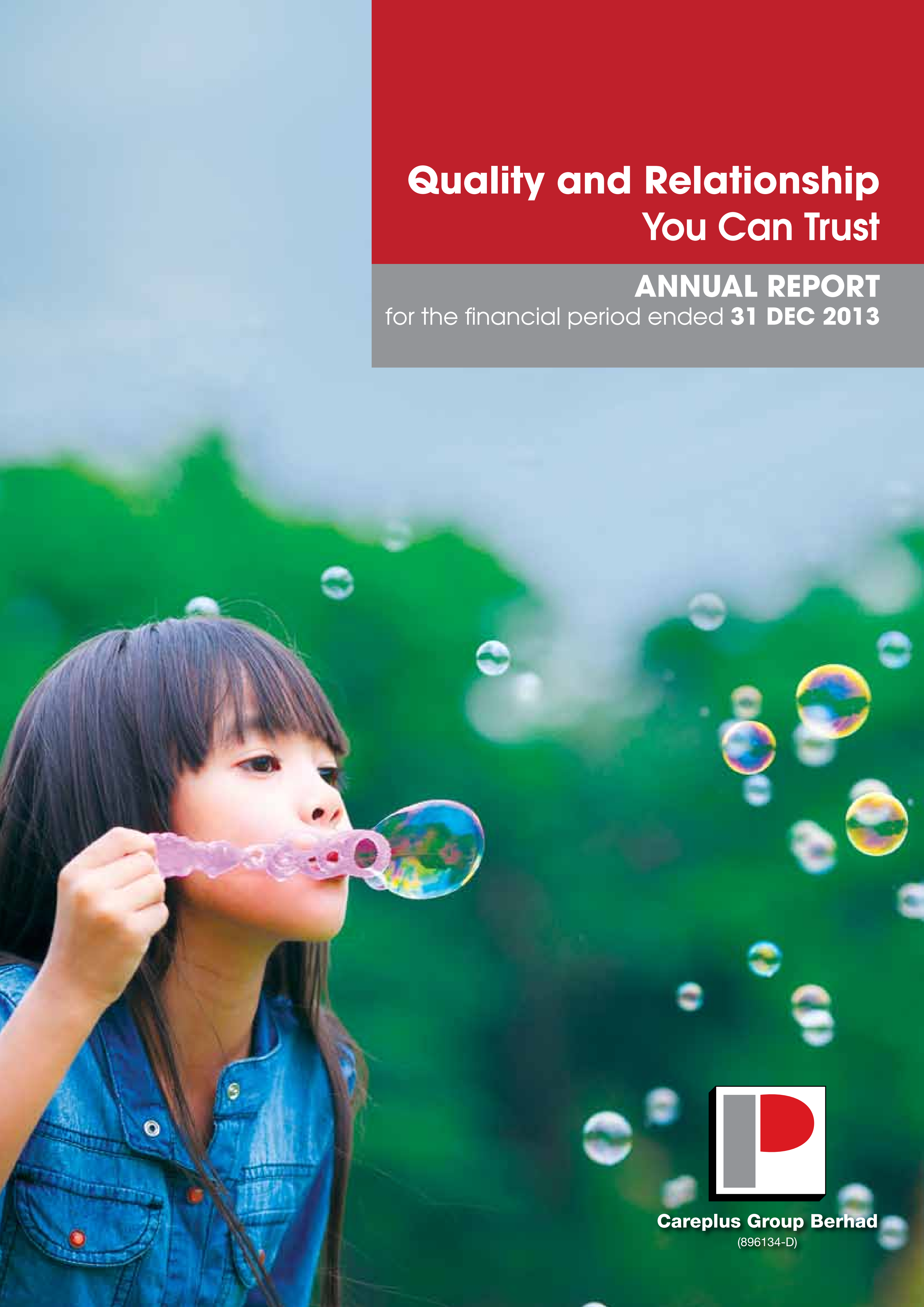


Quality and Relationship You Can Trust

ANNUAL REPORT
for the financial period ended **31 DEC 2013**

Careplus Group Berhad
(896134-D)

Our Vision

TO BE A BRANDED AND A PREFERRED GLOBAL PROVIDER OF TRUSTED QUALITY BARRIER PROTECTION PRODUCTS.

Contents

Our Mission

To apply the healthcare industry best practices and technology to manufacture products of superior standards, employing a well trained and motivated workforce and collaborating with vendors who share our business philosophy, bearing in mind our focus on providing a safe workplace, preserving our environment and optimizing our financial returns to investors.

Our Core Values

PRODUCTIVITY
We produce efficiently at the lowest cost

RELATIONSHIP
We build relationships that inspire good ties, loyalty, teamwork and reliability

INTEGRITY
We serve with honour and professionalism through honest and responsible actions

DILIGENCE
We work positively with commitment and dedication

ENVIRONMENT
We take care of our environment for our employees and communities

Corporate Structure

Careplus Group Berhad
(896134-D)

- **100%** Careplus (M) Sdn Bhd
- **100%** Rubbercare Protection Products Sdn Bhd
- **100%** Masterclean Technologies Sdn Bhd
- **50% +1 Share** Careglove Global Sdn Bhd

Corporate Information

BOARD OF DIRECTORS

YEW NIENG CHOON
Non-Independent Non-Executive Chairman

LIM KWEE SHYAN
Executive Director cum Group Chief Executive Officer

YEW YEE PENG
Non-Independent Executive Director

LOO TECK LOOI
Non-Independent Executive Director

TAN CHUAN HOCK
Independent Non-Executive Director

FOONG KUAN MING
Senior Independent Non-Executive Director

AUDIT COMMITTEE

Tan Chuan Hock *(Chairman)*
Yew Nieng Choon
Foong Kuan Ming

NOMINATION COMMITTEE

Foong Kuan Ming *(Chairman)*
Yew Nieng Choon
Tan Chuan Hock

REMUNERATION COMMITTEE

Foong Kuan Ming *(Chairman)*
Yew Nieng Choon
Tan Chuan Hock

COMPANY SECRETARIES

Tea Sor Hua *(MACS 01324)*
Yong Yen Ling *(MAICSA 7044771)*

REGISTERED OFFICE

Third Floor, No. 79 (Room A),
Jalan SS21/60,
Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03-7728 4778
Fax : 03-7722 3668

PRINCIPAL OFFICE

Lot 120 & 121, Jalan Senawang 3,
Senawang Industrial Estate,
70450 Seremban,
Negeri Sembilan Darul Khusus.
Tel : 06-677 2781
Fax : 06-677 2780
E-mail : info@careplus.com
Website : www.careplus.com

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : CAREPLS
Stock Code : 0163

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel : 03-7841 8000
Fax : 03-7841 8008

AUDITORS

Crowe Horwath *(AF : 1018)*
Chartered Accountants
Level 16, Tower C,
Megan Avenue II,
No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
Tel : 03-2788 9999
Fax : 03-2788 9998

PRINCIPAL BANKERS

RHB Bank Berhad
HSBC Bank Malaysia Berhad
Alliance Bank Malaysia Berhad

Dear fellow shareholders,

"On behalf of the Board of Directors, we are pleased to present to you the Annual Report of Careplus Group Berhad ("Careplus") for the financial period ended 31 December 2013."

YEW NIENG CHOON

LIM KWEE SHYAN

Letter to Shareholders

Highlights of the Financial Period

1. *The financial year end of Careplus was changed from 31 January to 31 December.*

2. *Plant 1 of Careglove Global (Factory 3) was fully installed and operational during the year.*

3. *Construction of new manufacturing facility in Block E of Careplus (M) Sdn Bhd (Factory 4) commenced in the financial year and is expected to be ready by mid-2014.*

4. *Revenue grew over that of FPE2013 / Financial Period Ended 2013 by 32.5% to RM129.1 million from RM97.4 million.*

5. *Profit after tax before Non-controlling Interest ("NCI") increased by 9% to RM2.50 million from RM2.30 million in the preceding financial year.*

Industry Overview

The global demand for medical gloves in 2014 is estimated at 170 billion pieces of which Malaysian exporters are expected to contribute 107 billion (approximately 63%) with the rest coming from Thailand (19%) and Indonesia (16%) and 2% from other countries.

Malaysia is clearly the world leader in this industry that contributes significantly to the well-being of the public healthcare of the world. As a world leader we have a very significant impact in the manner the glove industry evolves in the coming years.

The value of medical gloves exported in 2013 was RM10.53 billion which is marginally lower than RM10.56 billion recorded in 2012. This is not reflected by the volume export due to pricing pressure in 2013. In fact the total export for 2013 hit a record tonnage of 845 million kilograms compared to 567 million kilograms in 2012, an increase of 49%. Breaking down, nitrile gloves sale revenue increased by 5% from 42% to 47% while latex gloves declined to 53% in 2013. In term of quantity nitrile glove have overtaken latex gloves export at 51% of the total export volume in 2013, up by 6% from 2012. This trend is expected to continue in the coming years.

The glove industry continues to be challenged by the need to progress in several fronts. The demand to develop a strong human capital base with relevant technical expertise cannot be over-emphasized while process automation continues to aid in the reduction of over-dependence on process labour, in particular foreign labour, which can be reduced by automation machinery to reduce costs further. Other issues of concern include higher capital injection due to more sophisticated equipment, better design and process engineering, more efficient logistic planning and infrastructure development, and accelerated research & development programme to re-engineer and renovate the glove industry to a new level to meet challenging demands of the coming decade.

The industry looks forward to greater involvement and support from the government, financial service sector and supporting industries.

Letter to Shareholders

Financial Performance

The financial year end of Careplus and its subsidiaries ("Group") was changed from 31 January to 31 December.

In light of the change, the Group's current financial period is made of 11 months results from 1 February 2013 to 31 December 2013. The purpose of the change is in line with that of our joint venture partner, Descarpack Descartaveis Do Ltda. Despite 11 months results under the financial period under review, the Group's gross revenue has increased positively to RM129.1 million as compared to RM97.4 million previously. The increase of 32.5% is accounted by the increased of sales from Careglove Global Sdn Bhd ("Careglove Global"). Plant 1 of Careglove Global was fully installed and operational in the period under review. In terms of sales quantity(gloves in pieces), the actual sales quantity has increased by 43% to 1.4 billion pieces from the existing 15 production lines (31.1.2013 - 0.98 billion pieces).

> *"the Group's gross revenue has increased positively to RM129.1 million as compared to RM97.4 million previously."*

Profit after tax has increased by 9% to RM2.50 million (31.1.2013 - RM2.30 million). However, after taking into consideration of non-controlling interest the Group's total comprehensive income attributable to owners has declined to RM1.27 million (31.1.2013 - RM2.97 million). The Board is nevertheless of the view that with continuing expansion of capacity and greater sales in the financial performance of the Group will improve further in coming years.

GROSS REVENUE INCREASED BY 32.5%

DIVIDENDS

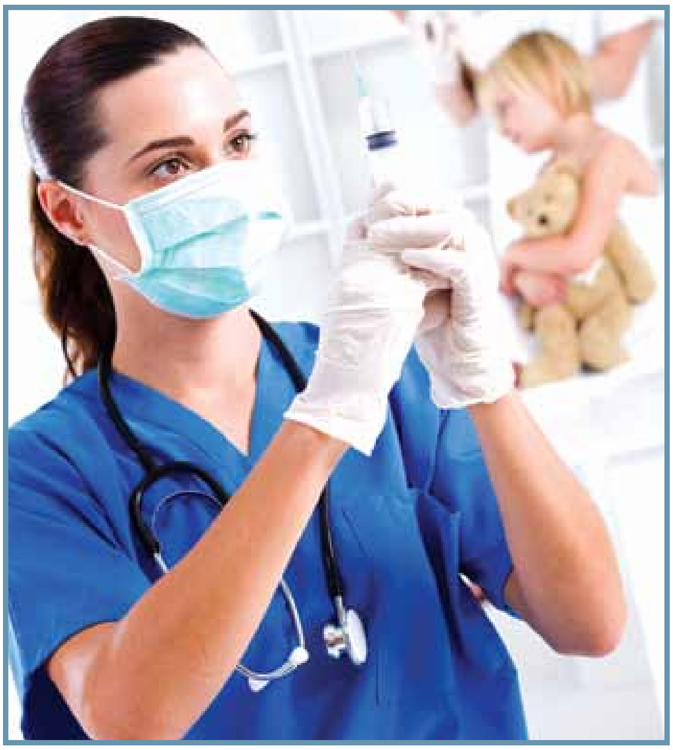
The Board is not recommending any dividend payment for this financial period.

CORPORATE DEVELOPMENT

The Group did not undertake any acquisition of properties or merger exercises in the financial period under review.

Careglove Global increased its output capacity to 120 million gloves per month with the completion of 5 new double and 4 new single former dipping lines in its Plant 1. The company has commenced production and sale of surgical gloves to the Brazilian market. The current capacity of 2 million pairs per month will be reviewed and additional capacity added as and when additional sales are required.

The reconstruction of Block E in Careplus (M) Sdn Bhd began in 2013. When completed in 2014, 2 new single former lines will be installed to be followed by 2 double former lines. A total of 4 production lines are expected to be in production by first quarter of 2015.



Letter to Shareholders

Corporate Responsibility

The Group believes in supporting the local community as a responsible corporate body. The Group emphasizes its core values comprising 5 critical elements of Productivity, Relationship, Integrity, Diligence and Environment, abbreviated to PRIDE, to drive the Group business forward.

Apart from its continuing efforts to draw best talents, apply latest technology and preserve good relationship with all its stakeholders as well as the environment, the Group also supports those in need of financial assistance as well as employment opportunities.

In the year under review the Group had sponsored the following works.

- **Corporate sponsor to Persatuan Berdikari Seremban Negeri Sembilan, a job skills training centre for learning disabled people (www.pbs.org.my).**
- **Scholarship to deserving students.**
- **Employment of disabled people. Currently we are employing 4 staffs with physical diasabilities in packing & purchasing departments.**
- **Financial assistance to the Malaysian Association Help for the Poor Terminally Ill or PPPM (www.pesakitparah.com).**

Letter to Shareholders

Prospects

We are confident of the growing potential of the disposable medical glove business in line with expanding global demand. Careplus is making every effort to establish strong relationship with vendors and buyers based on the spirit of trust and mutual growth. The next few years will see the Group grow in capacity building.

Plan is afoot to begin construction of Plant 2 of Careglove Global after the plans have received approval from the relevant authorities.

Block E in Careplus (M) Sdn Bhd is scheduled to be completed by Mid 2014 after which we plan to progressively install up to 12 production lines.

We will address the challenges of managing a strong and professional team to raise the productivity of the Group to a higher level. The Group believes in capturing business opportunities as they arise after due diligence of their cost benefits. We are fully committed to fulfilling the objective of our tagline:

Quality and Relationship
You Can Trust

Letter to Shareholders

Appreciation

On behalf of the Board of Directors, we wish to record our appreciation to the management team and staff at all levels of the Group for their diligence, dedication and contribution to the growth of the Group. We also wish to thank our shareholders for their patience and continuing support. We shall be failing if we neglect to thank our valued clients, bankers, business associates, suppliers and regulatory agencies, whose support and partnership are deeply recognized. We look forward to their collaboration in the coming years. Last but not least, our thanks to our dedicated Board members for both friendship and professional guidance as we move ahead in the uncharted future.

