Careplus Group Berhad
(896134-D)

Quality and Relationship You Can Trust

ANNUAL REPORT 2013

Vision

Becoming a branded and a preferred global provider of trusted quality barrier protection products.

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.

Content

Corporate Structure

Careplus Group Berhad
(896134-D)

Shareholding	Subsidiary
100%	Rubbercare Protection Products Sdn Bhd
50% +1 Share	Careglove Global Sdn Bhd
100%	Careplus (M) Sdn Bhd
100%	Masterclean Technologies 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)
Shee Pek Hoong (MAICSA 7052352)

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

SPONSOR

RHB Investment Bank Berhad (19663-P)
Level 10, Tower One,
RHB Centre,
Jalan Tun Razak,
50400 Kuala Lumpur.
Tel : (03) 9287 8888
Fax : (03) 9280 6507

PRINCIPAL BANKERS

RHB Bank Berhad
HSBC Bank Berhad
Alliance Bank Malaysia Berhad

Letter to Shareholders

Dear 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 year ended 31st January 2013 ("FY2013")."

LIM KWEE SHYAN
Executive Director cum Group Chief Executive Officer

YEW NIENG CHOON
Non-Independent Non-Executive Chairman

Highlights of the Financial Year

1 Five new double-former lines added in Careglove Global Sdn Bhd ("Careglove Global")

2 Construction of new capacity in Careplus (M) Sdn Bhd ("Careplus (M)")

3 Increase of 75% revenue over preceding financial year

4 Five-fold increase in profit after tax compared to preceding financial year

5 Declaration of first dividend

INDUSTRY OVERVIEW

The glove industry continues its expansion year on year as a result of growing global demands. In 2012, Malaysian glove manufacturers exported an estimated RM10.5 billion worth of rubber gloves comprising both natural and nitrile gloves. Lower raw material cost which translated to lower selling prices impacted the revenue increase which was 6.1% higher than the previous year. However, the actual increase in volume of gloves exported was about 14% higher.

In 2012, an estimated 54% of total exports by value were natural rubber ("NR") gloves. Comparatively, the export of nitrile gloves is on the uptrend and may overtake NR glove in 2013.

Malaysia continues to lead with 62% share of the total global exports. This share is expected to increase to 65% by the year 2020 when the projected export revenue is estimated to be RM30 billion, a nearly threefold increase from that achieved in 2012.

As market leader, the Malaysian glove industry is under pressure to stay vigilant against global competition as well as to adopt innovative approaches and methods to re-engineer our manufacturing processes through optimizing energy and manpower utilization. As such, the industry is expected to invest more in research & development ("R&D") as well as process automation. The mounting labor costs arising from the enforcement of the minimum wage policy effective 1 January 2013 will fast track the modernization of plant design to reduce process costs further and will cause Malaysian-made gloves to be more competitive.

The demand of gloves as an infection control device will continue to grow due to more stringent government and hospital policies and regulations towards the safety of both patients and caregivers. In addition, periodic outbreaks of diseases such as the recent H7N9 bird flu in China has fueled increased demands.

FINANCIAL PERFORMANCE

The Group revenue for the year improved to RM97.4 million from RM55.4 million registered in the preceding year, an increase of RM42.0 million or 75.8%. This revenue increase translates into a healthy profit growth from RM0.454 million to RM2.297 million, representing an increase of RM1.843 million.

The above increase was achieved on the back of higher sales arising from increased production from Careglove Global, the joint venture subsidiary with Descarpack Descartaveis Do Ltda ("Descarpack"), our Brazilian JV partner. We are pleased to report that, in 2012, we have received products certifications from the Brazilian health authorities that allow Descarpack to import our gloves into the Brazilian markets.

The Board is of the view that with the stabilization of the manufacturing processes and system set-up, the performance of the Group will further improve in the coming year.

Healthy Profit Growth Increase Of RM1.843million

DIVIDENDS

It is with great pleasure that the Board has recommended the declaration of the first and final dividend of 0.25 sen per ordinary share. This is our first dividend since we became a public listed company in December 2010 and is our appreciation to our shareholders for their support and faith in us.

CORPORATE DEVELOPMENT

Our joint venture business with our Brazilian partner, Descarpack, continues to grow both in terms of capacity and sale. The first plant in the JV Company, Careglove Global, has been completed with nine (9) production lines (rated capacity of 120 million gloves per month) running in full swing by the end of 2012. Work on construction of the second plant will commence in 2013. We expect this to contribute to our financial performance in the financial year of 2015. In 2013, the company will commence on the production of surgical gloves for the Brazilian market.

The administrative block A of the new property acquired in the middle of 2011 by Careplus (M) has been renovated and converted into the corporate office for the Group as well as administrative offices for Careplus (M) and Rubbercare Protection Products Sdn. Bhd. in mid-2012. Block B has been renovated and restored to become a raw material and finished goods warehouse, chlorination facility, quality control and packing facility and workers' hostel. Clean room glove facility is expected to begin operation by mid-2013. Two (2) new production lines are planned to come into production in the fourth quarter of 2013 in Block D that is able to house up to 12 lines. The production of nitrile gloves to complement our product range will be included in our new line designs.

The challenge of managing costs continues to push our R&D initiative to design better lines and to automate processes that used to be labor intensive to keep our products competitively priced.

The clean room business of Masterclean Technologies Sdn. Bhd. will be transferred to another subsidiary and the company taken dormant.

Letter to Shareholders

CORPORATE RESPONSIBILITY

The Group is working towards becoming an exemplary corporate citizen in meeting all regulatory standards and requirements, both local and international, in its processes, systems and products. The Group will invest in good housekeeping standards, employee welfare and training, safety, health and well-being. We believe our employees are vital assets to our long term prosperity.

We believe in sharing part of our rewards with the needy community. The Group continues to support the following categories of needy people in our community.

- We are a corporate sponsor to Persatuan Berdikari Seremban Negeri Sembilan or PBSNS (Website: www.pbs.org.my) to help trainees secure jobs to become financially independent.
- We provide scholarships to deserving students. Currently one student is being sponsored in his studies at the Universiti Tunku Abdul Rahman.
- We employ disabled people in areas appropriate to their abilities to work. Presently 3 workers who are mute and deaf and who are physically handicapped are employed in the Packing & Purchasing departments.
- We donate to the Malaysia Association Help for the Poor Terminally Ill or PPPM (Website: www.pesakitparah.com) in 2012.
- We donate to the Malaysia Lysosomal Diseases Association or MLDA (Website: www.mymlda.com) to help finance medical treatment of their patients.
- We provide ad hoc financial support to selected local government departments / or non-profit organization such as school, church charities, Fire Department and local Police Station.

Letter to Shareholders

PROSPECTS

The prospects of the glove industry remain bright in the light of growing global demands for protective medical gloves. Careplus Group is riding on the positive outlook and is expanding its capacity to meet the requirements of its customers. The Group will invest in employing professional engineers and managers, installing suitable Enterprise Resources Planning software and programs into our financial and manufacturing processes, providing training and incentives to qualified employees to build a strong foundation towards the future.

