
	-----	-----
Current liabilities	66	1,771
	-----	-----
Total liabilities	66	1,771
	-----	-----
Total equity and liabilities	866	2,161
	=====	=====

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS - (continued)**7.7 Visual Joy Sdn. Bhd. ("VJSB") - (continued)**

	As at 31 December	As at 30 June
	2006	2007
No of shares in issue ('000)	980	980
NTA ('000)	800	390
NTA per share (RM)	0.82	0.39
Inventories turnover period (days)	507*	627

	As at 31 December	As at 30 June
	2006	2007
Trade receivables turnover period (days)	173*	6

An ageing analysis of trade receivables is as follows :-

		<-----As at 30 June 2007----->					
		-----Within credit period-----			Exceeding credit period		
Credit period	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Trade receivables	30-180 days	8	12	-	-	-	20
% of trade receivables		40%	60%	-	-	-	100%

*Note: These numbers do not provide meaningful ratio as SRSB only commenced business in April 2006.

9. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS – (continued)**7.7 Visual Joy Sdn. Bhd. (“VJSB”) – (continued)**

	As at 31 December	As at 30 June
	2006	2007
Trade payables turnover period (days)	153*	65

An ageing analysis of trade payables is as follows :-

	<-----As at 30 June 2007----->					
	0-30 days	31-90 days	91-180 days	181-365 days	>365 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	13	194	91	-	-	298
% of trade payables	4%	65%	31%	-	-	100%

*Note: These numbers do not provide meaningful ratio as SRSB only commenced business in April 2006.

9. ACCOUNTANTS' REPORT (Cont'd)

8. PROFORMA STATEMENTS OF CHANGES IN EQUITY

	<----- Attributable to equity holders ----->					
	Share capital	Reserve	Distributable Unappropriated profits	Total	Minority interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January, 2004	3,000	325	13,544	16,869	-	16,869
Net profit for the year		-	4,958	4,958	-	4,958
	-----	-----	-----	-----	-----	-----
Balance at 31 December, 2004	3,000	325	18,502	21,827	-	21,827
Issue of share capital	65	-	-	65	-	65
Capital reserve on Consolidation	-	147	-	147	-	147
Net profit for the year	-	-	6,869	6,869	-	6,869
Gain on deemed disposal of subsidiary	-	-	115	115	-	115
	-----	-----	-----	-----	-----	-----
Balance at 31 December, 2005	3,065	472	25,486	29,023	-	29,023
- prior year adjustment	-	(147)	180	33	-	33
	-----	-----	-----	-----	-----	-----
- as restated	3,065	325	25,666	29,056	-	29,056
Net profit for the year	-	-	8,115	8,115	288	8,403
	-----	-----	-----	-----	-----	-----
Balance at 31 December, 2006	3,065	325	33,781	37,171	288	37,459
Net profit for the period	-	-	3,152	3,152	131	3,283
	-----	-----	-----	-----	-----	-----
Balance at 30 June, 2007	<u>3,065</u>	<u>325</u>	<u>36,933</u>	<u>40,323</u>	<u>419</u>	<u>40,742</u>

9. ACCOUNTANTS' REPORT (Cont'd)**9. PROFORMA CASH FLOW STATEMENTS**

We set out below the Proforma Consolidated Cash Flow Statement for the six (6) months financial period ended 30 June, 2007 based on the audited financial statements of the Proforma Group. The Proforma Consolidated Cash Flow Statement has been prepared based on the assumption that the Acquisition of KVS Group before Public Issue have been in effect throughout the financial period ended on that date :-

	Proforma Group				
	Financial year ended 31 December			Six (6) months financial period ended 30 June	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flow from operating activities					
Profit before taxation	7,208	10,178	11,811	4,445	4,051
Adjustments for :-					
Bad debts written off	-	817	126	275	-
Depreciation	1,870	1,738	1,946	1,081	-
Investment in subsidiary written off	-	60	-	-	1,063
Interest expenses	1,648	1,537	2,373	1,272	1,141
Property, plant & equipment written off	(100)	-	-	1	-
Gain on disposal of investment in subsidiary	-	-	34	-	(24)
Gain on disposal of property, plant & equipment	-	(75)	(5)	(1)	-
Gain on disposal of quoted investment					
- realised	-	(373)	(11)	-	(12)
- unrealised	-	(44)	-	-	-
Gain on disposal of unquoted investment	-	-	(4)	-	-
Interest income	(4)	-	-	-	-
Waiver of debts by director	-	(22)	-	-	-
Operating profit before working capital changes	10,622	13,816	16,270	7,073	6,219
Increase in inventories	(8,968)	(4,120)	(969)	(688)	(4,609)
(Increase)/ Decrease in receivables	(350)	178	345	1,415	3,178
Increase/ (Decrease) in payables	6,956	(4,832)	(9,710)	(5,839)	(8,130)
Net changes in inter-company balances	-	-	(14)	-	(14)
Cash generated from/ (used in) operations	8,260	5,042	5,922	1,961	(3,356)

Note: The six (6) months period ended 30 June, 2006 was unaudited and stated for comparative purpose.

9. ACCOUNTANTS' REPORT (Cont'd)

9. PROFORMA CASH FLOW STATEMENTS – (continued)

	Proforma Group				
	Financial year ended 31 December			Six (6) months financial period ended 30 June	
	2004	2005	2006	2007	#2006
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest received	4	-	-	-	-
Interest paid	(1,648)	(1,537)	(2,374)	(1,272)	(1,141)
Tax paid	(2,249)	(3,143)	(3,199)	(1,774)	(1,199)
Net cash from/(used in) operating activities	4,367	362	349	(1,085)	(5,696)
Cash flow from investing activities					
Cost incurred on intangible asset	-	(23)	(149)	(36)	(68)
Proceeds from disposal of property, plant & equipment	404	75	6	8	-
Proceeds from disposal of quoted investment	-	373	21	-	21
Proceeds from disposal of unquoted investment	-	-	7	-	-
Purchase of intangible asset	(63)	-	-	-	-
Purchase of investment in subsidiaries	-	-	-	-	-
Purchase of property, plant & equipment	(1,888)	(3,648)	(4,191)	(2,426)	(3,025)
Net cash used in investing activities	(1,547)	(3,223)	(4,306)	(2,454)	(3,072)
Cash flows from financing activities					
Proceeds from issue of shares from a subsidiary	-	-	150	-	-
Proceeds from term loans	-	9,498	500	1,000	272
Repayment of finance lease liabilities	(223)	-	-	-	-
Repayment of hire purchase liabilities	(87)	(194)	(190)	(80)	(98)
Repayment of term loans	(1,799)	(484)	(1,113)	(910)	(887)
Net proceeds from/ (repayment of) revolving credit	-	6	2	(5)	(2)
Net proceeds from/(repayment of) bills payable	1,562	(6,919)	280	2,411	2,706
Net cash (used in)/from financing activities	(547)	1,907	(371)	2,416	1,991

Note: The six (6) months period ended 30 June, 2006 was unaudited and stated for comparative purpose.