Yew Nieng Choon
Chairman

Lim Kwee Shyan
Executive Director/Group Chief Executive Director

Profile of Directors

Yew Nieng Choon, Malaysian, aged 66, is our Non-Independent Non-Executive Chairman and was appointed to our Board on 30 March 2010. Mr. Yew is a substantial shareholder of the Company. He is also a member of our Audit Committee, Remuneration Committee and Nomination Committee. He brings with him invaluable industry experience having accumulated over 35 years of experience in the latex industry. In 1971, he graduated with a Bachelor of Science with Second Class Upper Honours in Chemistry from University of Malaya. He started his career as a Quality Control Chemist with Lembaga Kemajuan Tanah Persatuan ("FELDA") in 1972, where he was involved in setting up the QC laboratory in FELDA's first latex concentrate factory in Gemas, Negeri Sembilan. In 1975, he joined H&C Latex Sdn Bhd ("H&C") as a Chemist. H&C, a producer of latex concentrate, is a subsidiary of Harrisons and Crosfield Inc. Throughout his 13 years employment with H&C, he held various positions. His last position held was a Factory Manager.

In 1988, he recognised the potential of the rubber gloves industry and brought his experience and knowledge to form Rubbercare Protection Products Sdn. Bhd. ("Rubbercare"). Subsequently, in 1991, he founded Careplus (M) Sdn. Bhd. ("Careplus (M)"), a marketing arm of our Group to support Rubbercare in the rubber gloves industry. He has been instrumental in the growth and development of our Group and has been the key driving force in the expansion of the operations of our Group. Currently, Mr. Yew holds a non-executive position in our Group and serves as an adviser to our Group. With his experience and knowledge in the rubber gloves industry, Mr. Yew is able to assist our Group in troubleshooting as well as providing advice to our management, to further enhance our business development.

Mr. Yew is also actively involved in social, cultural and charitable activities. He is presently a member of the Wesley Methodist Church in Seremban, Negeri Sembilan. In addition, he presently holds the Chairman position in Persatuan Berdikari Seremban, Negeri Sembilan, an association that provides job skills training to people with learning disabilities in Seremban, Negeri Sembilan to help them to acquire jobs.

Lim Kwee Shyan, Malaysian, aged 51, is our Executive Director cum Group CEO and was appointed to our Board on 30 March 2010. Mr. Lim is a substantial shareholder of the Company. He graduated in 1987 with a Bachelor of Science (Honours), majoring in Chemistry and Economics from University Kebangsaan Malaysia. He joined Rubbercare in 1988 as a Production Executive and was subsequently promoted to Factory Manager, and eventually the General Manager. In 1991, Mr. Lim and Mr. Yew Nieng Choon, a common director and shareholder of Rubbercare, had incorporated Careplus (M) as a trading company by buying gloves in bulk, improving the quality and thereafter selling the gloves to its customers. Subsequently in November 2001, Careplus (M) bought over Rubbercare and became the holding company of Rubbercare, in which then Mr. Lim was promoted as Managing Director of Rubbercare and Careplus (M) in 2006. Mr. Lim is primarily responsible for the overall business, strategic planning and the entire operations of our Group. In line with the joint venture with Descarpack Descartaveis Do Ltda, Mr. Lim was appointed as the Managing Director of Careglove Global Sdn Bhd in February 2011.

His overall management has contributed significantly to the success and growth of our Group. He has thus far accumulated approximately 26 years of experience in the rubber gloves industry.

Mr. Lim was appointed as the President of The Malaysian Rubber Glove Manufacturers' Association ("MARGMA") on 23 April 2011. He was re-elected to his second term of Presidency on 27 April 2013. Prior to that he had served as its Vice President, Honorary Secretary as well as Committee Member since the year of 2000. Mr. Lim was also appointed as a Director of the Malaysian Rubber Board ("MRB") by the Ministry of Plantation Industries and Commodities on 1 March 2012. Mr. Lim serves as a Trustee on the Board of Trustees of the Malaysian Rubber Export Promotion Council ("MREPC") since 20 June 2012. In addition, he is a Board Member of Tun Abdul Razak Research Centre ("TARRC"), which is the United Kingdom based research and promotion centre of MRB, since 1 January 2012.

Profile of Directors

Yew Yee Peng, Malaysian, aged 40, is our Non-Independent Executive Director and was appointed to our Board on 3 July 2010. She graduated with a Bachelor of Business Administration, International Business and Marketing from University of Oklahoma, US in 1996. She started her career in United Overseas Bank (Malaysia) Bhd ("UOB") as an Executive in the Merchant Services, Credit Card Centre. She was responsible for the recruitment of new credit card merchants by presenting proposals to potential clients and conducting site visits to selected credit card merchants.

Subsequently, she was promoted to hold the position of Customer Relationship Manager in the Privilege Banking of UOB. Her experience includes marketing a range of bank products and handling a portfolio of high net worth customers. In 1999, she joined Careplus (M) as a Marketing Executive and was promoted to a Marketing Manager in 2004. She is responsible in handling our Group's marketing, shipping and purchasing activities while maintaining and building relationships with key customers for continuous sales growth.

In November 2011, she was promoted as Managing Director of Rubbercare and holds the position to date.

Loo Teck Looi, Malaysian, aged 40, is our Non-Independent Executive Director and was appointed to our Board on 3 July 2010. He graduated in 1998 with a Bachelor of Development Science with Second Class Upper Honours in Development and General Management Studies from University Kebangsaan Malaysia. He started his career in 1998 with Rubbercare as a Production Executive.

Due to his dedicated services and commitment to Rubbercare, he was promoted to a Factory Manager in 2002 and was later made a director of Rubbercare in 2008. In line with the joint venture partner with Descarpack, Mr. Loo was appointed as a director of Careglove Global Sdn Bhd and is responsible for manufacturing operations for the factory.

Profile of Directors

Foong Kuan Ming
Senior Independent Non-Executive Director

Tan Chuan Hock
Independent Non-Executive Director

Foong Kuan Ming, Malaysian, aged 59, is our Senior Independent Non-Executive Director and was appointed to our Board on 14 September 2010. On 10 May 2013, he was re-designated as the Senior Independent Non Executive Director of the Company. Mr. Foong is the Chairman of the Remuneration Committee and Nomination Committee, and a member of our Audit Committee.

Mr. Foong is an advocate and solicitor by profession. He graduated with a Bachelor of Arts (Honours) in Law from University of Central Lancashire, England in 1980. He subsequently post-graduated from The Council of Legal Education, London and was called to Utter Barrister-at-Law of Lincoln's Inn, London. He was called to the Malaysian Bar in 1982 and has been in legal practice since then. He is also an Accredited Mediator with the Malaysian Mediation Centre of the Bar Council of Malaysia.

Mr. Foong is the founder and senior partner of the law firm, Messrs Foong & Co., which is principally engaged in banking, corporate and property legal matters. He is presently an independent director in Fajarbaru Builder Group Bhd, a public company listed on the Main Market of Bursa Securities.

Tan Chuan Hock, Malaysian, aged 53, is our Independent Non-Executive Director of the Company and was appointed to the Board on 3 July 2010. He is the Chairman of the Audit Committee and a member of Remuneration Committee and Nomination Committee of the Company. He is the Executive Proprietor and also the Founder of Messrs. William C.H. Tan & Associates, a Chartered Accountants firm.

Mr. Tan is a member of the Malaysian Institute of Accountants, Malaysian Institute of Taxation and is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA").

He has more than twenty-five years of experience particularly in financial reporting, auditing, taxation and planning, company secretarial as well as corporate management and advisory services.

He holds directorships in several limited companies. Presently, his directorship in other public companies includes PCCS Group Berhad, Grand-Flo Berhad and EITA Resources Berhad. He also sits on the Board of Simat Technologies Public Company Limited, a public company listed on the Stock Exchange of Thailand.

NOTES:

(1) None of the Directors have family relationship with any other Directors and/or major shareholders of our Company except for the following:-

(a) Ms. Yew Yee Peng is the daughter of Mr. Yew Nieng Choon, and the daughter of Madam Chan Pek Harn @ Chan Wai Har, a major shareholder of our Company.

(b) Mr. Lim Kwee Shyan is the spouse of Madam Ng Shu Si, a major shareholder of our Company.

(c) Mr. Yew Nieng Choon is the spouse of Madam Chan Pek Harn @ Chan Wai Har, a major shareholder of our Company, and the father of Ms. Yew Yee Peng.

(2) None of our Directors have a personal interest in any business arrangement involving our Group except as disclosed in Note 36 of the Financial Statements on page 70 of this Annual Report.

(3) None of our Directors have been convicted of any offences other than traffic offences in the past 10 years.

Corporate Governance Statement

INTRODUCTION

The Board of Directors ("Board") of Careplus Group Berhad ("the Company") is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its duties to enhance shareholders' values consistent with the principles and recommendations for best practices set out in the Malaysian Code on Corporate Governance 2012 ("the Code").

The Board is pleased to set out below our Corporate Governance Statement which describes the manner in which it has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code during the financial period ended 31 December 2013.

THE BOARD

The Group is led by an effective and experienced Board comprising members who have various experience in general business and financial aspects, as well as in the technical and operational aspects involving the rubber gloves industry. The Board maintains its focus on strategies, financial performance and critical business decisions, generally involving the following:-

i. Formulating overall strategic direction, business plans of the Group, including major capital commitments.
ii. Establishing annual financial budgets in line with the business plans.
iii. Setting up the appropriate action plans geared towards achieving the business plans and budgets.
iv. Reviewing and approving of new ventures, major acquisitions and disposal of undertakings and properties.
v. Identifying principal risks and ensuring implementation of appropriate systems to manage these risks.
vi. Reviewing the adequacy and integrity of the Group's internal control systems and management information systems.
vii. Establishing key performance indicators and succession plan.
viii. Overseeing the development and implementation of the shareholder communications policy for the Company.

The Board has delegated certain responsibilities to other Board level committees to assist the Board in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities.

a. Audit Committee
b. Nomination Committee
c. Remuneration Committee

The Committees operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference.

BOARD CHARTER

As part of governance process, the Board has formalised and adopted the Board Charter. This Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

A copy of the Board Charter is available at the Company's website.

WHISTLE BLOWING POLICY

A Whistle Blowing Policy was formalised on 17 May 2013 with the intention to promote the highest standard of corporate governance and business integrity that provides avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group and to take appropriate action to resolve them effectively.

COMPOSITION AND BALANCE

i. The Board currently has 6 members, comprising 3 Executive Directors (including Mr. Lim Kwee Shyan who is the Executive Director cum Group Chief Executive Officer), 1 Non-Independent Non-Executive Director (i.e. the Chairman) and 2 Independent Non-Executive Directors. This composition ensures that at least one third of the Board comprises of independent directors, in compliance with Rule 15.02 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Corporate Governance Statement

ii. There is a clear separation of functions between the Board and management. The Group Chief Executive Officer ("CEO") and Executive Directors have the responsibility to manage the day-to-day operations of the business, implementation of Board policies and making strategic decisions for the expansion of the business. The Non-Executive Directors contribute their expertise and experiences to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct.

iii. The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

iv. There is a proper balance of power and authority on the Board, with clear division of responsibility between the Chairman and the Group CEO. This delineation provides a good check and balance, with the Chairman being responsible for leadership of the Board, while the Group CEO leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board's policies and decisions.

v. The Board acknowledges the need for gender diversity for good governance practices and to enhance the efficient functioning of the Board. The Board believes the appointment of a new member is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. The Board currently has one female representation in the Board.

BOARD MEETINGS AND SUPPLY OF INFORMATION

The Board has at least 4 scheduled quarterly meetings with additional meetings to be convened where necessary. During the financial period ended 31 December 2013, the Board met 5 times where they deliberated and approved various reports and issues, including the quarterly financial results of the Group for the announcement to Bursa, on business plans and strategies, major investments, strategic decisions as well as the Group's financial performance. In addition, the Board also reviewed the adequacy of the Group's internal control system.

Details of the Directors' attendance at Board meetings are set out as follows:

Name of Directors	Attendance
Yew Nieng Choon	5 out of 5
Lim Kwee Shyan	5 out of 5
Yew Yee Peng	5 out of 5
Loo Teck Looi	5 out of 5
Tan Chuan Hock	5 out of 5
Foong Kuan Ming	5 out of 5

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

The Directors receive notices of meetings, typically at least 3 working days prior to the date of the meeting, setting out the agenda for the meetings, complete with a full set of Board Papers. The Board Papers provide sufficient details of matters to be deliberated during the meeting, and the information provided therein is not confined to financial data but includes also non-financial information, both quantitative and qualitative, which is deemed critical for the Directors' knowledge and information in arriving at a sound and informed decision.

Where necessary, senior management and/or external professionals may be invited to attend these meetings to clarify and/or explain matters being tabled.

In the event a potential conflict of interest situation arises, the Director concerned is to declare his interest and shall abstain from any deliberation and participation in the decision making processes.

Minutes of Board meetings together with decisions made by way of resolution passed are duly recorded and properly kept by the Company Secretary.

Corporate Governance Statement

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which she has been appointed. The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretary to the Board in the discharge of her functions.

ACCESS TO INFORMATION AND INDEPENDENT ADVICE

All Board Members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

The Directors have unrestricted access to the advice and services of the Company Secretary and senior management staff in the Group. The Directors also have access to the internal and external auditors of the Group, without management present to seek explanations or additional information.

The Directors, collectively or individually, may seek independent professional advice and information in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

APPOINTMENT AND RE-ELECTION OF BOARD MEMBERS

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination Committee will make recommendations to the Board who will then go through the list of candidates identified and arrive at a decision on the appointment of the Director. The Company Secretary will then ensure that all appointments are properly made and that all legal and regulatory obligations are met.

In accordance with the Company's Articles of Association, at least one third of the Directors shall retire at the Annual General Meeting ("AGM"), and be eligible for re-election provided that all Directors shall retire at least once in every 3 years.

Directors who are appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following their appointment.

Directors who are over 70 years of age are required to submit themselves for annual re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

TENURE OF INDEPENDENT DIRECTOR

The tenure of an Independent Director shall not exceed a cumulative term of 9 years. However, upon completion of the 9 years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a year to year basis.

BOARD COMMITTEES

The Board has delegated certain responsibilities to the Board Committees that operates within clearly defined terms of reference. These Committees are:

i. Audit Committee

   The members of Audit Committee and its terms of reference and the activities carried out during the financial period ended 31 December 2013 are set forth in the Audit Committee Report in pages 22 to 24 of this Annual Report.

Corporate Governance Statement

ii. Nomination Committee

The Nomination Committee of the Company is responsible to oversee the selection and assessment of directors. The committee's responsibilities include assessing and making recommendations to the Board who will thereon assess the shortlisted candidates and arrive at a decision on the appointment of the director.

In arriving at these recommendations, due consideration is given to the competencies, required mix of skills, expertise, experience and contribution that the proposed director(s) shall bring to complement the Board.

The Nomination Committee of the Company comprises the following members:-

Name of Committee Members	Designation
Foong Kuan Ming, Chairman	Senior Independent Non-Executive Director
Yew Nieng Choon, Member	Non-Independent Non-Executive Chairman
Tan Chuan Hock, Member	Independent Non-Executive Director

The Nomination Committee meets as and when required. The Nomination Committee met once during the financial period under review.