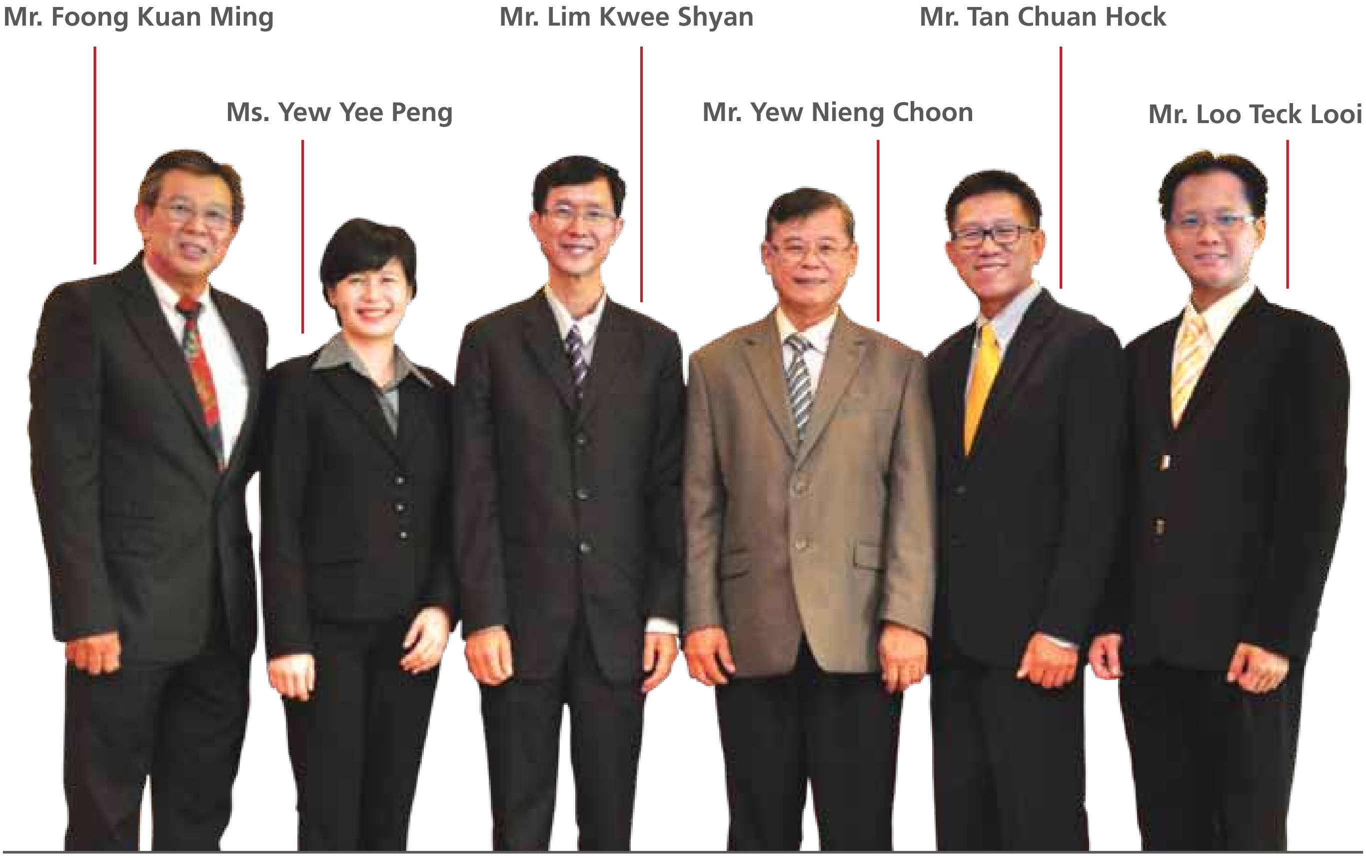
APPRECIATION

On behalf of the Board of Directors, we wish to thank our management and staff of the Group for their diligence, dedication and contribution to the growth of the Group. To our shareholders our appreciation and thanks for believing in our goal of delivering value to the shares you own and look forward to your continued support. To our valued customers, sponsoring bank, bankers, business associates, suppliers and regulatory agencies, our sincere gratitude for your support and partnership. We look forward to your collaboration in the coming years. Last but not least, our thanks to our dedicated Board members for providing exemplary service and contributions to guide the Group forward.

Yew Nieng Choon
Chairman

Lim Kwee Shyan
Executive Director cum Group Chief Executive Officer

Profile of Directors



YEW NIENG CHOON

Non-Independent Non-Executive Chairman

Yew Nieng Choon, Malaysian, aged 65, 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.

Profile of Directors

LIM KWEE SHYAN

Executive Director cum
Group Chief Executive Officer ("CEO")

Lim Kwee Shyan, Malaysian, aged 50, 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 JV with Descarpack, 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 25 years of experience in the rubber gloves industry.

Mr. Lim was appointed as the President of The Malaysian Rubber Glove Manufacturers' Association (MARGMA) on 23rd April 2011. Prior to that he had served as its Vice President for a (2) two years term. Mr Lim was also appointed as a Director of the Malaysian Rubber Board by the Ministry of Plantation Industries and Commodities on 1st March 2012. Mr Lim serves as a Trustee on the Board of Trustees of the Malaysian Rubber Export Promotion Council ("MREPC") from 20th June 2012. In addition, he is a Board Member for Tun Abdul Razak Research Centre ("TARRC"), which is the United Kingdom based research and promotion centre of MRB, since 1st January 2012.

YEW YEE PENG

Non-Independent Executive Director

Yew Yee Peng, Malaysian, aged 39, 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 Berhad ("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

Non-Independent Executive Director

Loo Teck Looi, Malaysian, aged 39, 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 JV with Descarpack, Mr Loo was appointed as a director of Careglove Global Sdn Bhd and is responsible for manufacturing operations for the factory.

FOONG KUAN MING

Senior Independent Non-Executive Director

Foong Kuan Ming, Malaysian, aged 58, 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

Independent Non-Executive Director

Mr. Tan Chuan Hock, Malaysian, aged 52, 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, a member of Remuneration Committee and Nomination Committee of the Company. He is the Executive Proprietor and also the Founder of 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 include PCCS Group Berhad, Grand-Flo Solution 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 38 of the Financial Statements on Page 67 to 68 of this Annual Report.

(3) None of our Directors have been convicted of any offences other than traffic offences in the past ten (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 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 year ended 31 January 2013.

THE BOARD

The Group is led by an effective and experienced Board comprising members who have varied 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 is 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 authorized by the Board to deal with and to deliberate on matters delegated to them within their terms of reference.

Composition and Balance

i. The Board currently has six (6) members, comprising three (3) Executive Directors (including Mr. Lim Kwee Shyan who is the Executive Director cum Group Chief Executive Officer), one (1) Non-Independent Non-Executive Director (i.e. the Chairman) and two (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").

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 needs for gender diversify for good governance practices and to enhance the efficient functioning of the Board. The Board believes the appointment of 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 Company currently has one (1) female representation in the Board.

Board Meetings and Supply of Information

The Board has at least four (4) scheduled quarterly meetings with additional meetings to be convened where necessary. During the financial year ended 31 January 2013, the Board met five (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	3 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 fullfilling 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 three (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 are 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.

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/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 recognizes 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 three (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 seventy (70) years of age are required to submit themselves for annual re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

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 year ended 31 Janaury 2013 are set forth in the Audit Committee Report in pages 20 to 22 of this Annual Report.

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 (re-designated from Member to Chairman on 10 May 2013)	Senior Independent Non-Executive Director
Yew Nieng Choon, Member	Non-Independent Non-Executive Chairman
Tan Chuan Hock, Member (re-designated from Chairman to Member on 10 May 2013)	Independent Non-Executive Director

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

During the meetings held in June 2012, the Nomination Committee undertaken the following activities:

a. 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 Chief Executive Officer of the Group, to ensure balance of power and authority, and a clear division of responsibilities as the head 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.

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 (re-designated from Member to Chairman on 10 May 2013)	Senior Independent Non-Executive Director
Yew Nieng Choon, Member	Non-Independent Non-Executive Chairman
Tan Chuan Hock, Member (re-designated from Chairman to Member on 10 May 2013)	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 Sponsors, Company Secretaries 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.