During the meeting held in May 2013, the Nomination Committee had undertaken the following activities:

a. Reviewed and evaluated the effectiveness of the Board/Board Committees as a whole as well as the contribution from each of the individual Director of the Company.

b. The Nomination Committee, collectively carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.

c. The Nomination Committee evaluated the balance of skills, knowledge and experience of the Board and, in the light of this evaluation, reviewed the role of the Non-Executive Chairman and CEO of the Group, to ensure balance of power and authority, and a clear division of responsibilities as the head of the Company.

d. Assessed and recommended to the Board for consideration, the re-election of Directors namely, Mr. Loo Teck Looi and Ms. Yew Yee Peng who retired in accordance with Article 103 of the Company's Articles of Association for endorsement at the last AGM held on 21 June 2013. The Nomination Committee evaluated the balance of skills, knowledge and experience of the Said Directors and, the suitability of each retiring Director, including the competency, time commitment, contribution and perfomance, amongst others were also considered.

iii. Remuneration Committee

The Remuneration Committee is principally responsible for assessing and reviewing the remuneration packages of the Executive Directors and subsequently furnishes their recommendations to the Board on specific adjustments in remuneration to commensurate with the respective contributions of the Executive Directors.

The Remuneration Committee comprises the following members:-

Name of Committee Members	Designation
Foong Kuan Ming, Chairman	Senior Independent Non-Executive Director
Yew Nieng Choon, Member	Non Independent Non-Executive Chairman
Tan Chuan Hock, Member	Independent Non-Executive Director

DIRECTORS' TRAINING

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, individual Directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry which the Group operates. To this end, our Company Secretary and external auditors did assist in briefing the Board on updates and amendments to the Listing Requirements as well as on Financial Reporting matters throughout the course of the year.

Corporate Governance Statement

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme. The Board shall disclose in the Annual Report the trainings attended by the Directors.

All Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities.

In addition to the MAP as required by Bursa Securities, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. Seminars and conference attended by Directors during the financial period ended 31 December 2013 include the following:

Name of Directors	Title of Some of the Seminars Attended
Yew Nieng Choon	1) Directors' Duties and Responsibilities under Companies Act, 1965/ Directors' Obligations under Listing Requirements 2) Social Media for Investor Relations
Lim Kwee Shyan	1) 3rd National Rubber Economic Conference 2013 2) MARGMA - Seminar Talk 2013 - Protecting Invention and Guarding against Infringement - Way Forward - G-TACR – One Stop Centre for Rubber Testing and Consultancy - The Way Forward For the Glove Industry in Malaysia
Yew Yee Peng	1) Directors' Duties and Responsibilities under Companies Act, 1965/ Directors' Obligations under Listing Requirements 2) Talent @ Work: Integrational Conflict to Productivity 3) National Fire Protection Association (NFPA) 1999-2013 4) MARGMA - Seminar Talk 2013 - Protecting Invention and Guarding against Infringement - Way Forward - G-TACR – One Stop Centre for Rubber Testing and Consultancy - The Way Forward For the Glove Industry in Malaysia
Loo Teck Looi	1) Emergency Response Team Training
Tan Chuan Hock	1) Taxation for property developers and construction companies 2) Income tax for companies 3) Income from letting real properties; for investment holding companies and other investors 4) Seminar Percukaian Kebangsaan 2013
Foong Kuan Ming	1) Employment Law Seminar by Bar Council of Malaysia 2) Briefing on the Malaysian Code of Take-Overs and Mergers 3) Advocacy Sessions on Corporate Disclosure for Directors – Corporate Disclosure Framework Under The Listing Requirements

DIRECTORS' REMUNERATION

The Board, through Remuneration Committee, had established formal and transparent remuneration policies and procedures to attract and retain Directors. The Directors' remuneration is structured so as to link rewards to their corporate and individual performances. The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the Remuneration Committee for the CEO and Executive Board Members.

Non-executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Each individual Director shall abstain from the deliberation and voting in decision regarding to their own remuneration packages.

The Board is of the view that the disclosure of remuneration by appropriate components and bands are sufficient to meet the objectives set out in the ACE Market Listing Requirements of Bursa Securities.

Corporate Governance Statement

The remuneration of the Directors for the financial period under review is as follows:

Name of Directors	Fees (RM)	Salaries & Benefits in Kind (RM)	Bonuses (RM)	Total (RM)
Executive Directors	-	769,452	129,675	899,127
Non-Executive Directors	147,950	-	-	147,950
TOTAL	147,950	769,452	129,675	1,047,077

Range of Remuneration	Executive	Non-Executive
Below RM50,000	-	2
RM50,001 to RM100,000	-	1
RM150,001 to RM200,000	1	-
RM250,001 to RM300,000	1	-
RM350,001 to RM400,000	1	-

THE SHAREHOLDERS

a. Dialogue between the Company and Investors

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner. Quarterly results, announcements, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast on the Group's progress and development. The Company's corporate website at www.careplus.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.

b. Annual General Meetings ("AGM")

The AGM remains as a principal forum used by the Group for communication with its shareholders. During the AGM, shareholders are accorded time and opportunity to query the Board on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group. Shareholders are also invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

Members of the Board and key management of the Company as well as external auditors of the Company are available to respond to shareholders' questions during the meetings. The Board also encourages other channel of communication with shareholders. For this purpose, the Board has identified Mr. Foong Kuan Ming as the Senior Independent Non-Executive Director to whom queries or concerns regarding the Group may be convened.

ACCOUNTABILITY AND AUDIT

a. Financial reporting

The Board has overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance to the applicable financial reporting standards.

The Audit Committee plays a crucial role in assisting the Board to scrutinize the information for disclosure to shareholders to ensure material accuracy, adequacy and timeliness.

Corporate Governance Statement

b. Internal Control and Risk Management

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

Risk management is an integral part of the Group's business operations and it is subject to periodic reviews by the Board. The Group adopted a structured risk management framework with discussions involving different levels of management to identify and address risks faced by the Group.

Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out.

The Audit Committee has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The activities of the outsourced Internal Auditors are reported regularly to the Audit Committee which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls. Information on the Group's internal control systems is presented in the Statement on Risk Management and Internal Control, which has been reviewed by the Group's External Auditors, and set out in pages 20 to 21 of this Annual Report.

The Board recognises that identification, evaluation and management of significant risks faced by the Company are an ongoing process. The improvement of the system of internal controls is an on-going process and the Board maintains on-going commitment to strengthen the Company's control environment and processes.

c. Relationship with Auditors

The Group has established a transparent and appropriate relationship with both the outsourced Internal Auditors and the External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party. Similar to the External Auditors, Internal Auditors too have direct reporting access to the Board and the Audit Committee to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the management.

The Audit Committee undertakes an annual review of the suitability and independence of the External Auditors. Having assessed their performance, the Audit Committee will make its recommendation to the Board, upon which the shareholders' approval will be sought at the AGM of the Company.

DIRECTORS RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

It is the Directors' responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of their results and their cash flows for the period then ended.

In preparing the financial statements for the financial period ended 31 December 2013, the Directors have taken steps to ensure that:

- the Company and the Group have used appropriate accounting policies and are consistently applied;
- the judgments and estimates made have been made with reasonableness and prudence; and
- all approved and adopted financial reporting standards which are applicable in Malaysia have been duly complied with.

The Directors are responsible for ensuring that the Company maintains proper accounting records in compliance with the Companies Act, 1965, which disclose with a reasonable degree of accuracy the financial position of the Company and the Group.

The Directors also have general responsibilities for taking reasonable steps towards safeguarding the assets of the Group, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board dated 23 April 2014.

Statement on Risk Management and Internal Control

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets. Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors ("the Board") to include a statement on the state of risk management and internal control in its annual report. The Board of Careplus Group Berhad ("the Company") is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Company and its subsidiaries ("the Group") for the financial period 31 December 2013.

Board Responsibility

The Board recognises the importance of good corporate governance practices and is committed to maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Board further affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems.

Due to the limitations that are inherent in any system of internal control, the systems of internal controls can only provide reasonable and not absolute assurance against material misstatement or loss as it is designated to manage rather than eliminate the risk of failure to achieve the Group's business objectives.

The Board has received assurance from the Group Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Risk Management

The Board and management practice proactive significant risks identification, evaluation and management in the processes and activities of the Group, particularly any major proposed transactions, changes in nature of activities and / or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at a level acceptable to the Board. Any significant risk issues and action plans were reviewed and discussed at management meetings and quarterly Audit Committee meetings.

Internal Control System

The key elements of the Group's Internal Control System includes:

1. Organizational structure with clearly defined lines of responsibility, authority and accountability. These delegations of responsibilities and authority limits are subjected to periodic review throughout the year as to their implementation and for continuing suitability.

2. Policies and procedures for key business processes are formalized and documented for implementation and continuous improvements.

3. Clearly defined authorization limits at appropriate levels are set out for controlling and approving capital expenditure and expenses.

4. Clearly defined Internal Policies, Standard Operating Procedures and Personnel Manual as the key framework for good internal control practices. These policy manuals are subject to regular reviews to meet new and changing business requirements.

5. Regular Management and Operation meetings were conducted to ensure activities and risk mitigation actions were executed as proposed.

6. Key information covering financial performance and key business aspects are timely provided to the Senior Management and Board on a regular and timely basis.

7. There has been active participation by the Group Chief Executive Officer in the day-to-day running of business operations, and regular dialogue and reporting to the Board.

Statement on Risk Management and Internal Control

Internal Audit Functions

The Board acknowledges the importance of the internal audit function. The Board has outsourced its internal audit function to an independent professional consulting firm as part of its efforts to provide adequate and effective internal control systems. The internal audit function is carried out in accordance with the annual internal audit plan as approved by the Audit Committee. The internal audit function adopts accepted auditing practices in addition to an independent and objective reporting on the state of the Group's internal control system.

During the financial period, the internal auditor reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the key subsidiaries and recommended possible improvements to the internal control systems. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

The Board continuously takes measures to strengthen the internal control environment. The total cost incurred for the internal audit function was RM32,000 for the financial period ended 31 December 2013. For the financial period under review, there were no material losses, incurred as a result of weaknesses in the internal control system that would require disclosure in this Annual Report. The Board will continue to improve and enhance the existing system of internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

Conclusion

Regular reviews and on-going evaluations process on internal control systems have been in place throughout the financial period under review and up to the date of approval of the Annual Report. The Board is satisfied that the existing system of internal control is adequate and properly implemented and there are no major weaknesses at the existing level of operations of the Group. Because of the changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The Board continually evaluates and takes measures to strengthen the internal control systems. This statement was approved by the Board.

Review by External Auditors

The External Auditors have reviewed this Statement on Risk Management and Internal Control ("Statement") and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system.

Report of the Audit Committee

The principle objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, management and financial reporting practices of the Company and its subsidiaries ("the Group") and to ensure proper disclosure to the shareholders of the Company.

MEMBERS

The current members of the Audit Committee are as follows:

Mr. Tan Chuan Hock
(Chairman, Independent Non-Executive Director)

Mr. Yew Nieng Choon
(Member, Non-Independent Non-Executive Chairman)

Mr. Foong Kuan Ming
(Member, Senior Independent Non-Executive Director)

SUMMARY OF THE TERMS OF REFERENCE

Size and Composition

The Audit Committee shall be appointed by the Board of Directors amongst its members and consists of at least 3 members, all of whom shall be non-executive directors and financial literate, with a majority of them being independent.

At least one member of the Audit Committee must be a member of Malaysia Institute of Accountants or he must have at least 3 years working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or a person who has fulfilled such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

No alternate director of the Board shall be appointed as a member of the Audit Committee. In the event of any vacancy of Audit Committee resulting in the non-compliance with the Listing Requirements of Bursa Securities, the Board shall appoint a new member within 3 months.

Frequency of meetings

i. Meetings shall be held not less than 4 times a year. However, additional meetings may be called at any time depending on the scope of activities of the Audit Committee. In the event issues requiring the Audit Committee's decision arise between meetings, such issues shall be resolved through circular resolutions of the Committee. Such circular resolution in writing shall be valid and effectual if it is signed or approved by letter, facsimile or any electronic means by all members of the Audit Committee.

ii. Other Board members, senior management personnel, internal and external auditors may be invited to attend meetings.

iii. Prior notice shall be given for all meetings.

Quorum

The minimum quorum for the meeting is 2 members of the Audit Committee, a majority of members present must be Independent Directors.

Secretary

The Company Secretary shall be the secretary of the Audit Committee. The Secretary shall circulate the notice and minutes of the Audit Committee to all members of the Committee.

Report of the Audit Committee

Functions

The functions of the Committee are as follows :-

i. To consider the appointment of external auditors, the audit fee and any questions of resignation or dismissal.

ii. To review with the external auditors:
   a. the audit plan, scope and nature of the audit of the Group;
   b. their evaluation and findings of the system of internal controls; and
   c. the audit reports on the financial statements.

iii. To review the adequacy of the scope, function, competency and resources of internal audit and to ensure that it has the necessary authority to carry out its work.

iv. To appraise or assess the performance of the internal audit function and ensure that the internal audit function reports directly to the Audit Committee.

v. To review the quality, adequacy and effectiveness of the Group's internal control environment.

vi. To review the findings of the internal and external auditors.

vii. To review the quarterly and year end financial statements of the Group, focusing particularly on any changes in or implementation of major accounting policies and practices, significant adjustments arising from the audit, the going concern assumption and compliance with applicable approved accounting standards and other legal and regulatory requirements.

viii. To review any related party transactions and conflicts of interest situations that may arise within the Group including any transactions, procedures or course of conduct that raises questions of management integrity.

ix. To review the external auditors' management letter and management's response.

x. To review and verify the allocation of options pursuant to the Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the by-law of ESOS of the Group, if any.

xi. Any other function that may be mutually agreed upon by the Audit Committee and the Board which would be beneficial to the Company and help to ensure the effective discharge of the Committee's duties and responsibilities.

Authority

The Committee is authorised by the Board to investigate any activity within its term of reference at the cost of the Company to:-

i. secure full and unrestricted access to any information pertaining to the Group.

ii. communicate directly with the external and internal auditors and all employees of the Group.

iii. seek and obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as it considers necessary.

iv. convene meetings with the external and internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Communication To The Board

i. The minutes of each Audit Committee meeting shall be tabled to the Board for notation.

ii. The Committee may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

iii. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the ACE Market Listing Requirements of Bursa Securities, the Committee must promptly report such matter to Bursa Securities.

Report of the Audit Committee

SUMMARY OF ACTIVITIES

During the financial period under review, the Audit Committee met a total of 5 times. Details of attendance of the members of the Audit Committee at those meetings are as follows:

Committee Members	No. of meetings attended
Mr. Tan Chuan Hock	5 of 5
Mr. Yew Nieng Choon	5 of 5
Mr. Foong Kuan Ming	5 of 5

The following is a summary of the main activities carried out by the Committee during the financial period under review:

i. Reviewed the quarterly financial results and annual audited financial statements of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities.

ii. Reviewed with external auditors on the results and issues arising from their audit of the financial period end statements and their resolutions of such issues highlighted in their report to the Committee.

iii. Reviewed and recommended the reappointment of the external auditors to the Board of Directors for consideration;

iv. Reviewed with the internal auditor, the internal audit plan, work done and reports, for the internal audit function and considered the findings of internal audit investigations and management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the internal auditors.

v. Reviewed the related party transactions that transpired during the financial period under review.

INTERNAL CONTROL REVIEW AND INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional services firm to conduct an independent review of the Group's systems of internal control. The firm appointed is independent of the activities carried out by them and also of the external auditors of the Group.

Internal audit reports are presented, together with the Management's response and proposed action plans to the Audit Committee on a quarterly basis.

The Internal Auditors undertake internal audit functions based on the operational, compliance and risk based audit plan that is reviewed by the Audit Committee and approved by the Board. This audit plan covers the review of the key operational and financial activities including the efficacy of risk management practices, efficiency and effectiveness of operational controls and compliance with relevant laws and regulations.