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 year ended 31 January 2013 include the following:

Name of Directors	Title of Some of the Seminars Attended
Yew Nieng Choon	• Handling Press Conferences, Media Interviews & Tricky Media Questions • Governance, Risk Management & Compliance – What Directors Should Know
Lim Kwee Shyan	• 6th IRGCE 2012 – International Rubber Glove Conference & Exhibition 2012 • 4th Annual Corporate Governance Submit KL 2012 "Bringing Asia Onto the Board"
Yew Yee Peng	• Managing Stocktake, Reconciliation and Stock Control Operations
Loo Teck Looi	• 6th IRGCE 2012 – International Rubber Glove Conference & Exhibition 2012 • Franklin Covey – The 7 Habits Of Highly Effective People
Tan Chuan Hock	• Seminar Percukaian Kebangsaan 2012 • Tax Planning on Budget 2013 with PU Order 2011 to 2012 and Public Rulings • Diagnosis on CP58 with Tax Planning and Limited Liability Partnership
Foong Kuan Ming	• Making The Most of The Chief Financial Officer Role: Everyone's Responsibility? • Rules of Court and Court Forms 2012: Update as at 12.07.2012 by Bar Council of Malaysia

DIRECTORS' REMUNERATION

The Board through Remuneration Committee establishes 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 performance. 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 on his own remuneration.

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.

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

Name of Directors	Fees (RM)	Salaries & Benefits in Kind (RM)	Bonuses (RM)	Total (RM)
Executive Directors	-	598,193	103,501	701,694
Non-Executive Directors	145,450	1,000	-	146,450
TOTAL	145,450	599,193	103,501	848,144

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

THE SHAREHOLDERS

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.

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.

ACCOUNTABILITY AND AUDIT

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.

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 managements 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 Internal Control Statement, which has been reviewed by the Group's external auditors, and set out in pages 18 to 19 of this Annual Report.

The Board recognizes 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.

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 annual general meeting 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 year and of their results and their cash flows for the year then ended.

In preparing the financial statements, 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, if any, 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 to ensure 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 17 May 2013.

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. Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Securities requires the Board of Directors to include a statement on the state of internal control in its annual report. The Board of Directors 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 is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group for the financial year ended 31 January 2013.

Responsibility For Risk Management And Internal Control

The Board recognises the importance of risk management and risk-based internal audit to establish and maintain a sound system of internal control. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any systems of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The regular reviews and evaluations of internal control systems, are ongoing processes for identifying, evaluating and managing significant risks faced or potentially exposed to, by the Group in pursuing its business objectives. These processes have been in place throughout the financial year under review and up to the date of approval of the annual report.

The Board has received assurance from the Group Chief Executive Director 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 provided to the Senior Management and Board of Directors on a regular and timely basis.

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

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 year, 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 control environment. The total cost incurred for the internal audit function was RM26,000 for the financial year ended 31 January 2013. In the financial year 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. This statement was approved by the Board.

Review by External Auditors

The External Auditors have reviewed this 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 is 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 three (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 three (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 Ace Market Listing Requirements of Bursa Securities, the Board shall appoint a new member within three (3) months.

Frequency of meetings

i. Meetings shall be held not less than four (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. The Audit Committee should meet with the external auditors without the presence of executive board members at least twice in a financial year.

iv. Prior notice shall be given for all meetings.

Quorum

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

Report of the Audit Committee

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.

Functions

The functions of the Audit 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 Audit 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 Company and its subsidiaries.

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 Audit 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 Audit 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 Audit Committee must promptly report such matter to Bursa Securities.

Report of the Audit Committee

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year under review, the Audit Committee met a total of five (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 Audit Committee during the financial year 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 year 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 year 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 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 year under review were as summarized below:-

i. Developed the internal audit plan for the financial year 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 year ended 31 January 2013 in relation to the internal audit function is RM26,000.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

Initial Public Offering

In conjunction with its listing on the ACE Market of Bursa Malaysia Securities Berhad on 6 December 2010, the Company had raised proceeds of RM14,961,500 from the public issue of 65,050,000 new ordinary shares of RM0.10 each at the issue price of RM0.23 per share, and the status of utilisation of the proceeds as at 31 January 2012 is as follows:

Description	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation upon listing
Capital expenditure	10,000	*10,100	Within three (3) years
Working capital	3,262	*3,022	Within one (1) year
Estimated listing expenses	1,700	*1,840	Upon completionof the listing
Total	14,962	14,962	

* Capital expenditure and listing expenses incurred using the proceeds from the listing were higher than initially proposed. This excess was funded from the amount initially set aside for working capital.

2. SHARE BUY-BACKS

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

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

None of the Warrants 2011/2016 has been exercised during the financial year ended 31 January 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 year ended 31 January 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 year ended 31 January 2013.

6. NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group for the financial year ended 31 January 2013 was RM31,000.

7. VARIATION IN RESULTS

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

Additional Compliance Information

8. PROFIT GUARANTEE

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

10. REVALUATION POLICY ON LANDED PROPERTY

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

11. 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 38 to the Financial Statements on pages 67 to 68 of this Annual Report.

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 year 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 year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	2,296,948	1,002,237
Attributable to:-		
Owners of the Company	2,970,774	1,002,237
Non-controlling interests	(673,826)	-
	2,296,948	1,002,237

DIVIDENDS

No dividend has been paid since the end of the previous financial year.

The directors recommend the payment of a first and final single-tier dividend of 0.25 sen per ordinary share amounting to RM587,500 in respect of the current financial year. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed final dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 January 2014.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM22,000,000 to RM23,500,000 by the issuance of 15,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.32 per share by way of a private placement. The shares were issued for cash consideration. The new shares issued rank pari passu in all respects with the existing shares of the Company; and

(c) 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.

WARRANTS (CONT'D)

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

The terms of the warrants are detailed in Note 16(c) 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 year, 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 there are no known bad debts 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 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

The contingent liability is disclosed in Note 41 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 year 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 year.

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 year 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.

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 year 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 year.

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 year in shares in the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares of RM0.10 Each			
	At 1.2.2012	**Allotment**	**Sold**	**At 31.1.2013**
Direct Interests				
Lim Kwee Shyan	65,981,200	60,000	-	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 1.2.2012	**Bought**	**Sold**	**At 31.1.2013**
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

DIRECTORS' INTERESTS (CONT'D)

(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.

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 38 to the financial statements.

Neither during nor at the end of the financial year 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 43 to the financial statements.

AUDITORS

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

Signed in accordance with a resolution of the directors dated 17th May 2013

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 33 to 80 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 state of affairs of the Group and of the Company at 31 January 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 45, 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

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 33 to 80 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 17 May 2013.

Before me
Yap Lee Chin (No. W591)
Commissioner for Oaths

Lim Kwee Shyan

Independent Auditors' Report

To the members of Careplus Group Berhad (Co. 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 January 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 80.

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 January 2013 and of their financial performance and cash flows for the financial year 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 member of Careplus Group Berhad (Co. No. 896134-D)

Other Reporting Responsibilities

The supplementary information set out in Note 45 on page 80 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

1. As stated in Note 3.1 to the financial statements, Careplus Group Berhad adopted Malaysian Financial Reporting Standards on 1 February 2013 with a transition date of 1 February 2012. These standards were applied retrospectively by directors to the comparative information in these financial statements including the statements of financial position as at 31 January 2012 and 1 February 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 January 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 January 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 February 2012 do not contain misstatements that materially affect the financial position as of 31 January 2013 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

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

Kuala Lumpur
17 May 2013

Statements of Financial Position

At 31 January 2013

	Note	The Group 31.1.2013 RM	The Group 31.1.2012 RM	The Group 1.2.2011 RM	The Company 31.1.2013 RM	The Company 31.1.2012 RM	The Company 1.2.2011 RM
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	35,088,415	32,315,798	22,265,797
Goodwill on consolidation	6	204,920	204,920	204,920	-	-	-
Property, plant and equipment	7	66,030,328	48,807,344	20,682,343	-	-	-
Investment property	8	195,148	227,673	260,198	-	-	-
Prepayment	9	349,980	-	-	-	-	-
		66,780,376	49,239,937	21,147,461	35,088,415	32,315,798	22,265,797
CURRENT ASSETS							
Inventories	10	13,953,980	9,313,215	5,928,851	-	-	-
Trade receivables	11	7,543,768	7,620,198	6,672,576	-	-	-
Other receivables, deposits and prepayments	9	1,106,928	747,093	590,273	-	-	11,300
Amount owing by subsidiaries	12	-	-	-	5,199,000	2,552,070	7,828,088
Amount owing by related parties	13	20,411,446	762,662	6,389	-	-	-
Tax refundable		378,096	461,230	50,095	18,000	-	-
Derivative assets	14	-	223,052	219,540	-	-	-
Fixed deposits with licensed banks	15	3,500,000	-	5,300,000	2,000,000	-	5,300,000
Cash and bank balances		7,905,615	1,179,629	1,200,566	454,587	152,755	164,842
		54,799,833	20,307,079	19,968,290	7,671,587	2,704,825	13,304,230
TOTAL ASSETS		121,580,209	69,547,016	41,115,751	42,760,002	35,020,623	35,570,027
EQUITY AND LIABILITIES							
EQUITY							
Share capital	16	23,500,000	22,000,000	21,000,000	23,500,000	22,000,000	21,000,000
Share premium	17	14,218,485	11,013,132	9,106,966	12,839,101	9,633,748	7,727,582
Merger deficit	18	(12,900,499)	(12,900,499)	(12,900,499)	-	-	-
Retained profits/(Accumulated loss)	19	18,109,281	15,138,507	13,160,329	3,310,168	2,307,841	(1,150,465)
Total equity attributable to owners of the Company		42,927,267	35,251,140	30,366,796	39,649,269	33,941,589	27,577,117
Non-controlling interest		10,851,914	8,525,740	-	-	-	-
TOTAL EQUITY		53,779,181	43,776,880	30,366,796	39,649,269	33,941,589	27,577,117
NON-CURRENT LIABILITIES							
Long-term borrowings	20	20,744,270	10,694,718	5,763,918	-	-	-
Deferred tax liabilities	23	147,000	31,565	158,000	-	-	-
		20,891,270	10,726,283	5,921,918	-	-	-
CURRENT LIABILITIES							
Trade payables	24	14,745,175	4,288,222	1,898,376	-	-	-
Other payables and accruals	25	7,206,061	4,817,276	1,645,371	61,929	215,000	55,359
Amount owing to subsidiaries	12	-	-	-	3,048,804	864,034	7,937,551
Amount owing to a related party	13	1,607,700	-	-	-	-	-
Derivative liabilities	14	231,943	-	-	-	-	-
Provision of taxation		-	-	332,283	-	-	-
Short-term borrowings	26	22,486,892	3,615,341	384,523	-	-	-
Bank overdrafts	27	631,987	2,323,014	566,484	-	-	-
		46,909,758	15,043,853	4,827,037	3,110,733	1,079,034	7,992,910
TOTAL LIABILITIES		67,801,028	25,770,136	10,748,955	3,110,733	1,079,034	7,992,910
TOTAL EQUITY AND LIABILITIES		121,580,209	69,547,016	41,115,751	42,760,002	35,020,623	35,570,027

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

Statements of Comprehensive Income

For the financial year ended 31 January 2013

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
REVENUE	28	97,392,407	55,396,076	1,500,000	-
COST OF SALES		(86,612,448)	(53,800,174)	-	-
GROSS PROFIT		10,779,959	1,595,902	1,500,000	-
OTHER INCOME		627,319	4,352,497	143,796	4,023,969
		11,407,278	5,948,399	1,643,796	4,023,969
ADMINISTRATIVE EXPENSES		(5,992,685)	(4,095,325)	(309,283)	(350,379)
OTHER EXPENSES		(1,300,470)	(851,008)	(332,186)	(215,284)
FINANCE COSTS		(1,354,149)	(584,229)	-	-
PROFIT BEFORE TAXATION	29	2,759,974	417,837	1,002,327	3,458,306
INCOME TAX EXPENSE	30	(463,026)	36,082	-	-
PROFIT AFTER TAXATION		2,296,948	453,919	1,002,327	3,458,306
OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		2,296,948	453,919	1,002,327	3,458,306
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		2,970,774	1,978,178	1,002,327	3,458,306
Non-controlling Interest		(673,826)	(1,524,259)	-	-
		2,296,948	453,919	1,002,327	3,458,306
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		2,970,774	1,978,178	1,002,327	3,458,306
Non-controlling Interest		(673,826)	(1,524,259)	-	-
		2,296,948	453,919	1,002,327	3,458,306
EARNINGS PER SHARE (SEN)					
- Basic	31	1.27	0.93		
- Diluted	31	Not applicable	Not applicable		

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

Statements of Change in Equity

For the financial year ended 31 January 2013

The Group	Share Capital RM	Share Premium RM	Merger Deficit RM	Retained Profits RM	Attributable To Owners of the Company RM	Non-Controlling Interest RM	Total Equity RM
	<------- Non-Distributable		-------->	Distributable			
Balance at 1.2.2011	21,000,000	9,106,966	(12,900,499)	13,160,329	30,366,796	-	30,366,796
Contributions by owners of the Company:							
- Shares issued pursuant to the private placement	1,000,000	2,200,000	-	-	3,200,000	-	3,200,000
- Share issuance expenses	-	(293,834)	-	-	(293,834)	-	(293,834)
Total transactions with the owners of the Company	1,000,000	1,906,166	-	-	2,906,166	-	2,906,166
Partial disposal of a subsidiary to non-controlling interest	-	-	-	-	-	49,999	49,999
Shares subscribed for by non-controlling interest	-	-	-	-	-	10,000,000	10,000,000
Profit after taxation/ Total comprehensive income for the financial year	-	-	-	1,978,178	1,978,178	(1,524,259)	453,919
Balance at 31.1.2012	22,000,000	11,013,132	(12,900,499)	15,138,507	35,251,140	8,525,740	43,776,880
Balance at 31.1.2012/1.2.2012	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

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

Statements of Change in Equity

For the financial year ended 31 January 2013

The Company	<----Non-Distributable----> Share Capital RM	Share Premium RM	Distributable Accumulated Loss/ Retained Profit RM	Total Equity RM
Balance at 1.2.2011	21,000,000	7,727,582	(1,150,465)	27,577,117
Contributions by owners of the Company:				
- Shares issued pursuant to the private placement	1,000,000	2,200,000	-	3,200,000
- Share issuance expenses	-	(293,834)	-	(293,834)
Total transactions with the owners of the Company	1,000,000	1,906,166	-	2,906,166
Profit after taxation/Total comprehensive income for the financial year	-	-	3,458,306	3,458,306
Balance at 31.1.2012/1.2.2012	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	23,500,000	12,839,101	3,310,168	39,649,269