The activities carried out by the Outsourced Internal Auditors of the Group during the financial period under review were as summarized below:-

i. Developed the internal audit plan for the financial period under review;
ii. Execution of the approved internal audit plan;
iii. Presentation of the internal audit findings at the quarterly Audit Committee meetings. All findings raised by the Internal Auditors have been appropriately addressed by Management; and
iv. Conducted follow up reviews to ensure action plans are properly and appropriately implemented by Management.

The internal audits reviews did not reveal any weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The fees incurred during the financial period ended 31 December 2013 in relation to the internal audit function is RM32,000.

Additional Compliance Information

1. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE

Details of Recurrent Related Party Transactions of a Revenue or Trading Nature is disclosed in Note 36 to the Financial Statements on page 70 of this Annual Report.

2. SHARE BUY-BACKS

The Company did not engage in any share buy-back arrangements during the financial period ended 31 December 2013.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

None of the Warrants 2011/2016 has been exercised during the financial period ended 31 December 2013 and the total numbers of warrants remained unexercised is 105,000,000.

4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt programme during the financial period ended 31 December 2013.

5. IMPOSITION OF SANCTIONS / PENALTIES

There were no material sanctions or penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies during the financial period ended 31 December 2013.

6. NON-AUDIT FEES

There were no amount of non-audit fees paid to the external auditors by the Group for the financial period ended 31 December 2013.

7. VARIATION IN RESULTS

There were no material variances of ten percent (10%) or more between the audited results for the financial period ended 31 December 2013 and the unaudited results previously announced.

8. PROFIT GUARANTEE

The Company did not give any form of profit guarantee to any parties during the financial period ended 31 December 2013.

9. MATERIAL CONTRACTS

There were no material contracts entered by the Company and its subsidiaries involving Directors and substantial shareholders' interest during the financial period ended 31 December 2013.

10. REVALUATION POLICY ON LANDED PROPERTY

The Group has not adopted any regular revaluation policy on its landed properties.

11. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial period ended 31 December 2013.

Financial Statements

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 February 2013 to 31 December 2013.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Group and the Company was changed from 31 January to 31 December. Accordingly, the financial statements of the Group and the Company for the financial period ended 31 December 2013 covered an 11-month period as compared to the 12-month period ended 31 January 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial period	2,504,897	(323,432)
Attributable to:-		
Owners of the Company	1,272,548	(323,432)
Non-controlling interests	1,232,349	-
	2,504,897	(323,432)

DIVIDENDS

A first and final single-tier dividend of 0.25 sen per ordinary share amounting to RM587,500 for the financial year ended 31 January 2013 was approved by the shareholders at the Annual General Meeting held on 21 June 2013 and paid on 31 July 2013.

The directors do not recommend the payment of any dividend for the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

ISSUES OF SHARES AND DEBENTURES

During the financial period,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

WARRANTS

The Company had on 10 August 2011, issued 105,000,000 2011/2016 warrants to all entitled shareholders of the Company on the basis of 1 free warrant for every 2 existing ordinary shares of RM0.10 each held in the Company. The warrants were listed on the ACE Market of Bursa Malaysia Securities Berhad. The warrants are constituted under a Deed Poll executed on 25 July 2011, and each warrant entitles the registered holder the right at any time during the exercise period from 10 August 2011 to 9 August 2016 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.49 each.

Directors' Report

WARRANTS (CONT'D)

As at 31 December 2013, the entire 105,000,000 warrants remained unexercised.

The terms of the warrants are detailed in Note 15(b) to the financial statements.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotments and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

Other than as disclosed in Note 39 to the financial statements, at the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Directors' Report

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Lim Kwee Shyan
Yew Nieng Choon
Loo Teck Looi
Yew Yee Peng
Tan Chuan Hock
Foong Kuan Ming

DIRECTORS' INTERESTS

In accordance with the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			
	At 1.2.2013	Allotment	Sold	At 31.12.2013
Direct Interests				
Lim Kwee Shyan	66,041,200	-	-	66,041,200
Yew Nieng Choon	7,711,400	-	-	7,711,400
Loo Teck Looi	3,855,500	-	-	3,855,500
Yew Yee Peng	4,065,800	-	-	4,065,800
Tan Chuan Hock	2,000,000	-	-	2,000,000
Foong Kuan Ming	100,000	-	-	100,000
Indirect Interests				
Lim Kwee Shyan (1)	15,002,300	-	-	15,002,300
Yew Nieng Choon (2)	48,536,400	-	-	48,536,400

(1) Deemed interested by virtue of his spouse, Ng Shu Si's interest in the Company.
(2) Deemed interested by virtue of his spouse, Chan Pek Harn @ Chan Wai Har and his daughter, Yew Yee Peng's interests in the Company and by virtue of his interest in Thinking Cap Sdn. Bhd.

	Number Of Warrants 2011/2016			
	At 1.2.2013	Bought	Sold	At 31.12.2013
Direct Interests				
Lim Kwee Shyan	32,990,600	-	-	32,990,600
Yew Nieng Choon	3,855,700	-	-	3,855,700
Loo Teck Looi	1,927,750	-	-	1,927,750
Yew Yee Peng	2,032,900	-	-	2,032,900
Tan Chuan Hock	1,000,000	-	-	1,000,000
Foong Kuan Ming	50,000	-	-	50,000
Indirect Interests				
Lim Kwee Shyan (1)	7,501,150	-	-	7,501,150
Yew Nieng Choon (2)	24,268,200	-	-	24,268,200

(1) Deemed interested by virtue of his spouse, Ng Shu Si's interest in the Company.
(2) Deemed interested by virtue of his spouse, Chan Pek Harn @ Chan Wai Har and his daughter, Yew Yee Peng's interests in the Company and by virtue of his interest in Thinking Cap Sdn. Bhd.

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

By virtue of Mr. Lim Kwee Shyan and Mr. Yew Nieng Choon's interests in the shares of the Company, they are deemed to have interests in the subsidiaries under Section 6A of the Companies Act 1965 in Malaysia to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 36 to the financial statements.

Neither during nor at the end of the financial period was the Company or any of its subsidiaries a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 23 April 2014.

Lim Kwee Shyan

Yew Nieng Choon

Statement By Directors

We, Lim Kwee Shyan and Yew Nieng Choon, being two of the directors of Careplus Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 34 to 82 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 at 31 December 2013 and of their financial performance and cash flows for the financial period ended on that date.

The supplementary information set out in Note 43, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 23 April 2014.

Lim Kwee Shyan

Yew Nieng Choon

Statutory Declaration

I, Lim Kwee Shyan, I/C No. 630307-05-5337, being the director primarily responsible for the financial management of Careplus Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 34 to 82 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Lim Kwee Shyan, I/C No. 630307-05-5337
at Kuala Lumpur in the Federal Territory
on this 23 April 2014.

Lim Kwee Shyan

Before me
Datin Hajah Raihela Wanchik (No. W-275)
Commissioner for Oaths

Independent Auditors' Report

To the members of Careplus Group Berhad (Company No: 896134 - D)

Report on the Financial Statements

We have audited the financial statements of Careplus Group Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 82.

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, International 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.

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 December 2013 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International 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 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) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

To the members of Careplus Group Berhad (Company No: 896134 - D)

Other Reporting Responsibilities

The supplementary information set out in Note 43 on page 82 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Lee Kok Wai
Approval No: 2760/06/14(J)
Chartered Accountant

23 April 2014

Kuala Lumpur

Statements of Financial Position

At 31 December 2013

	Note	The Group 31.12.2013 RM	The Group 31.1.2013 RM	The Company 31.12.2013 RM	The Company 31.1.2013 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	37,088,415	35,088,415
Goodwill on consolidation	6	204,920	204,920	-	-
Property, plant and equipment	7	76,386,129	66,030,328	-	-
Investment property	8	165,334	195,148	-	-
Prepayments	9	390,269	349,980	-	-
		77,146,652	66,780,376	37,088,415	35,088,415
CURRENT ASSETS					
Inventories	10	13,715,103	13,953,980	-	-
Trade receivables	11	5,687,102	7,543,768	-	-
Other receivables, deposits and prepayments	9	1,331,591	1,106,928	-	-
Amount owing by a subsidiary	12	-	-	3,513,042	5,199,000
Amount owing by a related party	13	33,058,599	20,411,446	-	-
Tax refundable		353,189	378,096	-	18,000
Fixed deposits with licensed banks	14	3,500,000	3,500,000	-	2,000,000
Cash and bank balances		3,254,985	7,905,615	29,794	454,587
		60,900,569	54,799,833	3,542,836	7,671,587
TOTAL ASSETS		138,047,221	121,580,209	40,631,251	42,760,002
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	23,500,000	23,500,000	23,500,000	23,500,000
Share premium	16	14,218,485	14,218,485	12,839,101	12,839,101
Merger deficit	17	(12,900,499)	(12,900,499)	-	-
Retained profits	18	18,794,329	18,109,281	2,399,236	3,310,168
Total equity attributable to owners of the Company		43,612,315	42,927,267	38,738,337	39,649,269
Non-controlling interest	5	14,084,263	10,851,914	-	-
TOTAL EQUITY		57,696,578	53,779,181	38,738,337	39,649,269
NON-CURRENT LIABILITIES					
Long-term borrowings	19	26,330,191	20,744,270	-	-
Deferred tax liabilities	22	289,000	147,000	-	-
		26,619,191	20,891,270	-	-
CURRENT LIABILITIES					
Trade payables	23	14,496,162	14,745,175	-	-
Other payables and accruals	24	8,186,340	7,206,061	140,660	61,929
Amount owing to subsidiaries	12	-	-	1,752,254	3,048,804
Amount owing to a related party	13	369,900	1,607,700	-	-
Derivative liabilities	25	196,658	231,943	-	-
Short-term borrowings	26	29,762,241	22,486,892	-	-
Bank overdrafts	27	720,151	631,987	-	-
		53,731,452	46,909,758	1,892,914	3,110,733
TOTAL LIABILITIES		80,350,643	67,801,028	1,892,914	3,110,733
TOTAL EQUITY AND LIABILITIES		138,047,221	121,580,209	40,631,251	42,760,002

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the financial period from 1 February 2013 to 31 December 2013

		The Group		The Company	
	Note	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
REVENUE	28	129,058,796	97,392,407	-	1,500,000
COST OF SALES		(117,514,759)	(86,612,448)	-	-
GROSS PROFIT		11,544,037	10,779,959	-	1,500,000
OTHER INCOME		1,507,971	627,319	129,508	143,796
		13,052,008	11,407,278	129,508	1,643,796
ADMINISTRATIVE EXPENSES		(5,968,403)	(5,992,685)	(262,344)	(309,283)
OTHER EXPENSES		(1,890,097)	(1,300,470)	(162,621)	(332,186)
FINANCE COSTS		(2,351,115)	(1,354,149)	-	-
PROFIT/(LOSS) BEFORE TAXATION	29	2,842,393	2,759,974	(295,457)	1,002,327
INCOME TAX EXPENSE	30	(337,496)	(463,026)	(27,975)	-
PROFIT/(LOSS) AFTER TAXATION		2,504,897	2,296,948	(323,432)	1,002,327
OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL PERIOD/YEAR		2,504,897	2,296,948	(323,432)	1,002,327
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		1,272,548	2,970,774	(323,432)	1,002,327
Non-controlling interest		1,232,349	(673,826)	-	-
		2,504,897	2,296,948	(323,432)	1,002,327
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:					
Owners of the Company		1,272,548	2,970,774	(323,432)	1,002,327
Non-controlling interest		1,232,349	(673,826)	-	-
		2,504,897	2,296,948	(323,432)	1,002,327
EARNINGS PER SHARE (SEN)					
- Basic	31	0.54	1.27		
- Diluted	31	Not applicable	Not applicable		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial period from 1 February 2013 to 31 December 2013

The Group	Note	<------- Non-Distributable --------> Share Capital RM	Share Premium RM	Merger Deficit RM	Distributable Retained Profits RM	Attributable To Owners of the Company RM	Non-Controlling Interest RM	Total Equity RM
Balance at 1.2.2012		22,000,000	11,013,132	(12,900,499)	15,138,507	35,251,140	8,525,740	43,776,880
Contributions by owners of the Company:								
- Shares issued pursuant to the private placement		1,500,000	3,300,000	-	-	4,800,000	-	4,800,000
- Share issuance expenses		-	(94,647)	-	-	(94,647)	-	(94,647)
Total transactions with the owners of the Company		1,500,000	3,205,353	-	-	4,705,353	-	4,705,353
Shares subscribed for by non-controlling interest		-	-	-	-	-	3,000,000	3,000,000
Profit after taxation/Total comprehensive income for the financial year		-	-	-	2,970,774	2,970,774	(673,826)	2,296,948
Balance at 31.1.2013		23,500,000	14,218,485	(12,900,499)	18,109,281	42,927,267	10,851,914	53,779,181
Balance at 31.1.2013/1.2.2013		23,500,000	14,218,485	(12,900,499)	18,109,281	42,927,267	10,851,914	53,779,181
Distributions to owners of the Company/Total transactions with the owners of the Company:								
- Dividend paid	32	-	-	-	(587,500)	(587,500)	-	(587,500)
Shares subscribed for by non-controlling interest		-	-	-	-	-	2,000,000	2,000,000
Profit after taxation/Total comprehensive income for the financial period		-	-	-	1,272,548	1,272,548	1,232,349	2,504,897
Balance at 31.12.2013		23,500,000	14,218,485	(12,900,499)	18,794,329	43,612,315	14,084,263	57,696,578

Statements of Changes in Equity

For the financial period from 1 February 2013 to 31 December 2013

The Company	Note	<----Non-Distributable----> Share Capital RM	Share Premium RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1.2.2012		22,000,000	9,633,748	2,307,841	33,941,589
Contributions by owners of the Company:					
- Shares issued pursuant to the private placement		1,500,000	3,300,000	-	4,800,000
- Share issuance expenses		-	(94,647)	-	(94,647)
Total transactions with the owners of the Company		1,500,000	3,205,353	-	4,705,353
Profit after taxation/Total comprehensive income for the financial year		-	-	1,002,327	1,002,327
Balance at 31.1.2013/1.2.2013		23,500,000	12,839,101	3,310,168	39,649,269
Distribution to owners of the Company/ Total transaction with the owner of the Company:					
- Dividend paid	32	-	-	(587,500)	(587,500)
Loss after taxation/Total comprehensive expenses for the financial period		-	-	(323,432)	(323,432)
Balance at 31.12.2013		23,500,000	12,839,101	2,399,236	38,738,337

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial period from 1 February 2013 to 31 December 2013