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

Statements of Cash Flows

For the financial year ended 31 January 2013

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		2,759,974	417,837	1,002,327	3,458,306
Adjustments for:-					
Allowance for impairment loss on receivables		6,153	178	-	-
Amortisation of investment property		32,525	32,525	-	-
Depreciation of property, plant and equipment		4,522,919	2,238,167	-	-
Interest expense		1,354,141	576,808	-	-
Impairment loss on investment in a subsidiary		-	-	227,383	-
Loss on disposal of property, plant and equipment		-	53,000	-	-
Dividend income		-	-	(1,500,000)	-
Fair value loss/(gain) on derivatives		454,995	(3,512)	-	-
Gain on partial disposal of a subsidiary to non-controlling interest		-	(3,949,921)	-	(3,949,921)
Interest income		(169,141)	(80,391)	(143,796)	(74,048)
Unrealised (gain)/loss on foreign exchange		(79,147)	165,069	-	-
Writeback of impairment loss on receivables		-	(8,413)	-	-
Operating profit/(loss) before working capital changes		8,882,419	(558,653)	(414,086)	(565,663)
Increase in inventories		(4,640,765)	(3,384,364)	-	-
(Increase)/Decrease in trade and other receivables		(310,745)	(1,042,728)	-	11,300
Increase/(Decrease) in trade and other payables		12,668,250	5,599,569	(153,071)	159,641
Increase in amount owing by a related party		(19,609,490)	(756,530)	-	-
CASH FOR OPERATIONS		(3,010,331)	(142,706)	(567,157)	(394,722)
Interest paid		(1,354,141)	(576,808)	-	-
Income tax paid		(264,457)	(833,771)	(18,000)	-
NET CASH FOR OPERATING ACTIVITIES		(4,628,929)	(1,553,285)	(585,157)	(394,722)
CASH FLOWS FOR INVESTING ACTIVITIES					
Investment in a subsidiary	33	-	-	(3,000,000)	(100,000)
Dividends received		-	-	1,500,000	-
Interest received		169,141	80,391	143,796	74,048
Proceeds from disposal of property, plant and equipment		64,708	173,000	-	-
Proceeds from partial disposal of a subsidiary to non-controlling interest		-	3,999,920	-	3,999,920
Purchase of property, plant and equipment	34	(17,761,611)	(26,281,168)	-	-
Advances to subsidiaries	35	-	-	(2,646,930)	(4,723,982)
NET CASH FOR INVESTING ACTIVITIES		(17,527,762)	(22,027,857)	(4,003,134)	(750,014)
BALANCE CARRIED FORWARD		(22,156,691)	(23,581,142)	(4,588,291)	(1,144,736)

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

Statements of Cash Flows
For the financial year ended 31 January 2013

	Note	The Group 2013 RM	The Group 2012 RM	The Company 2013 RM	The Company 2012 RM
BALANCE BROUGHT FORWARD		(22,156,691)	(23,581,142)	(4,588,291)	(1,144,736)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Net drawdown of bills payable		1,506,801	2,077,073	-	-
Drawdown of term loans		31,296,850	2,606,693	-	-
Shares issuance expenses		(94,647)	(293,834)	(94,647)	(293,834)
Proceeds from issuance of shares		4,800,000	3,200,000	4,800,000	3,200,000
Proceeds from non-controlling interest for issuance of shares by a subsidiary		3,000,000	10,000,000	-	-
Advances from/(Repayment to) subsidiaries		-	-	2,184,770	(7,073,517)
Repayment to a related party		1,646,994	-	-	-
Net repayment of hire purchase obligations		(1,165,789)	(611,483)	-	-
Repayment of term loans		(6,934,980)	(218,665)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		34,055,229	16,759,784	6,890,123	(4,167,351)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,898,538	(6,821,358)	2,301,832	(5,312,087)
EFFECTS OF FOREIGN EXCHANGE, NET		18,475	(256,109)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(1,143,385)	5,934,082	152,755	5,464,842
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	10,773,628	(1,143,385)	2,454,587	152,755

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

Notes to the Financial Statements
For the financial year ended 31 January 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 17 May 2013.

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 year.

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 These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurements	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1: Government Loans	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013

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) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year (Cont'd):-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

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

(a) 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 is no material impact on the financial statements of the Group upon its initial application.

(b) MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There is no material impact on the financial statements of the Group upon its initial application.

(c) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(d) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(e) The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no material impact on the financial statements of the Group upon its initial application.

(f) The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. There is no material impact on the financial statements of the Group upon its initial application.

3. BASIS OF PREPARATION (CONT'D)

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

(g) The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statement of profit or loss and other comprehensive income.

(h) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There is no material impact on the financial statements of the Group upon its initial application.

(i) The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their 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.

(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 year 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(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.

(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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

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

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

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

Acquisition of businesses are accounted for using the acquisition method other than those which resulted in a business combination involving common control entities is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

(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.

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 year.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

(d) Acquisitions of Non-controlling Interests

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

(e) Loss of Control

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

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

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

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

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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

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

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(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 revenue recognised 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.

(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 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 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.

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.

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 calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	1% - 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT PROPERTIES

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

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

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

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 investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

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

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. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements 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 allocated to the statement of comprehensive income over the periods 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 weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include the cost of materials, labour and an appropriate proportion of production overheads.

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

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

4.12 INCOME TAXES

Income tax for the year comprises current and deferred tax.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or 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.

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.

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued 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.

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 recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, 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.

(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.

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.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2013	**2012**
	RM	**RM**
Unquoted shares in Malaysia, at cost:-		
At 1.2.2012/2011	32,315,798	22,265,797
Addition during the financial year	3,000,000	10,100,000
Disposal during the financial year	-	(49,999)
	35,315,798	32,315,798
Less: impairment loss	(227,383)	-
At 31.1.2013/2012	35,088,415	32,315,798

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013 %	2012 %	
Careplus (M) Sdn. Bhd. ("Careplus (M)")	Malaysia	100	100	Trading of gloves and other disposable protection products and provision of quality control services for outsourced gloves.
Rubbercare Protection Products Sdn. Bhd. ("RPP")	Malaysia	100	100	Manufacturing of rubber gloves.
Careglove Global Sdn. Bhd. ("Careglove")*	Malaysia	50	50	Manufacturers, commission agents, representative, procesor, distributor, importer and exporter of all types of hand-gloves.
Masterclean Technologies Sdn. Bhd. ("Masterclean Tech")	Malaysia	100	100	Dormant.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

* The Group holds 50% + 1 share in Careglove. During the current financial year, the Company subscribed for the additional 37,500 ordinary shares of RM1.00 each issued by Careglove for a total cash consideration of RM3,000,000 to retain its equity interest of 50%.

The Company assessed the recoverable amount of investment in a subsidiaries and made an impairment loss of RM227,383 (2012 - NIL) in the current financial year for a subsidiary which became dormant without any future business plan.

6. GOODWILL ON CONSOLIDATION

	The Group	
	2013	**2012**
	RM	**RM**
Cost	683,067	683,067
Accumulated amortisation	(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 year, 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 one year. The key assumptions used for value-in-use calculations are:-

	2013	**2012**
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 glove. The discount rate used is pre-tax and was estimated based on the industry weighted average cost of capital.

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.2.2012 RM	Additions RM	#Adjustment 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 adjustment relates to discount given by suppliers.

The Group	At 1.2.2011 RM	Additions RM	Reclassification RM	Disposals RM	Depreciation Charge RM	At 31.1.2012 RM
Net Book Value						
Buildings	256,021	9,709,013	-	-	(115,924)	9,849,110
Leasehold land and building	5,660,809	9,981,061	-	-	(64,862)	15,577,008
Electrical installation, furniture and fittings	13,494	207,624	-	-	(12,005)	209,113
Factory and office extension	106,509	125,280	-	-	(12,931)	218,858
Factory equipment	-	2,216,207	-	-	(247,158)	1,969,049
Forklift	106,496	229,800	-	-	(61,725)	274,571
Motor vehicles	316,916	367,903	-	(48,000)	(88,754)	548,065
Office equipment	99,037	262,856	-	-	(34,322)	327,571
Plant and machinery	3,111,437	5,099,424	10,667,520	(178,000)	(1,600,486)	17,099,895
Capital work-in-progress	11,011,624	2,390,000	(10,667,520)	-	-	2,734,104
	20,682,343	30,589,168	-	(226,000)	(2,238,167)	48,807,344

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
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

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

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.1.2012			
Buildings	10,007,882	(158,772)	9,849,110
Leasehold land and building	16,053,416	(476,408)	15,577,008
Electrical installation, furniture and fittings	280,914	(71,801)	209,113
Factory and office extension	1,381,866	(1,163,008)	218,858
Factory equipment	2,241,619	(272,570)	1,969,049
Forklift	461,427	(186,856)	274,571
Motor vehicles	978,823	(430,758)	548,065
Office equipment	591,153	(263,582)	327,571
Plant and machinery	25,806,533	(8,706,638)	17,099,895
Capital work-in-progress	2,734,104	-	2,734,104
	60,537,737	(11,730,393)	48,807,344