	Note	The Group 1.2.2013 to 31.12.2013 RM	The Group 1.2.2012 to 31.1.2013 RM	The Company 1.2.2013 to 31.12.2013 RM	The Company 1.2.2012 to 31.1.2013 RM
CASH FLOWS FOR OPERATING ACTIVITIES					
Profit/(Loss) before taxation		2,842,393	2,759,974	(295,457)	1,002,327
Adjustments for:-					
Allowance for impairment loss on receivables		-	6,153	-	-
Amortisation of investment property		29,814	32,525	-	-
Bad debts written off		14,777	-	-	-
Depreciation of property, plant and equipment		6,257,088	4,522,919	-	-
Equipment written off		18,400	-	-	-
Interest expense		2,351,115	1,354,141	-	-
Impairment loss on investment in a subsidiary		-	-	-	227,383
Dividend income		-	-	-	(1,500,000)
Fair value (gain)/loss on derivatives		(35,285)	454,995	-	-
Interest income		(81,033)	(169,141)	(129,508)	(143,796)
Unrealised loss/(gain) on foreign exchange		434,389	(79,147)	-	-
Writeback of allowance for impairment losses		(6,153)	-	-	-
Operating profit/(loss) before working capital changes		11,825,505	8,882,419	(424,965)	(414,086)
Decrease/(Increase) in inventories		238,877	(4,640,765)	-	-
Decrease/(Increase) in trade and other receivables		1,752,031	(310,745)	-	-
Increase/(Decrease) in trade and other payables		744,696	12,668,250	78,731	(153,071)
Increase in amount owing by a related party		(12,395,168)	(19,609,490)	-	-
CASH FROM/(FOR) OPERATIONS		2,165,941	(3,010,331)	(346,234)	(567,157)
Interest paid		(2,351,115)	(1,354,141)	-	-
Income tax paid		(170,589)	(264,457)	(9,975)	(18,000)
NET CASH FOR OPERATING ACTIVITIES		(355,763)	(4,628,929)	(356,209)	(585,157)
CASH FLOWS FOR INVESTING ACTIVITIES					
Investment in a subsidiary		-	-	(2,000,000)	(3,000,000)
Dividends received		-	-	-	1,500,000
Interest received		81,033	169,141	129,508	143,796
Proceeds from disposal of property, plant and equipment		-	64,708	-	-
Purchase of property, plant and equipment	33	(12,587,289)	(17,761,611)	-	-
Repayment from/(Advances to) subsidiaries		-	-	1,685,958	(2,646,930)
NET CASH FOR INVESTING ACTIVITIES		(12,506,256)	(17,527,762)	(184,534)	(4,003,134)
BALANCE CARRIED FORWARD		(12,862,019)	(22,156,691)	(540,743)	(4,588,291)

Statements of Cash Flows

For the financial period from 1 February 2013 to 31 December 2013

	Note	The Group 1.2.2013 to 31.12.2013 RM	The Group 1.2.2012 to 31.1.2013 RM	The Company 1.2.2013 to 31.12.2013 RM	The Company 1.2.2012 to 31.1.2013 RM
BALANCE BROUGHT FORWARD		(12,862,019)	(22,156,691)	(540,743)	(4,588,291)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(587,500)	-	(587,500)	-
Net drawdown of bills payable		4,439,753	1,506,801	-	-
Drawdown of term loans		22,726,506	31,296,850	-	-
Shares issuance expenses		-	(94,647)	-	(94,647)
Proceeds from issuance of Shares		-	4,800,000	-	4,800,000
Proceeds from non-controlling interest for issuance of shares by a subsidiary		2,000,000	3,000,000	-	-
(Repayment to)/Advances from Subsidiaries		-	-	(1,296,550)	2,184,770
(Repayment to)/Advances from a related party		(1,237,800)	1,646,994	-	-
Net drawdown/(repayment) of hire purchase obligations		(1,977,431)	(1,165,789)	-	-
Repayment of term loans		(17,431,355)	(6,934,980)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		7,932,173	34,055,229	(1,884,050)	6,890,123
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4,929,846)	11,898,538	(2,424,793)	2,301,832
EFFECTS OF FOREIGN EXCHANGE, NET		191,052	18,475	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		10,773,628	(1,143,385)	2,454,587	152,755
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	34	6,034,834	10,773,628	29,794	2,454,587

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Third Floor, No.79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.
Principal place of business	:	Lot 120-121, Jalan Senawang 3, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 23 April 2014.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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

MFRSs and IC Interpretations (Including The Consequential Amendments)
MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests in Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 (2011) Employee Benefits
MFRS 127 (2011) Separate Financial Statements
MFRS 128 (2011) Investments in Associates and Joint Ventures
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments	)
MFRS 9 (2010) Financial Instruments	) To Be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7,	) announced
MFRS 9 and MFRS 139)	) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of	)
MFRS 9 and Transition Disclosures	)
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 119, Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

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

(a) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no material financial impact on the financial statements of the Group upon its initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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:-

(a) 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.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Income Taxes

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

(c) 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.

(d) 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.

(e) Classification Between Investment Properties and Owner Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(f) Impairment of Trade and Other Receivables

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

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(g) Impairment of Goodwill

Goodwill is 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 is 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 budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

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

(i) 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.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2013.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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.

(a) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

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.

(b) Merger accounting for Common Control Business Combinations

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

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial period.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(c) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company 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.

(d) Changes In Ownership Interests In Subsidiaries Without Change of Control

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 of the Group.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which 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.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). 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 joint venture.

4.3 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.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) 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 Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 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. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) 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.

(i) 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.

(ii) 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 interest income recognised in profit or loss on an effective yield basis.

(iii) 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.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) 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.

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

(b) Financial Liabilities

All financial liabilities are recognised initially measured 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.

(c) Equity Instruments

Ordinary shares are classified as equity. Instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary 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.

(d) Derecognition

A financial asset or part of it is derecongised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, 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. The cost of the investments includes transaction costs.

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

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation or amortisation and impairment losses, if any.

Depreciation or amortisation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Leasehold land and building	61 - 80 years
Electrical installation, furniture and fittings	8% - 10%
Factory and office extension	10% - 20%
Factory equipment	10% - 20%
Forklift	20%
Motor vehicles	16%
Office equipment	10%
Plant and machinery	10% - 67%
Renovation	10%

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.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

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.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties at the principal rate of 10% per annum.

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

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 IMPAIRMENT

(a) Impairment of Financial Assets

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

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.

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 financial asset 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.

(b) 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.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets (Cont'd)

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

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price, production or conversion costs 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 of completion and the estimated costs necessary to make the sale.

4.12 INCOME TAXES

Income tax for the period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period 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 excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 INCOME TAXES (CONT'D)

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.

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 excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.13 CASH AND CASH EQUIVALENTS

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

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) 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.

4.15 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.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 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.

4.16 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Services

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

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Dividend Income

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

(e) Rental Income

Rental income is recognised on an accrual basis.

4.17 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 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 are incurred.

4.19 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.

4.20 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	31.12.2013 RM	31.1.2013 RM
Unquoted shares in Malaysia, at cost:-		
At beginning of the financial period/year	35,315,798	32,315,798
Addition during the financial period/year	2,000,000	3,000,000
	37,315,798	35,315,798
Accumulated impairment loss	(227,383)	(227,383)
At end of the financial period/year	37,088,415	35,088,415

The details of the subsidiaries which are incorporated in Malaysia are as follows:-

Name of Subsidiary	Effective Equity Interest 31.12.2013 %	Effective Equity Interest 31.1.2013 %	Principal Activities
Careplus (M) Sdn. Bhd. ("Careplus (M)")	100	100	Engaged in the businesses of manufacturing and trading of gloves, and provision of quality control services for outsourced gloves. In the previous financial year, the Company was involved in trading of gloves and other disposable protection products and provision of quality control services for outsourced gloves.
Rubbercare Protection Products Sdn. Bhd. ("RPP")	100	100	Manufacturing of rubber gloves.
Careglove Global Sdn. Bhd. ("Careglove")*	50	50	Manufacturers, commission agents, representative, processor, distributor, importer and exporter of all types of hand-gloves.
Masterclean Technologies Sdn. Bhd. ("Masterclean Tech")	100	100	Dormant.

* The Group holds 50% + 1 share in Careglove. During the current financial period, the Company subscribed for an additional 25,000 (31.1.2013 - 37,500) ordinary shares of RM1.00 each in Careglove for a total cash consideration of RM2,000,000 (31.1.2013 - RM3,000,000) to retain its equity interest of 50%.

An impairment loss of investment in a subsidiary of RM227,383 was provided in the previous financial year as the subsidiary was dormant and there was no future business plan for the subsidiary.

(a) The non-controlling interest at the end of the reporting period comprised the following:-

	The Group	
	31.12.2013 RM	31.1.2013 RM
Careglove Global Sdn. Bhd.	14,084,263	10,851,914

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

5. INVESTMENTS IN SUBSIDIARIES

(b) The summarised financial information (before intra-group elimination) for a subsidiary that has non-controlling interest that is material to the Group is as follows:-

	Careglove Global Sdn. Bhd. 31.12.2013 RM	31.1.2013 RM
At end of the financial period/year		
Non-current assets	53,353,896	46,943,014
Current assets	41,449,271	34,901,608
Non-current liabilities	(17,549,623)	(14,195,560)
Current liabilities	(49,085,017)	(45,945,232)
Net assets	28,168,527	21,703,830
Financial period ended 31 December/1 January		
Revenue	91,256,155	50,960,739
Profit/(Loss) for the financial period/year	2,464,697	(1,347,652)
Total comprehensive income/(expenses)	2,464,697	(1,347,652)
Total comprehensive income/(expenses) attributable to non-controlling interests	1,232,349	(673,826)
Net cash flows for operating activities	(5,265,193)	(8,954,454)
Net cash flows for investing activities	(7,324,176)	(13,630,059)
Net cash flows from financing activities	5,755,984	29,295,755

6. GOODWILL ON CONSOLIDATION

	The Group 31.12.2013 RM	31.1.2013 RM
Cost	683,067	683,067
Accumulated impairment losses	(478,147)	(478,147)
	204,920	204,920

Goodwill on consolidation arose from the acquisition of a subsidiary in the prior financial year.

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

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

	31.12.2013	31.1.2013
Growth rate	10%	10%
Gross margin	25%	25%
Discount rate	11%	11%

Management determined the budgeted gross margin based on past performance and its expectations of market development. The growth rate used is based on the expected projection of the revenue generated from clean room gloves. The discount rate used is pre-tax and was estimated based on the industry weighted average cost of capital.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.2.2013 RM	Additions RM	Reclassification RM	Written off RM	Depreciation Charge RM	At 31.12.2013 RM
Net Book Value						
Buildings	9,488,767	-	4,746,119	-	(222,616)	14,012,270
Leasehold land and building	15,711,234	-	-	-	(229,552)	15,481,682
Electrical installation, furniture and fittings	678,873	504,709	44,532	-	(96,776)	1,131,338
Factory and office extension	495,609	92,972	-	-	(56,608)	531,973
Factory equipment	2,986,924	433,564	1,791,332	-	(1,487,036)	3,724,784
Forklift	324,480	45,000	-	-	(103,920)	265,560
Motor vehicles	417,717	-	-	-	(109,940)	307,777
Office equipment	662,490	344,500	252,501	-	(152,081)	1,107,410
Plant and machinery	25,458,971	10,037,370	1,940,310	-	(3,769,134)	33,667,517
Renovation	223,743	99,934	-	-	(29,425)	294,252
Capital work-in-progress	9,581,520	5,073,240	(8,774,794)	(18,400)	-	5,861,566
	66,030,328	16,631,289	-	(18,400)	(6,257,088)	76,386,129

The Group	At 1.2.2012 RM	Additions RM	#Adjustments RM	Disposals RM	Depreciation Charge RM	At 31.1.2013 RM
Net Book Value						
Buildings	9,849,110	-	(167,573)	-	(192,770)	9,488,767
Leasehold land and building	15,577,008	387,934	-	-	(253,708)	15,711,234
Electrical installation, furniture and fittings	- 209,113	519,233	-	-	(49,473)	678,873
Factory and office extension	218,858	318,043	-	-	(41,292)	495,609
Factory equipment	1,969,049	1,851,395	(5,834)	(56,208)	(771,478)	2,986,924
Forklift	274,571	150,000	-	-	(100,091)	324,480
Motor vehicles	548,065	-	-	-	(130,348)	417,717
Office equipment	327,571	413,273	-	-	(78,354)	662,490
Plant and machinery	17,099,895	11,260,442	(100)	(8,500)	(2,892,766)	25,458,971
Renovation	-	236,382	-	-	(12,639)	223,743
Capital work-in-progress	2,734,104	7,191,520	(344,104)	-	-	9,581,520
	48,807,344	22,328,222	(517,611)	(64,708)	(4,522,919)	66,030,328

The adjustments relates to discount given by suppliers.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.12.2013			
Buildings	14,586,428	(574,158)	14,012,270
Leasehold land and building	16,441,350	(959,668)	15,481,682
Electrical installation, furniture and fittings	1,349,388	(218,050)	1,131,338
Factory and office extension	1,792,881	(1,260,908)	531,973
Factory equipment	6,109,472	(2,384,688)	3,724,784
Forklift	656,427	(390,867)	265,560
Motor vehicles	942,823	(635,046)	307,777
Office equipment	1,584,889	(477,479)	1,107,410
Plant and machinery	49,035,721	(15,368,204)	33,667,517
Renovation	336,316	(42,064)	294,252
Capital work-in-progress	5,861,566	-	5,861,566
	98,697,261	(22,311,132)	76,386,129
At 31.1.2013			
Buildings	9,840,309	(351,542)	9,488,767
Leasehold land and building	16,441,350	(730,116)	15,711,234
Electrical installation, furniture and fittings	800,147	(121,274)	678,873
Factory and office extension	1,699,909	(1,204,300)	495,609
Factory equipment	3,984,556	(997,632)	2,986,924
Forklift	611,427	(286,947)	324,480
Motor vehicles	978,823	(561,106)	417,717
Office equipment	1,004,426	(341,936)	662,490
Plant and machinery	37,058,375	(11,599,404)	25,458,971
Renovation	236,382	(12,639)	223,743
Capital work-in-progress	9,581,520	-	9,581,520
	82,237,224	(16,206,896)	66,030,328

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

	The Group	
	31.12.2013 RM	31.1.2013 RM
Forklift	73,317	84,430
Motor vehicles	259,884	337,571
Plant and machinery	12,626,883	8,823,912
	12,960,084	9,245,913

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

	The Group	
	31.12.2013 RM	31.1.2013 RM
Factory and office extension	1,065,356	1,133,973
Factory equipment	432,574	25,412
Forklift	69,136	69,136
Furniture and fittings	47,823	53,361
Motor vehicles	234,978	193,880
Office equipment	164,663	175,608
Plant and machinery	5,351,004	4,987,011
	7,365,534	6,638,381

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	The Group	
	31.12.2013 RM	31.1.2013 RM
Buildings	2,785,989	248,229
Leasehold land and building	15,481,682	15,711,234
Factory and office extension	30,909	36,994
Plant and machinery	7,384,466	3,050,010
	25,683,046	19,046,467

8. INVESTMENT PROPERTY

	The Group	
	31.12.2013 RM	31.1.2013 RM
Cost	325,248	325,248
Accumulated amortisation	(159,914)	(130,100)
Net book value	165,334	195,148
Accumulated amortisation		
At beginning of the financial period/year	(130,100)	(97,575)
Addition during the financial period/year	(29,814)	(32,525)
At end of the financial period/year	(159,914)	(130,100)

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

The investment property comprises commercial property leased to third parties under operating lease. Rental income and direct operating expenses arising from the investment property are as follows:

	The Group	
	31.12.2013 RM	31.1.2013 RM
Rental income	26,849	28,390
Direct operating expenses	2,351	3,141

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	31.12.2013 RM	31.1.2013 RM
Non-current:-		
Prepayments	390,269	349,980
Current:-		
Other receivables	770,996	511,306
Deposits	193,939	171,496
Prepayments	366,656	424,126
	1,331,591	1,106,928

The non-current prepayments are in respect of the final instalment payment of hire purchase payables.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

10. INVENTORIES

	The Group	
	31.12.2013 RM	31.1.2013 RM
At cost:-		
Raw materials	2,908,861	2,629,309
Work-in-progress	4,234,615	7,500,233
Finished goods	3,802,244	3,824,438
	10,945,720	13,953,980
At net realisable value:-		
Work-in-progress	2,137,517	-
Finished goods	631,866	-
	2,769,383	-
	13,715,103	13,953,980

11. TRADE RECEIVABLES

	The Group	
	31.12.2013 RM	31.1.2013 RM
Trade receivables	5,689,441	7,552,260
Allowance for impairment losses	(2,339)	(8,492)
	5,687,102	7,543,768
Allowance for impairment losses:-		
At beginning of the financial period/year	(8,492)	(2,339)
Addition during the financial period/year	-	(6,153)
Writeback during the financial period/year	6,153	-
At end of the financial period/year	(2,339)	(8,492)

The Group's normal trade credit terms range from 14 to 120 days (31.1.2013 - 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

12. AMOUNTS OWING BY/TO SUBSIDIARIES

	The Company	
	31.12.2013 RM	31.1.2013 RM
Amount owing by:-		
Interest-free	382,942	5,199,000
Interest-bearing	3,130,100	-
	3,513,042	5,199,000

The amounts owing by/to subsidiaries are non-trade in nature, interest-free and receivable/repayable on demand. The interest-bearing amount is subject to an interest rate of 5% per annum.

The amounts owing are to be settled in cash.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

13. AMOUNTS OWING BY/TO A RELATED PARTY

The amount owing by a related party is trade in nature and subjected to trade credit term of 90 days (31.1.2013 - 90 days).

The amount owing to a related party is non-trade in nature, represent unsecured, interest-free advances and repayable on demand.

The amounts owing are to be settled in cash.

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and the Company bore a weighted average interest rate of 3% (31.1.2013 - 3.2%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months (31.1.2013 - 1 to 12 months).

Fixed deposits with licensed banks amounting to RM1,500,000 (31.1.2013 - RM1,500,000) have been pledged to a licensed bank as security for banking facilities granted to the Group.

15. SHARE CAPITAL

	31.12.2013		31.1.2013	
	Number Of Shares	Share Capital RM	Number Of Shares	Share Capital RM
Authorised				
Ordinary Shares of RM0.10 each	500,000,000	50,000,000	500,000,000	50,000,000

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

Issued And Fully Paid-Up

Ordinary Shares of RM0.10 each:-				
At beginning of the financial period/year	235,000,000	23,500,000	220,000,000	22,000,000
Allotment of shares pursuant to private placement	-	-	15,000,000	1,500,000
At end of the financial period/year	235,000,000	23,500,000	235,000,000	23,500,000

During the financial period,

(a) there were no changes in the authorised and issued and paid-up capital of the Company; and

(b) Warrants

The Company had on 10 August 2011, issued 105,000,000 2011/2016 warrants to all entitled shareholders of the Company on the basis of 1 free warrant for every 2 existing ordinary shares of RM0.10 each held in the Company. The warrants were listed on the ACE Market of Bursa Malaysia Securities Berhad. The warrants are constituted under a Deed Poll executed on 25 July 2011, and each warrant entitles the registered holder the right at any time during the exercise period from 10 August 2011 to 9 August 2016 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.49 each.

As at 31 December 2013, the entire 105,000,000 warrants remained unexercised.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, distributions, rights, allotments and/or any other forms of distribution where the entitlement date of which precedes the relevant date of the allotment and issuance of the new shares arising from the exercise of warrants.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

15. SHARE CAPITAL (CONT'D)

(b) Warrants (Cont'd)

The main features of the warrants are as follows:-

(i) Each warrant will entitle the registered holder to subscribe for one (1) new ordinary share of par value of RM0.10 each in the Company at an exercise price of RM0.49 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;

(ii) The warrants may be exercised at any time on or before the maturity date falling five years (2011/2016) from the date of issue of the warrants on 10 August 2011. Warrants not exercised after the exercise period will thereafter lapse and cease to be valid;

(iii) The new shares to be issued pursuant to the exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividends, rights, allotments and/or any other forms of distributions, the entitlement date of which is before the allotment and issuance of the new shares; and

(iv) The persons to whom the warrants have been granted have no rights to participate in any distribution and/or offer of further securities in the Company until/and unless warrant holders exercise their warrant for new shares.

16. SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows: -

	The Group		The Company	
	31.12.2013 RM	31.1.2013 RM	31.12.2013 RM	31.1.2013 RM
At beginning of the financial period/year	14,218,485	11,013,132	12,839,101	9,633,748
Premium arising from private placement	-	3,300,000	-	3,300,000
Share issuance Expenses	-	(94,647)	-	(94,647)
At end of the financial period/year	14,218,485	14,218,485	12,839,101	12,839,101

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

17. MERGER DEFICIT

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

18. RETAINED PROFITS

Under the single tier tax system, tax on the Company’s profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

19. LONG-TERM BORROWINGS

	The Group	
	31.12.2013 RM	31.1.2013 RM
Hire purchase payables (Note 20)	6,415,620	5,139,716
Term loans (Note 21)	19,914,571	15,604,554
	26,330,191	20,744,270

20. HIRE PURCHASE PAYABLES

	The Group	
	31.12.2013 RM	31.1.2013 RM
Minimum hire purchase payments:		
- not later than one year	2,908,387	2,020,828
- later than one year and not later than five years	6,953,440	5,629,864
	9,861,827	7,650,692
Less: Future finance charges	(1,008,846)	(864,280)
Present value of hire purchase payables	8,852,981	6,786,412
Current:		
- not later than one year (Note 26)	2,437,361	1,646,696
Non-current:		
- later than one year and not later than five years (Note 19)	6,415,620	5,139,716
	8,852,981	6,786,412

21. TERM LOANS

	The Group	
	31.12.2013 RM	31.1.2013 RM
Secured		
Current portion:		
- repayable within one year (Note 26)	19,082,381	17,208,755
Non-current portion:		
- repayable between one and two years	2,907,548	1,787,610
- repayable between two and five years	8,256,576	5,598,993
- repayable after five years	8,750,447	8,217,951
Total non-current portion (Note 19)	19,914,571	15,604,554
	38,996,952	32,813,309

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

21. TERM LOANS (CONT'D)

The repayment terms of the term loans are as follows:-

Term Loan	Number of Monthly Instalments	Monthly Instalment Amount RM	Commencement Date of Repayment		The Group Amount Outstanding 31.12.2013 RM	31.1.2013 RM
1	120	78,766	20 March 2012		6,506,069	7,090,467
2	60	67,000	1 January 2013		3,196,000	3,933,000
3	180	50,058	26 June 2012		6,049,599	6,317,138
4	#	#	6 September 2012	#	-	2,144,854
5	#	#	24 September 2012	#	-	3,099,500
6	#	#	26 November 2012	#	-	1,549,750
7	#	#	27 December 2012	#	-	3,099,500
8	#	#	31 January 2013	#	-	5,579,100
9	60	39,227	1 August 2013		1,860,211	-
10	60	39,227	1 August 2013		1,860,211	-
11	#	#	11 October 2013	#	16,351,296	-
12	120	37,484	1 Jan 2014		3,173,566	-
					38,996,952	32,813,309

\# The Group has offshore loan facilities amounting to USD4,992,000 (31.1.2013 - USD4,992,000) from Banco Santander (Brasil) S.A, Grand Cayman Branch. The amounts are repayable in full within 6 months (31.1.2013 - 12 months) from the date of drawdown.

The term loans are secured by:-

(i) a first legal charge over the leasehold land, certain buildings and certain plant and machinery as disclosed in Note 7 to the financial statements;

(ii) a joint and several guarantee of certain directors of the Company;

(iii) a corporate guarantee of the Company;

(iv) a personal guarantee of a related party; and

(v) a pledge of fixed deposit of a subsidiary .

22. DEFERRED TAX LIABILITIES

	The Group 31.12.2013 RM	31.1.2013 RM
At beginning of the financial period/year	147,000	31,565
Recognised in profit or loss (Note 30)	142,000	115,435
At end of the financial period/ year	289,000	147,000

Notes to the Financial Statements

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22. DEFERRED TAX LIABILITIES (CONT'D)

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

	The Group	
	31.12.2013	31.1.2013
	RM	RM
Deferred tax liabilities:-		
Accelerated capital allowances	2,460,000	1,743,000
Unrealised gain on foreign exchange	-	49,700
	2,460,000	1,792,700
Deferred tax assets:-		
Provision for bonus	(161,000)	(64,700)
Unabsorbed capital allowances	(1,359,000)	(1,581,000)
Unutilised tax losses	(651,000)	-
	(2,171,000)	(1,645,700)
	289,000	147,000

No deferred tax assets are recognised on the following items:-

	The Group		The Company	
	31.12.2013	31.1.2013	31.12.2013	31.1.2013
	RM	RM	RM	RM
Unabsorbed capital allowances	-	1,447,000	-	-
Unutilised tax losses	110,000	2,714,000	-	-
	110,000	4,161,000	-	-

23. TRADE PAYABLES

The normal credit terms granted to the Group range from 30 to 120 days (2012 - 30 to 120 days).

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	31.12.2013	31.1.2013	31.12.2013	31.1.2013
	RM	RM	RM	RM
Other payables	5,162,614	5,055,438	9,808	297
Accruals	2,791,169	1,692,850	130,852	61,632
Deposits received	232,557	457,773	-	-
	8,186,340	7,206,061	140,660	61,929

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

25. DERIVATIVE LIABILITIES

	The Group			
	31.12.2013 Contract/ Notional amount RM	31.12.2013 Liabilities RM	31.1.2013 Contract/ Notional amount RM	31.1.2013 Liabilities RM
Forward foreign currency contracts	11,962,875	(196,658)	20,717,860	(231,943)

The settlement dates for forward foreign currency contracts range from 2 to 12 months (31.1.2013 - 2 to 12 months).

During the current financial period, the Group recognised a gain of RM35,285 (31.1.2013 - loss of RM454,995) arising from fair value changes of financial assets. The fair value changes are attributable to changes in the foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 40.4(a) to the financial statements.

26. SHORT-TERM BORROWINGS

	The Group	
	31.12.2013 RM	31.1.2013 RM
Hire purchase payables (Note 20)	2,437,361	1,646,696
Term loans - secured (Note 21)	19,082,381	17,208,755
Bills payable - secured	8,242,499	3,631,441
	29,762,241	22,486,892

The bills payable of the Group bore an effective interest rate of 3.4% (31.1.2013 - 3.6%) per annum at the end of the reporting period and are secured in the same manner as the term loans as disclosed in Note 21 to the financial statements.

27. BANK OVERDRAFTS

The bank overdrafts are secured in the same manner as the term loans as disclosed in Note 21 to the financial statements.

28. REVENUE

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Sales of rubber gloves	129,058,796	95,892,407	-	-
Dividend income	-	1,500,000	-	1,500,000
	129,058,796	97,392,407	-	1,500,000

Notes to the Financial Statements
For the financial period from 1 February 2013 to 31 December 2013

29. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Allowance for impairment loss on receivables	-	6,153	-	-
Amortisation of investment property	29,814	32,525	-	-
Audit fee:				
- for the financial year	116,000	99,000	45,000	29,000
- overprovision in the previous financial year	(9,000)	(3,000)	(7,000)	(2,000)
- other services	8,000	31,000	-	16,000
Bad debts written off	14,777	-	-	-
Depreciation of property, plant and equipment	6,257,088	4,522,919	-	-
Direct operating expenses arising from investment property	2,351	3,141	-	-
Directors' fee	147,950	145,450	147,950	145,450
Directors' non-fee emoluments:				
- salaries and other benefits	797,772	632,646	11,000	1,000
- defined contribution plan	101,355	70,048	-	-
Equipment written off	18,400	-	-	-
Fair value (gain)/loss on derivatives	(35,285)	454,995	-	-
Impairment loss on investment in a subsidiary	-	-	-	227,383
Interest expense:				
- bank overdrafts	45,527	49,497	-	-
- bills payable	225,978	112,159	-	-
- hire purchase	502,474	315,283	-	-
- term loans	1,577,136	877,202	-	-
Rental expenses:				
- premises	18,087	85,436	-	-
- hostel	112,358	94,864	-	-
- warehouse	163,870	-	-	-
- office equipment	7,330	5,829	-	-
Staff costs:				
- salaries and other staff related expenses	15,536,587	10,441,298	-	-
- defined contribution plan	636,420	523,100	-	-
Dividend income	-	-	-	(1,500,000)
(Gain)/Loss on foreign exchange:				
- realised	(1,015,739)	(145,610)	-	-
- unrealised	434,389	(79,147)	-	-
Interest income	(81,033)	(169,141)	(129,508)	(143,796)
Rental income	(65,849)	(67,390)	-	-
Writeback of allowance for impairment loss on receiveables	(6,153)	-	-	-

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

30. INCOME TAX EXPENSE

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Current tax expense:				
- for the financial period/year	115,624	327,491	3,975	-
- underprovision in the previous financial year	79,872	20,100	24,000	-
	195,496	347,591	27,975	-
Deferred tax expense (Note 22):				
- for the financial period/year	61,000	115,435	-	-
- underprovision in the previous financial year	81,000	-	-	-
	142,000	115,435	-	-
	337,496	463,026	27,975	-

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

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Profit/(Loss) before taxation	2,842,393	2,759,974	(295,457)	1,002,327
Tax at the statutory tax rate of 25%	711,000	690,000	(73,900)	250,582
Tax effects of:-				
Non-deductible expenses	555,336	501,355	77,875	182,543
Non-taxable income	(76,962)	(777,054)	-	(375,000)
Utilisation of deferred tax assets not recognised in the previous financial year	(1,012,750)	-	-	(58,125)
Deferred tax assets not recognised during the financial period/year	-	28,625	-	-
Underprovision in the previous financial year:				
- current tax	79,872	20,100	24,000	-
- deferred tax	81,000	-	-	-
Income tax expense	337,496	463,026	27,975	-

Notes to the Financial Statements

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31. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit attributable to shareholders of RM1,272,548 (31.1.2013 - RM2,970,774) by the number of ordinary shares in issue during the financial period of 235,000,000 (31.1.2013 - 234,630,137).

	The Group	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Profit attributable to owners of the Company	1,272,548	2,970,774
Weighted average number of ordinary shares:-		
Issued ordinary shares at beginning of the financial period/year	235,000,000	220,000,000
Effect of shares issued under private placement	-	14,630,137
Weighted average number of ordinary shares at end of the financial period/year	235,000,000	234,630,137
Basic earnings per share (sen)	0.54	1.27

The diluted earnings per ordinary share is not presented as there is no dilutive effect noted during the period. The warrants do not have a dilutive effect to the earnings per ordinary share as the average market price of ordinary shares as at the end of the reporting period was below the exercise price of the warrants.

32. DIVIDEND

	The Group/The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Paid:-		
A first and final single-tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 January 2013	587,500	-

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Cost of property, plant and equipment purchased	16,631,289	21,810,611*
Amount financed through hire purchase	(4,044,000)	(4,049,000)
Cash disbursed for purchase of property, plant and equipment	12,587,289	17,761,611

* The amount was set-off against discount given by suppliers as disclosed in Note 7 to the financial statements.

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For the financial period from 1 February 2013 to 31 December 2013

34. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Fixed deposits with licensed banks (Note 14)	3,500,000	3,500,000	-	2,000,000
Cash and bank balances	3,254,985	7,905,615	29,794	454,587
Bank overdrafts	(720,151)	(631,987)	-	-
	6,034,834	10,773,628	29,794	2,454,587

35. DIRECTORS' REMUNERATION

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

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Executive directors:				
- non-fee emoluments	797,772	631,646	11,000	-
- defined contribution plan	101,355	70,048	-	-
	899,127	701,694	11,000	-
Non-executive directors:				
- fee	147,950	145,450	147,950	145,450
- non-fee emoluments	-	1,000	-	1,000
	147,950	146,450	147,950	146,450
	1,047,077	848,144	158,950	146,450

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

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Executive directors:-				
RM150,001 - RM200,000	1	1	-	-
RM200,001 - RM250,000	-	1	-	-
RM250,001 - RM300,000	1	-	-	-
RM350,001 - RM400,000	1	1	-	-
Non-executive directors:-				
<RM50,000	2	2	2	2
RM50,001 - RM100,000	1	1	1	-
RM100,001 - RM150,000	-	-	-	1
	6	6	3	3

Notes to the Financial Statements

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36. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Company has controlling related party relationships with:-

(i) its subsidiaries as disclosed in Note 5 to the financial statements;

(ii) entities controlled by certain key management personnel, directors and/or substantial shareholders; and

(ii) the directors who are the key management personnel.