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

	The Group	
	2013 RM	2012 RM
Forklift	84,430	56,357
Motor vehicles	337,571	437,742
Plant and machinery	8,823,912	4,605,813
	9,245,913	5,099,912

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	
	2013 RM	2012 RM
Factory and office extension	1,133,973	1,097,723
Factory equipment	25,412	25,412
Forklift	69,136	69,136
Furniture and fittings	53,361	46,331
Motor vehicles	193,880	87,880
Office equipment	175,608	175,608
Plant and machinery	4,987,011	4,374,397
	6,638,381	5,876,487

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	
	2013 RM	2012 RM
Buildings	248,229	252,125
Leasehold land and building	15,711,234	15,577,008
Factory and office extension	36,994	43,633
Plant and machinery	3,050,010	5,919,932
	19,046,467	21,792,698

8. INVESTMENT PROPERTY

	The Group 2013 RM	2012 RM
Cost	325,248	325,248
Accumulated amortisation	(130,100)	(97,575)
Net book value	195,148	227,673
Accumulated amortisation		
At 1.2.2012/2011	(97,575)	(65,050)
Addition during the financial year	(32,525)	(32,525)
At 31.1.2013/2012	(130,100)	(97,575)
Fair value	325,000	325,000

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 2013 RM	2012 RM
Rental income	28,390	27,380
Direct operating expenses	3,141	4,701

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2013 RM	2012 RM
Non-current:-		
Prepayment	349,980	-
Current:-		
Other receivables	511,306	12,427
Deposits	171,496	462,408
Prepayments	424,126	272,258
	1,106,928	747,093

The non-current prepayment is in respect of the final instalment payment of hire purchase payables.

10. INVENTORIES

	The Group 2013 RM	2012 RM
At cost:-		
Raw materials	2,629,309	1,886,605
Work-in-progress	7,500,233	4,622,419
Finished goods	3,824,438	2,804,191
	13,953,980	9,313,215

None of the inventories is carried at net realisable value.

11. TRADE RECEIVABLES

	The Group	
	2013 RM	2012 RM
Trade receivables	7,552,260	7,622,537
Allowance for impairment losses	(8,492)	(2,339)
	7,543,768	7,620,198

Allowance for impairment losses:-		
At 1.2.2012/2011	(2,339)	(32,144)
Addition during the financial year	(6,153)	(178)
Writeback during the financial year	-	8,413
Writeoff during the financial year	-	21,570
At 31.1.2013/2012	(8,492)	(2,339)

The Group's normal trade credit terms range from 30 to 120 days (2012 - 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and receivable/repayable on demand. The amounts owing are to be settled in cash.

13. AMOUNTS OWING BY/(TO) RELATED PARTIES

The amount owing by related parties is trade in nature and subjected to the Group's normal trade credit terms ranging from 30 to 120 days (2012 - 30 to 120 days).

The amount owing to the related parties are non-trade in nature, represent unsecured, interest-free advances and repayable on demand.

The amounts owing are to be settled in cash.

14. DERIVATIVE (LIABILITIES)/ASSETS

	The Group			
	2013		2012	
	Contract/ Notional amount RM	Liabilities RM	Contract/ Notional amount RM	Assets RM
Forward foreign currency contracts	20,717,860	(231,943)	12,189,870	223,052

The Group does not apply hedge accounting.

The settlement dates for forward foreign currency contracts range from 2 to 12 months (2012 - 3 to 12 months).

During the current financial year, the Group recognised a loss of RM454,995 (2012 - gain of RM3,512) arising from fair value changes of derivative 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 42.4(iii) to the financial statements.

15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and the Company bore a weighted average interest rate of 3.2% (2012 - NIL) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months.

Fixed deposits with licensed banks amounting to RM1,500,000 (2012 - NIL) have been pledged to a licensed bank as security for banking facilities granted to the Group.

16. SHARE CAPITAL

	2013		2012	
	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 1.2.2012/2011	220,000,000	22,000,000	210,000,000	21,000,000
Allotment of shares pursuant to private placement:				
- Tranche 2/Tranche 1	15,000,000	1,500,000	10,000,000	1,000,000
At 31.1.2013/2012	235,000,000	23,500,000	220,000,000	22,000,000

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM22,000,000 to RM23,500,000 by the issuance of 15,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.32 per share by way of private placement. The shares were issued for cash consideration. The new shares issued rank pari passu in all respects with the existing shares of the Company; and

(c) 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 January 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.

16. SHARE CAPITAL (CONT'D)

(c) Warrants (Cont'd)

The movements of warrants during the financial year are as follows:-

	Number of Warrants 2011/2016	
	2013	2012
At 1.2.2012/2011	105,000,000	-
Issued during the year	-	105,000,000
At 31.1.2013/2012	105,000,000	105,000,000

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.

17. SHARE PREMIUM

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
At 1.2.2012/2011	11,013,132	9,106,966	9,633,748	7,727,582
Premium arising from:				
- private placement	3,300,000	2,200,000	3,300,000	2,200,000
Share issuance expenses	(94,647)	(293,834)	(94,647)	(293,834)
At 31.1.2013/2012	14,218,485	11,013,132	12,839,101	9,633,748

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.

18. MERGER DEFICIT

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

19. RETAINED PROFITS

At the end of the reporting period, the Company was able to distribute its entire retained profits under the single tier tax system.

20. LONG-TERM BORROWINGS

	The Group 2013 RM	The Group 2012 RM
Hire purchase payables (Note 21)	5,139,716	3,010,657
Term loans (Note 22)	15,604,554	7,684,061
	20,744,270	10,694,718

21. HIRE PURCHASE PAYABLES

	The Group 2013 RM	The Group 2012 RM
Minimum hire purchase payments:		
- not later than one year	2,020,828	1,207,631
- later than one year and not later than five years	5,629,864	3,323,830
	7,650,692	4,531,461
Less: Future finance charges	(864,280)	(628,260)
Present value of hire purchase payables	6,786,412	3,903,201
Current:		
- not later than one year (Note 26)	1,646,696	892,544
Non-current:		
- later than one year and not later than five years (Note 20)	5,139,716	3,010,657
	6,786,412	3,903,201

22. TERM LOANS

	The Group 2013 RM	The Group 2012 RM
Current portion:		
- repayable within one year (Note 26)	17,208,755	645,724
Non-current portion:		
- repayable between one and two years	1,787,610	687,063
- repayable between two and five years	5,598,993	2,330,120
- repayable after five years	8,217,951	4,666,878
Total non-current portion (Note 20)	15,604,554	7,684,061
	32,813,309	8,329,785

22. 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 2013 RM	2012 RM
1	180	18,703	15 October 2009	-	2,274,631
2	180	29,688	15 May 2011	-	3,900,954
3	120	78,766	20 March 2012	7,090,467	-
4	60	67,000	1 January 2013	3,933,000	2,154,200
5	180	50,058	26 June 2012	6,317,138	-
6	#	#	6 September 2012#	2,144,854	-
7	#	#	24 September 2012#	3,099,500	-
8	#	#	26 November 2012#	1,549,750	-
9	#	#	27 December 2012#	3,099,500	-
10	#	#	31 January 2013#	5,579,100	-
				32,813,309	8,329,785

The Group was granted additional offshore loan facilities amounting to USD4,992,000 from Banco Santander (Brasil) S.A, Grand Cayman Branch. The amounts are repayable in full 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 machineries 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 corporate guarantee of a subsidiary; and

(v) a corporate guarantee of third parties.