(b) In addition to information detailed elsewhere in the financial statements, the Company carried out the following transactions with its related parties during the financial period/year:-

	The Group	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Transactions with a close member of the family of a director, Mr. Lim Kwee Shyan:		
- Sales	-	54,233
- Quality control and packing services expenses	-	18,168
- Insurance and renewal of road tax services expenses	381,352	250,191
- Construction expenses charged	-	20,901
Transactions with directors:		
- Rental paid/payable	136,200	127,500
Transactions with a related party:		
- Sales	89,703,685	49,679,606

	The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Transaction with subsidiaries:		
- Dividend received	-	1,500,000
- Interest received/receivable	102,253	-

(c) Key management personnel

	The Group		The Company	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Short-term employee benefits:				
- salaries, allowances and bonuses	945,722	778,096	158,950	146,450
- defined contribution plan	101,355	70,048	-	-
	1,047,077	848,144	158,950	146,450

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

37. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

(i) Manufacturing segment - involved in manufacturing of rubber gloves and cleanroom gloves.

(ii) Trading segment - involved in trading of gloves and other disposable protection products and provision of quality control services for outsourced gloves.

(iii) Other segment - investment holding.

The management assesses the performance of the operating segments based on the operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly tax refundable, tax payable and deferred tax liabilities.

Transfer pricing between operating segments are at an arm's length basis in a manner similar to transactions with third parties.

BUSINESS SEGMENTS

1.2.2013 to 31.12.2013	Manufacturing RM	Trading RM	Other RM	Group RM
Revenue				
External revenue	119,588,001	10,230,807	-	129,818,808
Inter-segment revenue	6,356,938	869,000	-	7,225,938
	125,944,939	11,099,807	-	137,044,746
Eliminations				(7,985,950)
Consolidated revenue				129,058,796
Results				
Segment results	10,802,543	1,259,993	(329,904)	11,732,632
Amortisation of investment property	-	(29,814)	-	(29,814)
Depreciation of property, plant and equipment	(5,799,400)	(448,071)	(9,617)	(6,257,088)
Interest income	53,200	640	27,193	81,033
Other material items of income	126,862	26,849	-	153,711
Other material items of expenses	(2,078,421)	(325,271)	-	(2,403,692)
Other non-cash income/(expense) items	(438,671)	4,282	-	(434,389)
	2,666,113	488,608	(312,328)	2,842,393
Income tax expense				(337,496)
Consolidated profit after taxation				2,504,897

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

37. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

31.12.2013	Manufacturing RM	Trading RM	Other RM	Group RM
Assets				
Segment assets #	114,600,726	25,471,058	40,738,878	180,810,662
Eliminations				(43,116,630)
Unallocated assets				353,189
Consolidated total assets				138,047,221
Liabilities				
Segment liabilities *	72,341,628	12,054,233	1,898,917	86,294,778
Eliminations				(6,233,135)
Unallocated liabilities				289,000
Consolidated total liabilities				80,350,643
Other segment items				
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	12,417,553	4,213,736	-	16,631,289

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

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

1.2.2012 to 31.1.2013	Manufacturing RM	Trading RM	Other RM	Group RM
Revenue				
External revenue	81,777,014	16,830,276	-	98,607,290
Inter-segment revenue	12,459,321	-	1,500,000	13,959,321
	94,236,335	16,830,276	1,500,000	112,566,611
Eliminations				(15,174,204)
Consolidated revenue				97,392,407
Results				
Segment results	8,644,503	640,860	953,178	10,238,541
Adjustments and eliminations	-	89,740	(1,272,617)	(1,182,877)
	8,644,503	730,600	(319,439)	9,055,664
Amortisation of investment property	-	(32,525)	-	(32,525)
Depreciation of property, plant and equipment	(4,207,855)	(315,064)	-	(4,522,919)
Interest income	3,624	21,721	143,796	169,141
Other material items of income	39,000	28,390	-	67,390
Other material items of expenses	(1,250,655)	(558,481)	(94,647)	(1,903,783)
Other non-cash income/(expense) items	10,154	(83,148)	-	(72,994)
	3,238,771	(208,507)	(270,290)	2,759,974
Income tax expense				(463,026)
Consolidated profit after taxation				2,296,948

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

37. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

31.1.2013	Manufacturing RM	Trading RM	Other RM	Group RM
Assets				
Segment assets #	100,546,225	22,086,597	42,742,002	165,374,824
Eliminations				(44,172,711)
Unallocated assets				378,096
Consolidated total assets				121,580,209
Liabilities				
Segment liabilities *	64,695,953	9,136,558	3,110,733	76,943,244
Eliminations				(9,289,216)
Unallocated liabilities				147,000
Consolidated total liabilities				67,801,028
Other segment items				
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	18,598,265	3,729,957	-	22,328,222

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

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

(a) Other material items of income consist of the following:-

	The Group	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Fair value gain on derivatives	87,862	-
Rental income	65,849	67,390
	153,711	67,390

(b) Other material items of expenses consist of the following:-

	The Group	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Interest expense	2,351,115	1,354,141
Fair value loss on derivatives	52,577	454,995
Share issuance expenses	-	94,647
	2,403,692	1,903,783

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

37. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

(c) Other non-cash (income)/expense items consist of the following:-

	The Group	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Allowance for impairment losses	-	6,153
Unrealised (gain)/loss on foreign exchange	(434,389)	(79,147)
	(434,389)	(72,994)

GEOGRAPHICAL INFORMATION

	Revenue	
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM
Central and South America	94,513,664	56,754,803
Malaysia	4,947,958	10,229,187
North America	4,287,809	6,888,527
Other Asia Pacific	23,744,626	21,416,238
Others	1,564,739	2,103,652
	129,058,796	97,392,407

MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of Group revenue:-

	Revenue		Segment
	1.2.2013 to 31.12.2013 RM	1.2.2012 to 31.1.2013 RM	
Customer A	-	8,295,975	Manufacturing
Customer B	-	9,778,649	Manufacturing
Customer C	89,703,685	49,679,606	Manufacturing
	89,703,685	67,754,230	

38. CAPITAL COMMITMENTS

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

	The Group	
	31.12.2013 RM	31.1.2013 RM
Contracted but not provided for:		
- Construction of building and office extension	158,013	1,776,246
- Construction of a plant and production lines	9,975,684	-
- Plant and machineries	-	5,546,635
	10,133,697	7,322,881

Notes to the Financial Statements

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39. CONTINGENT LIABILITY

	The Company	
	31.12.2013 RM	31.1.2013 RM
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	37,344,977	25,288,630

40. FINANCIAL INSTRUMENTS

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

40.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar, Pound Sterling and Euro. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

The Group's exposure to foreign currency is as follows:-

The Group	United States Dollar RM	Pound Sterling RM	Euro RM
31.12.2013			
Financial assets			
Trade receivables	4,675,794	-	-
Amount owing by a related party	33,058,599	-	-
Cash and bank balances	1,480,699	5,386	185
	39,215,092	5,386	185
Financial liabilities			
Trade payables	(7,774,149)	(4,283)	-
Amount owing to a related party	(369,900)	-	-
Term loans	(16,351,296)	-	-
Bills payable	(7,228,697)	-	-
	(31,724,042)	(4,283)	-
Net financial assets/(liabilities)	7,491,050	1,103	185
Less: Forward foreign currency contracts (contracted notional principal)	(7,491,050)	-	-
Currency exposure	-	1,103	185

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group	United States Dollar RM	Pound Sterling RM	Euro RM
31.1.2013			
Financial assets			
Trade receivables	7,572,422	-	-
Amount owing by a related party	20,411,446	-	-
Cash and bank balances	6,705,916	6,852	173
	34,689,784	6,852	173
Financial liabilities			
Trade payables	(9,593,762)	-	-
Term loans	(15,472,704)	-	-
Bills payable	(3,631,441)	-	-
	(28,697,907)	-	-
Net financial assets	5,991,877	6,852	173
Less: Forward foreign currency contracts (contracted notional principal)	(5,991,877)	-	-
Currency exposure	-	6,852	173

Foreign currency risk sensitivity analysis

The analysis is not presented as the sensitivity impact is immaterial.

(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. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus fund of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 40.1(c) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	31.12.2013 Increase/ (Decrease) RM	31.1.2013 Increase/ (Decrease) RM	31.12.2013 Increase/ (Decrease) RM	31.1.2013 Increase/ (Decrease) RM
Effects on profit after taxation/equity				
Increase of 100 basis points (bp)	297,878	250,840	-	-
Decrease of 100 bp	(297,878)	(250,840)	-	-

Notes to the Financial Statements

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40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The 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.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a related party which constituted approximately 83% of its total receivables as at the end of the reporting period.

(ii) Exposure to credit risk

As the 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.

The exposure of credit risk for trade receivables (including amount owing by a related party) by geographical region is as follows:-

	The Group		**The Company**	
	31.12.2013	**31.1.2013**	**31.12.2013**	**31.1.2013**
	RM	**RM**	**RM**	**RM**
Central and South America	34,322,108	23,489,203	-	-
Malaysia	1,023,394	429,050	-	-
North America	201,040	462,418	-	-
Other Asia Pacific	3,199,159	3,521,600	-	-
Other	-	52,943	-	-
	38,745,701	27,955,214	-	-

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables (including amount owing by a related party) is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Value RM
31.12.2013			
Not past due	30,847,887	-	30,847,887
Past due 0 - 30 days	517,467	-	517,467
Past due more than 30 days	7,382,686	(2,339)	7,380,347
	38,748,040	(2,339)	38,745,701
31.1.2013			
Not past due	26,483,994	(6,153)	26,477,841
Past due 0 - 30 days	154,440	-	154,440
Past due more than 30 days	1,325,272	(2,339)	1,322,933
	27,963,706	(8,492)	27,955,214

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

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

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The 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):

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year Or On Demand RM	1 - 5 Years RM	Over 5 Years RM
31.12.2013						
Hire purchase payables	6.5	8,852,981	9,861,827	2,908,387	6,953,440	-
Term loans	5.4	38,996,952	43,969,518	20,092,440	14,101,002	9,776,076
Trade payables	-	14,496,162	14,496,162	14,496,162	-	-
Other payables and accruals	-	8,186,340	8,186,340	8,186,340	-	-
Amount owing to a related party	-	369,900	369,900	369,900	-	-
Bills payable	3.4	8,242,499	8,242,499	8,242,499	-	-
Bank overdrafts	7.1	720,151	720,151	720,151	-	-
Forward currency contracts - gross payment	-	11,962,875	11,962,875	11,962,875	-	-
		91,827,860	97,809,272	66,978,754	21,054,442	9,776,076
31.1.2013						
Hire purchase payables	6.2	6,786,412	7,650,692	2,020,828	5,629,864	-
Term loans	4.8	32,813,309	31,007,955	18,137,567	8,932,088	3,938,300
Trade payables	-	14,745,175	14,745,175	14,745,175	-	-
Other payables and accruals	-	7,206,061	7,206,061	7,206,061	-	-
Amount owing to a related party	-	1,607,700	1,607,700	1,607,700	-	-
Bills payable	3.6	3,631,441	3,631,441	3,631,441	-	-
Bank overdrafts	7.4	631,987	631,987	631,987	-	-
Forward currency contracts - gross payment	-	20,717,860	20,717,860	20,717,860	-	-
		88,139,945	87,198,871	68,698,619	14,561,952	3,938,300

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40 FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

The Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year Or On Demand RM
31.12.2013				
Other payables and accruals	-	140,660	140,660	140,660
Amount owing to subsidiaries	-	1,752,254	1,752,254	1,752,254
		1,892,914	1,892,914	1,892,914
31.1.2013				
Other payables and accruals	-	61,929	61,929	61,929
Amount owing to subsidiaries	-	3,048,804	3,048,804	3,048,804
		3,110,733	3,110,733	3,110,733

40.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the 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.

The Group manages its capital based on debt-to-equity ratio. 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 Group as at the end of the reporting period was as follows:-

	The Group 31.12.2013 RM	The Group 31.1.2013 RM
Hire purchase payables	8,852,981	6,786,412
Term loans	38,996,952	32,813,309
Trade payables	14,496,162	14,745,175
Other payables and accruals	8,186,340	7,206,061
Amount owing to a related party	369,900	1,607,700
Bills payable	8,242,499	3,631,441
Bank overdrafts	720,151	631,987
	79,864,985	67,422,085
Less: Fixed deposits with licensed banks	(3,500,000)	(3,500,000)
Less: Cash and bank balances	(3,254,985)	(7,905,615)
Net debt	73,110,000	56,016,470
Total equity	57,696,578	53,779,181
Debt-to-equity ratio	1.27	1.04

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 CAPITAL RISK MANAGEMENT (CONT'D)

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. The Company has complied with this requirement.

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group	
	31.12.2013 RM	31.1.2013 RM
Financial assets		
Loans and receivables financial assets		
Trade receivables	5,687,102	7,543,768
Other receivables and deposits	964,935	682,802
Amount owing by a related party	33,058,599	20,411,446
Fixed deposits with licensed banks	3,500,000	3,500,000
Cash and bank balances	3,254,985	7,905,615
	46,465,621	40,043,631
Fair value through profit or loss		
Derivative liabilities	(196,658)	(231,943)
Financial liability		
Other financial liabilities		
Hire purchase payables	8,852,981	6,786,412
Term loans	38,996,952	32,813,309
Trade payables	14,496,162	14,745,175
Other payables and accruals	8,186,340	7,206,061
Amount owing to a related party	369,900	1,607,700
Bills payable	8,242,499	3,631,441
Bank overdrafts	720,151	631,987
	79,864,985	67,422,085

	The Company	
	31.12.2013 RM	31.1.2013 RM
Financial asset		
Loans and receivables financial assets		
Amount owing by a subsidiary	3,513,042	5,199,000
Fixed deposits with licensed banks	-	2,000,000
Cash and bank balances	29,794	454,587
	3,542,836	7,653,587
Financial liability		
Other financial liabilities		
Other payables and accruals	140,660	61,929
Amount owing to subsidiaries	1,752,254	3,048,804
	1,892,914	3,110,733

Notes to the Financial Statements

For the financial period from 1 February 2013 to 31 December 2013

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 FAIR VALUES MEASUREMENTS

(a) The fair values of forward currency contracts are determined using forward exchange rates at the end of the reporting period with the resulting value discounted back to present value. The fair values are included in level 2 of the fair value hierarchy.

(b) The fair values of the financial assets and financial liabilities at amortised cost approximated their carrying amounts due to the relatively short-term of the financial instruments (maturing within the next 12 months). The fair values are determined by discounting the relevant cash flows at rates equal to the current market rate plus appropriate credit rating, where necessary. The fair values are included in level 2 of the fair value hierarchy.