23. DEFERRED TAX LIABILITIES

	The Group 2013 RM	2012 RM
At 1.2.2012/2011	31,565	158,000
Recognised in profit or loss (Note 30)	115,435	(126,435)
At 31.1.2013/2012	147,000	31,565

23. DEFERRED TAX LIABILITIES

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

	The Group	
	2013	2012
	RM	RM
Deferred tax liabilities:-		
Accelerated capital allowances	1,743,000	1,239,750
Unrealised gain on foreign exchange	49,700	2,000
	1,792,700	1,241,750
Deferred tax assets:-		
Provision for bonus	(64,700)	(36,000)
Unabsorbed capital allowances	(1,581,000)	(1,143,750)
Unrealised loss on foreign exchange	-	(8,000)
Unrealised profit on closing inventories	-	(22,435)
	(1,645,700)	(1,210,185)
	147,000	31,565

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Unabsorbed capital allowances	1,447,000	1,100,000	-	-
Unutilised tax losses	2,714,000	2,946,500	-	232,500
	4,161,000	4,046,500	-	232,500

24. TRADE PAYABLES

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

25. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Other payables	5,055,438	3,614,330	297	159,000
Accruals	1,692,850	934,282	61,632	56,000
Deposits received	457,773	268,664	-	-
	7,206,061	4,817,276	61,929	215,000

26. SHORT-TERM BORROWINGS

	The Group	
	2013	2012
	RM	RM
Hire purchase payables (Note 21)	1,646,696	892,544
Term loans (Note 22)	17,208,755	645,724
Bills payable	3,631,441	2,077,073
	22,486,892	3,615,341

26. SHORT-TERM BORROWINGS (CONT'D)

The bills payable of the Group bore an effective interest rate of 3.6% (2012 - 3.1%) per annum at the end of the reporting period and are secured in the same manner as the term loans as disclosed in Note 22 to the financial statements.

27. BANK OVERDRAFTS

The bank overdrafts are secured in the same manner as the term loans as disclosed in Note 22 to the financial statemen ts.

28. REVENUE

Revenue of the Group and the Company represents the invoiced value of goods sold and services rendered net of trade discounts and returns and gross dividend, respectively.

29. PROFIT BEFORE TAXATION

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Allowance for impairment loss on receivables	6,153	178	-	-
Amortisation of investment property	32,525	32,525	-	-
Audit fee:				
- for the financial year	99,000	97,000	29,000	28,000
- (over)/underprovision in the previous financial year	(3,000)	14,000	(2,000)	18,000
- other services	31,000	16,000	16,000	16,000
Depreciation of property, plant and equipment	4,522,919	2,238,167	-	-
Direct operating expenses arising from investment property	3,141	4,701	-	-
Directors' fee	145,450	144,000	145,450	144,000
Directors' non-fee emoluments:				
- salaries and other benefits	632,646	480,523	1,000	8,100
- defined contribution plan	70,048	53,222	-	-
Fair value loss/(gain) on derivatives	454,995	(3,512)	-	-
Impairment loss on investment in a subsidiary	-	-	227,383	-
Interest expense:				
- bank overdrafts	49,497	30,034	-	-
- bills payable	112,159	45,159	-	-
- hire purchase	315,283	177,098	-	-
- term loans	877,202	324,517	-	-
Loss on disposal of property, plant and equipment	-	53,000	-	-
Rental expenses:				
- premises	85,436	86,000	-	-
- hostel	94,864	1,166	-	-
- office equipment	5,829	-	-	-
Staff costs:				
- salaries and other staff related expenses	10,441,298	5,998,204	-	-
- defined contribution plan	523,100	311,708	-	-

29. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation is arrived at after charging/(crediting) (Cont'd):-

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Dividend income	-	-	(1,500,000)	-
(Gain)/Loss on foreign exchange:				
- realised	(145,610)	(228,363)	-	-
- unrealised	(79,147)	165,069	-	-
Interest income	(169,141)	(80,391)	(143,796)	(74,048)
Gain on partial disposal of a subsidiary to non-controlling interest	-	(3,949,921)	-	(3,949,921)
Rental income	(67,390)	(57,380)	-	-
Writeback of impairment loss on receivables	-	(8,413)	-	-

30. INCOME TAX EXPENSE

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current tax expense:				
- for the financial year	327,491	128,500	-	-
- under/(over)provision in the previous financial year	20,100	(38,147)	-	-
	347,591	90,353	-	-
Deferred tax liabilities (Note 23):				
- for the financial year	115,435	(75,538)	-	-
- under/(over)provision in the previous financial year	-	(50,897)	-	-
	115,435	(126,435)	-	-
	463,026	(36,082)	-	-

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before taxation	2,759,974	417,837	1,002,327	3,458,306
Tax at the statutory tax rate of 25% (2012 - 25%)	690,000	104,500	250,582	864,577
Tax effects of:-				
Non-deductible expenses	501,355	317,648	182,543	64,778
Non-taxable income	(777,054)	(1,092,111)	(375,000)	(987,480)
Utilisation of deferred tax assets not recognised in the previous financial year	(60,875)	-	(58,125)	-
Deferred tax assets not recognised during the financial year	89,500	722,925	-	58,125
Under/(Over)provision in the previous financial year				
- current tax	20,100	(38,147)	-	-
- deferred tax	-	(50,897)	-	-
Income tax expense	463,026	(36,082)	-	-

31. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit attributable to shareholders of RM2,970,774 (2012 - RM1,978,178) by the weighted average number of ordinary shares in issue during the financial year of 234,630,137 (2012 - 212,438,356).

	The Group	
	2013	2012
	RM	RM
Profit attributable to owners of the Company	2,970,774	1,978,178
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1.2.2012/2011	220,000,000	210,000,000
Effect of shares issued under private placement	14,630,137	2,438,356
Weighted average number of ordinary shares at 31.1.2013/2012	234,630,137	212,438,356
Basic earnings per share (sen)	1.27	0.93

The diluted earnings per ordinary share is not presented as there is no dilutive effect noted during the year. The issue of warrants does 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	
	2013	2012
	RM	RM
Proposed:-		
A first and final single-tier dividend of 0.25 per ordinary share	587,500	-

33. INVESTMENT IN A SUBSIDIARY

	The Company	
	2013	2012
	RM	RM
Cost of acquisition of investment in a subsidiary	3,000,000	10,100,000
Amount offset against advances to a subsidiary (Note 35)	-	(10,000,000)
Cash disbursed for acquisition of investment in a subsidiary	3,000,000	100,000

34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2013	2012
	RM	RM
Cost of property, plant and equipment purchased	21,810,611	30,589,168
Amount financed through hire purchase	(4,049,000)	(4,308,000)
Cash disbursed for purchase of property, plant and equipment	17,761,611	26,281,168

35. ADVANCES TO SUBSIDIARIES

The balance of the advances to subsidiaries is arrived at after accounting for the following items:-

	The Company	
	2013	2012
	RM	RM
(Advances to)/Repayment from subsidiaries	(2,646,930)	5,276,018
Amount offset against investment in a subsidiary (Note 33)	-	(10,000,000)
	(2,646,930)	(4,723,982)

36. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Fixed deposits with licensed banks (Note 15)	3,500,000	-	2,000,000	-
Cash and bank balances	7,905,615	1,179,629	454,587	152,755
Bank overdrafts (Note 27)	(631,987)	(2,323,014)	-	-
	10,773,628	(1,143,385)	2,454,587	152,755

37. DIRECTORS' REMUNERATION

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

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Executive directors:				
- non-fee emoluments	631,646	472,423	-	-
- defined contribution plan	70,048	53,222	-	-
	701,694	525,645	-	-
Non-executive directors:				
- fee	145,450	144,000	145,450	144,000
- non-fee emoluments	1,000	8,100	1,000	8,100
	146,450	152,100	146,450	152,100
	848,144	677,745	146,450	152,100

37. DIRECTORS' REMUNERATION (CONT'D)

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

	The Group		The Company	
	2013	2012	2013	2012
Executive directors:-				
RM100,000 - RM150,000	-	2	-	-
RM150,001 - RM200,000	1	-	-	-
RM200,001 - RM250,000	1	-	-	-
RM250,001 - RM300,000	-	1	-	-
RM350,001 - RM400,000	1	-	-	-
Non-executive directors:-				
<RM50,000	2	2	2	2
RM50,001 - RM100,000	1	-	-	-
RM100,001 - RM150,000	-	1	1	1
RM150,001 - RM200,000	-	-	-	-
	6	6	3	3