41. FOREIGN EXCHANGE RATES

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

	The Group	
	31.12.2013	**31.1.2013**
	RM	**RM**
Euro	4.51	4.21
Pound Sterling	5.41	4.91
United States Dollar	3.28	3.11

42. COMPARATIVE FIGURES

The Company and all its subsidiaries have changed its financial year end from 31 January to 31 December. Accordingly, the financial statements for the current financial period covered an 11-month period from 1 February 2013 to 31 December 2013 as compared to the 12-month period ended 31 January 2013.

43. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	31.12.2013	**31.1.2013**	**31.12.2013**	**31.1.2013**
	RM	**RM**	**RM**	**RM**
Total retained profits, net of consolidated adjustments				
- realised	19,714,376	18,409,077	2,399,236	3,310,168
- unrealised	(920,047)	(299,796)	-	-
At end of financial period/year	18,794,329	18,109,281	2,399,236	3,310,168

List of Properties

Registered owner and postal address/identification	Title Identification	Approximate age of the building/ Date of certificate of fitness	Tenure/ Expiry date of lease	Description and existing use	Land area (Sq ft)	Built-up area (Sq ft)	Net book value as at 31.12.13 (RM)
Careplus (M) Sdn Bhd							
Lot 104, Lorong Senawang 4/2 Off Jalan Senawang Empat Senawang Industrial Estate 70450 Seremban Negeri Sembilan Darul Khusus	No. Hakmilik PM 43 Lot No. 5619, Pekan Senawang Daerah Seremban Negeri Sembilan Darul Khusus	13 years/ 13.08.2010	Leasehold/ 99 years expiring on 12.09.2073	Single-storey factory for packing, warehouse and chlorination plant	41,947	9,000	889,571
No. G-51, Ground Floor of Terminal One Shopping Complex 70000 Seremban Negeri Sembilan Darul Khusus	Strata Title under Geran No. 60178/M1/1/36 No. Petak 36, Lot No. 20321 Mukim Bandar Seremban Daerah Seremban, Negeri Sembilan Darul Khusus	14 years/ 12.02.1999	Freehold	Ground floor unit commercial lot in shopping complex, currently tenanted	Not applicable	689	165,334
Nos 120 and 121, Jalan Senawang 3, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus	PM 71, Lot No. 10577, Pekan Senawang District of Seremban Negeri Sembilan Darul Khusus	Approximately 32 years (acquired on 02.08.2011)	Leasehold/ 99 years expiring on 20.07.2073	Multi-storey detached factory with an annexed three-storey office building, chlorination plant, and warehouse	407,823	304,580	12,261,854
Rubbercare Protection Products Sdn Bhd							
Lot 110, Lorong Senawang 4/3 Off Jalan Senawang Empat Senawang Industrial Estate 70450 Seremban Negeri Sembilan Darul Khusus	Lot No. PT 1345 H.S.(D) 133246 in Mukim Ampangan Daerah Seremban Negeri Sembilan Darul Khusus	16 years/ 06.08.2010	Leasehold/ 99 years expiring on 28.06.2077	Single-storey detached factory with an annexed double-storey office building as our head office and our production factory	43,560	24,920	1,261,667
Careglove Global Sdn Bhd							
Lot 17479, Lorong Senawang 3/2 Off Jalan Senawang 3, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus	No. Hakmilik PN 1290 Mukim Ampangan Daerah Seremban Negeri Sembilan Darul Khusus	3 year	Leasehold/ 99 years expiring on 27.05.2073	Multi-storey detached factory with an annexed single-storey office building, chlorination plant, and a double-storey warehouse	398,328	82,963	15,082,111

Analysis of Shareholdings / Warrant Holdings

AS AT 15 APRIL 2014

ANALYSIS OF SHAREHOLDINGS AS AT 15 APRIL 2014

Authorised Capital	:	RM50,000,000.00
Issued and Fully Paid-Up Capital	:	RM23,500,000.00 comprising 235,000,000 Ordinary Shares of RM0.10 each
Class of Equity Securities	:	Ordinary Shares of RM0.10 each ("Shares")
Voting Rights	:	One vote per Share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No of Holders	No. of Shares	%
Less than 100 shares	2	100	0.00
100 - 1,000 shares	71	49,700	0.02
1,001 - 10,000 shares	418	2,929,900	1.25
10,001 - 100,000 shares	511	21,256,000	9.05
100,001 - less than 5% of issued shares	143	85,250,200	36.28
5% and above of issued shares	4	125,514,100	53.41
Total	**1,149**	**235,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	No. of Shares	%	No. of Shares	%
Lim Kwee Shyan	66,041,200	28.10	15,002,300[1]	6.38
Ng Shu Si	15,002,300	6.38	66,041,200[2]	28.10
Yew Nieng Choon	7,711,400	3.28	48,536,400[3]	20.65
Chan Pek Harn @ Chan Wai Har	14,190,600	6.04	42,057,200[4]	17.90
Thinking Cap Sdn. Bhd.	30,280,000	12.89	-	-

Notes:
(1) Deemed interested by virtue of his spouse, Ng Shu Si's interest in the Company.
(2) Deemed interested by virtue of her spouse, Lim Kwee Shyan's interest in the Company.
(3) Deemed interested by virtue of his spouse, Chan Pek Harn @ Chan Wai Har's and his daughter, Yew Yee Peng's interest in the Company and by virtue of his interest in Thinking Cap Sdn. Bhd.
(4) Deemed interested by virtue of her spouse, Yew Nieng Choon's and her daughter, Yew Yee Peng's interest in the Company and by virtue of her interest in Thinking Cap Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Lim Kwee Shyan	66,041,200	28.10	15,002,300[1]	6.38
Yew Nieng Choon	7,711,400	3.28	48,536,400[2]	20.65
Loo Teck Looi	3,855,500	1.64	-	-
Yew Yee Peng	4,065,800	1.73	-	-
Tan Chuan Hock	2,000,000	0.85	-	-
Foong Kuan Ming	100,000	0.04	-	-

Notes:
(1) Deemed interested by virtue of his spouse, Ng Shu Si's interest in the Company.
(2) Deemed interested by virtue of his spouse, Chan Pek Harn @ Chan Wai Har's and his daughter, Yew Yee Peng's interest in the Company and by virtue of his interest in Thinking Cap Sdn. Bhd.

Analysis of Shareholdings / Warrant Holdings

AS AT 15 APRIL 2014

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 15 APRIL 2014
(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1	Lim Kwee Shyan	66,041,200	28.10
2	Thinking Cap Sdn. Bhd.	30,280,000	12.89
3	Ng Shu Si	15,002,300	6.38
4	Chan Pek Harn @ Chan Wai Har	14,190,600	6.04
5	Yew Nieng Choon	7,711,400	3.28
6	Yew Yee Peng	4,065,800	1.73
7	Loo Teck Looi	3,855,500	1.64
8	Lim Kau @ Lim Kwee Wu	2,969,700	1.26
9	Tan Han Hui	2,500,000	1.06
10	Maybank Nominees (Tempatan) Sdn. Bhd. Pledge Securities Account for Johnny Lee Ming Ying	2,354,600	1.00
11	Lee Pui Seng	2,050,000	0.87
12	Vibrant Model Sdn. Bhd.	2,030,900	0.86
13	Tan Chuan Hock	2,000,000	0.85
14	Tan Hang Chai	2,000,000	0.85
15	Tan Hang Lim	1,929,300	0.82
16	Chua Yok Wan	1,821,400	0.78
17	Soh Tian Chai	1,763,700	0.75
18	Tan Z Kiat	1,750,000	0.74
19	Lai Chee Fong	1,693,900	0.72
20	Lim Hoe Seng	1,625,000	0.69
21	Tan Poh Thoong	1,523,000	0.65
22	Tan Gek Toh	1,500,000	0.64
23	Mak Weng Kit	1,112,500	0.47
24	Tor Seo Eng @ Toh Siew Yang	1,030,000	0.44
25	Tan Check Ee	1,000,000	0.43
26	Loo Chian	906,500	0.39
27	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chua Kok Yong	821,000	0.35
28	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Khor Jan Yeow (8083119)	810,000	0.34
29	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chua Kok Sian	800,000	0.34
30	Tay Siew Tuan	800,000	0.34

Analysis of Shareholdings / Warrant Holdings

AS AT 15 APRIL 2014

ANALYSIS OF WARRANT HOLDINGS AS AT 15 APRIL 2014

Type of Securities	:	Warrants 2011/2016
No. of Warrants Issued	:	105,000,000
Exercise Price	:	RM0.49
Exercise Period	:	10 August 2011 to 9 August 2016

DISTRIBUTION OF 2011/2016 WARRANT HOLDINGS

Size of Holdings	No. of Warrants Holders	No. of Warrants	%
1-99	31	1,500	0.00
100-1,000	79	52,550	0.05
1,001-10,000	365	1,830,450	1.74
10,001-100,000	280	10,840,150	10.32
100,001 - less than 5% of issued warrants	79	29,548,300	28.14
5% and above of issued warrants	4	62,727,050	59.74
TOTAL:	838	105,000,000	100.00

DIRECTORS' WARRANT HOLDINGS

(As per the Register of Directors' Warrant holdings)

	No. of Warrants 2011/2016 Held			
Name of Directors	Direct Interest	%	Indirect Interest	%
Lim Kwee Shyan	32,990,600	31.42	7,501,150[(1)]	7.14
Yew Nieng Choon	3,855,700	3.67	24,268,200[(2)]	23.11
Loo Teck Looi	1,927,750	1.84	-	-
Yew Yee Peng	2,032,900	1.94	-	-
Tan Chuan Hock	1,000,000	0.95	-	-
Foong Kuan Ming	50,000	0.05	-	-

Notes:

(1) Deemed interested by virtue of his spouse, Ng Shu Si's interest in the Company.

(2) Deemed interested by virtue of his spouse, Chan Pek Harn @ Chan Wai Har's and his daughter, Yew Yee Peng's interest in the Company and by virtue of his interest in Thinking Cap Sdn. Bhd.

Analysis of Shareholdings / Warrant Holdings

AS AT 15 APRIL 2014

THIRTY LARGEST 2011/2016 WARRANT HOLDERS AS AT 15 APRIL 2014

No	Name	Holdings	%
1	Lim Kwee Shyan	32,990,600	31.42
2	Thinking Cap Sdn. Bhd.	15,140,000	14.42
3	Ng Shu Si	7,501,150	7.14
4	Chan Pek Harn @ Chan Wai Har	7,095,300	6.76
5	Yew Nieng Choon	3,855,700	3.67
6	Yew Yee Peng	2,032,900	1.94
7	Loo Teck Looi	1,927,750	1.84
8	Tan Chuan Hock	1,000,000	0.95
9	Vibrant Model Sdn. Bhd.	1,000,000	0.95
10	Tang Kok Hooi	920,000	0.88
11	Tan Z Kiat	875,000	0.83
12	Lee Pei Hoon @ Lee Poh	700,000	0.67
13	Lim Kau @ Lim Kwee Wu	609,800	0.58
14	Kong Kok Choy	600,000	0.57
15	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy (8092812)	500,000	0.48
16	Tan Check Ee	500,000	0.48
17	Tan Hang Lim	500,000	0.48
18	Lim Hoe Seng	490,000	0.47
19	Yap Thiam Loo	487,500	0.46
20	Lim Peng Joo	430,000	0.41
21	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Sak Chong (Margin)	420,000	0.40
22	Cheah Ken Hoong	410,000	0.39
23	Ng Seng Nam	400,000	0.38
24	Loo Chian	388,250	0.37
25	Chuah Lay Leng	350,000	0.33
26	Kendek Industry Sdn. Bhd.	350,000	0.33
27	Mak Weng Kit	350,000	0.33
28	Ooi Say Lam	340,000	0.32
29	Lai Ah Chan	330,000	0.31
30	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Chek Leng (033)	300,000	0.29

Notice of Fourth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of CAREPLUS GROUP BERHAD ("Careplus" or "the Company") will be held at Tuanku Ja'afar Hall 2, Royal Sungei Ujong Club, 2A, Jalan Dato' Kelana Ma'amor, 70700 Seremban, Negeri Sembilan Darul Khusus on Wednesday, 11 June 2014 at 10.30 a.m. to transact the following business:-

AGENDA

1. To receive the Audited Financial Statements for the financial period ended 31 December 2013 together with the reports of the directors and auditors thereon. ***Please refer to Note i***

2. To approve the payment of directors' fees for the financial period ended 31 December 2013. ***Resolution 1***

3. To re-elect the following Directors who retire in accordance with Article 103 of the Company's Articles of Association :

   i. Mr. Tan Chuan Hock ***Resolution 2***

   ii. Mr. Foong Kuan Ming ***Resolution 3***

4. To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. ***Resolution 4***

   As Special Business :
   To consider and if thought fit, pass with or without any modifications, the following resolution :-

5. **ORDINARY RESOLUTION**
   GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 ***Resolution 5***

   "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

6. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By order of the Board

TEA SOR HUA (MACS 01324)
YONG YEN LING (MAICSA 7044771)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
20 May 2014

Notice of Fourth Annual General Meeting

Notes:

a) The Agenda No. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, Agenda No. 1 is not put forward for voting.

b) A shareholder who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting in his stead. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

c) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 66(c) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 4 June 2014. Only members whose names appear in the General Meeting Record of Depositors as at 4 June 2014 shall be regarded as members and entitled to attend, speak and vote at the Fourth Annual General Meeting.

d) A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

f) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

h) To be valid, the instrument appointing a proxy must be deposited at the Registered Office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time fixed for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTES TO SPECIAL BUSINESS

The Ordinary Resolution proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. This Ordinary Resolution, if passed, is to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve such an issue of shares. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier.

This general mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last annual general meeting held on 21 June 2013 and it will lapse at the conclusion of the Fourth annual general meeting of the Company.

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Careplus Group Berhad (896134-D)

PROXY FORM

I/We ______________________________ NRIC/Company No. ____________
(full name in capital letters)
of ______________________________
(full address)
being (a) member(s) of **CAREPLUS GROUP BERHAD** hereby appoint ______________________________
______________________________ NRIC No. ____________
(full name in capital letters)
of ______________________________
(full address)
or failing him / her, ______________________________ NRIC No. ____________
of ______________________________
(full address)
or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company to be held at Tuanku Ja'afar Hall 2, Royal Sungei Ujong Club, 2A, Jalan Dato' Kelana Ma'amor, 70700 Seremban, Negeri Sembilan Darul Khusus on Wednesday, 11 June 2014 at 10.30 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Resolutions	For	Against
1.	To approve the payment of directors' fees for the financial period ended 31 December 2013.		
2.	To re-elect Mr. Tan Chuan Hock as director who retires pursuant to Article 103 of the Company's Articles of Association.		
3.	To re-elect Mr. Foong Kuan Ming as director who retires pursuant to Article 103 of the Company's Articles of Association.		
4.	To re-appoint Messrs Crowe Horwath as Auditors of the Company.		
5.	To approve the authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Dated this____________ day of______________ 2014

NO. OF SHARES HELD

____
Signature of Member(s)/Common Seal

Notes:

a) A shareholder who is entitled to attend and vote at the Meeting shall be entitled to appoint up to two (2) proxies to attend and vote at the Meeting in his stead. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

b) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 66(c) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 4 June 2014. Only members whose names appear in the General Meeting Record of Depositors as at 4 June 2014 shall be regarded as members and entitled to attend, speak and vote at the Fourth Annual General Meeting.

c) A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

e) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

g) To be valid, the instrument appointing a proxy must be deposited at the Registered Office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time fixed for holding the Meeting or any adjournment thereof.

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Affix
stamp

The Company Secretaries

Careplus Group Berhad (896134-D)
Third Floor, No 79 (Room A)
Jalan SS21/60
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47400 Petaling Jaya
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