38. 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

(iii) 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 year:-

	The Group	
	2013 RM	2012 RM
Transactions with a close member of the family of a director, Mr. Lim Kwee Shyan:		
- Sales	54,233	256,691
- Quality control and packing services expenses	18,168	-
- Insurance and renewal of road tax services expenses	250,191	68,719
- Construction expenses charged	20,901	13,901
Transactions with directors:		
- Rental paid/payable	127,500	91,200
Transactions with a related party:		
- Sales	49,679,606	5,826,952
- Commission paid	-	30,656

	The Company	
	2013 RM	2012 RM
Transaction with subsidiaries:		
- Dividend received	1,500,000	-

38. RELATED PARTY DISCLOSURES

(c) Key management personnel

	The Group		The Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short-term employee benefits:				
- salaries, allowances and bonuses	778,096	624,523	146,450	152,100
- defined contribution plan	70,048	53,222	-	-
	848,144	677,745	146,450	152,100

39. 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

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

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2013 (Cont'd)	**Manufacturing RM**	**Trading RM**	**Other RM**	**Group RM**
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
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.

2012	**Manufacturing RM**	**Trading RM**	**Other RM**	**Group RM**
Revenue				
External revenue	39,153,965	19,556,946	-	58,710,911
Inter-segment revenue	16,966,810	-	-	16,966,810
	56,120,775	19,556,946	-	75,677,721
Eliminations				(20,281,645)
Consolidated revenue				55,396,076
Results				
Segment results	(401,619)	530,729	(271,829)	(142,719)
Adjustments and eliminations	-	(89,740)	-	(89,740)
	(401,619)	440,989	(271,829)	(232,459)

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2012 (Cont'd)	Manufacturing RM	Trading RM	Other RM	Group RM
Amortisation of investment property	-	(32,525)	-	(32,525)
Depreciation of property, plant and equipment	(2,140,405)	(97,762)	-	(2,238,167)
Interest income	5,745	598	74,048	80,391
Other material items of income	41,516	19,376	3,949,921	4,010,813
Other material items of expenses	(591,997)	(37,811)	(293,834)	(923,642)
Other non-cash income items	(114,726)	(131,848)	-	(246,574)
	(3,201,486)	161,017	3,458,306	417,837
Income tax expense				36,082
Consolidated profit after taxation				453,919
Assets				
Segment assets #	69,771,309	19,273,257	35,020,623	124,065,189
Eliminations				(54,979,403)
Unallocated asset				461,230
Consolidated total assets				69,547,016
Liabilities				
Segment liabilities *	41,005,245	5,971,847	1,079,034	48,056,126
Eliminations				(22,317,555)
Unallocated liabilities				31,565
Consolidated total liabilities				25,770,136
Other segment items				
Additions to non-current assets other than financial instruments:				
- property, plant and equipment	20,323,107	10,266,061	-	30,589,168

\# - 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 2013 RM	The Group 2012 RM
Fair value gain on derivatives	-	3,512
Gain on partial disposal of a subsidiary to non-controlling interest	-	3,949,921
Rental income	67,390	57,380
	67,390	4,010,813

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

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

	The Group	
	2013	**2012**
	RM	**RM**
Interest expense	1,354,141	576,808
Fair value loss on derivatives	454,995	-
Loss on disposal of property, plant and equipment	-	53,000
Share issuance expenses	94,647	293,834
	1,903,783	923,642

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

	The Group	
	2013	**2012**
	RM	**RM**
Allowance for impairment losses	6,153	178
Unrealised (gain)/loss on foreign exchange	(79,147)	165,069
Unrealised profit on closing stock	-	89,740
Writeback of impairment loss on receivables	-	(8,413)
	(72,994)	246,574

GEOGRAPHICAL INFORMATION

	Revenue	
	2013	**2012**
	RM	**RM**
Central and South America	56,754,803	12,215,023
Malaysia	10,229,187	9,968,680
North America	6,888,527	8,718,474
Other Asia Pacific	21,416,238	19,974,176
Others	2,103,652	4,519,723
	97,392,407	55,396,076

MAJOR CUSTOMERS

Revenue from three (2012 - two) major customers, with revenue equal to or more than 10% of Group revenue amounted to RM60,364,507 (2012 - RM17,956,956) arising from sales of the manufacturing and trading segments.

40. CAPITAL COMMITMENTS

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

	The Group	
	2013	**2012**
	RM	**RM**
Contracted but not provided for:		
- Construction of building	1,059,241	-
- Construction of factory and office extension	717,005	1,949,858
- Plant and machineries	5,546,635	10,417,509
	7,322,881	12,367,367

41. CONTINGENT LIABILITY

	The Company	
	2013	2012
	RM	RM
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	25,288,630	16,794,993

42. 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.

42.1 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
2013			
Financial assets			
Trade receivables	7,572,422	-	-
Amount owing by related parties	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

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 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
2012			
Financial assets			
Trade receivables	7,377,228	229,757	-
Amount owing by related parties	701,108	-	-
Cash and bank balances	839,105	6,287	165
	8,917,441	236,044	165
Financial liabilities			
Trade payables	(1,943,552)	-	-
Net financial assets	6,973,889	236,044	165
Less: Forward foreign currency contracts (contracted notional principal)	(7,034,816)	-	-
Currency exposure	(60,927)	236,044	165

The effect of the foreign currency risk to the Group is minimal. As such, sensitivity analysis is not disclosed.

(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.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 42.1(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	
	2013 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM
Effects on profit after taxation/equity				
Increase of 100 basis points (bp)	370,767	127,299	-	-
Decrease of 100 bp	(370,767)	(127,299)	-	-

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 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 72% 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 trade balances in amount owing by related parties) by geographical region is as follows:-

	The Group		**The Company**	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Central and South America	23,489,203	2,895,496	-	-
Malaysia	429,050	71,251	-	-
North America	462,418	1,568,967	-	-
Other Asia Pacific	3,521,600	3,464,388	-	-
Other	52,943	382,758	-	-
	27,955,214	8,382,860	-	-

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 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 related parties) is as follows:-

The Group	Gross Amount RM	Specific Impairment RM	Carrying Value RM
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
2012			
Not past due	6,897,403	-	6,897,403
Past due 0 - 30 days	763,254	-	763,254
Past due more than 30 days	724,542	(2,339)	722,203
	8,385,199	(2,339)	8,382,860

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.

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 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
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
2012						
Hire purchase payables	6.3	3,903,201	4,531,461	1,207,631	3,323,830	-
Term loans	5.4	8,329,785	10,733,876	1,090,128	4,360,512	5,283,236
Trade payables	-	4,288,222	4,288,222	4,288,222	-	-
Other payables and accruals	-	4,817,276	4,817,276	4,817,276	-	-
Bills payable	3.1	2,077,073	2,077,073	2,077,073	-	-
Bank overdrafts	7.6	2,323,014	2,323,014	2,323,014	-	-
Forward currency contracts - gross payment	-	12,189,870	12,189,870	12,189,870	-	-
		37,928,441	40,960,792	27,993,214	7,684,342	5,283,236

42 FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

The Company	Contractual Carrying Amount RM	Undiscounted Cash Flows RM	Within 1 Year Or On Demand RM
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
2012			
Other payables and accruals	215,000	215,000	215,000
Amount owing to subsidiaries	864,034	864,034	864,034
	1,079,034	1,079,034	1,079,034

42.2 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 2013 RM	2012 RM
Hire purchase payables	6,786,412	3,903,201
Term loans	32,813,309	8,329,785
Trade payables	14,745,175	4,288,222
Other payables and accruals	7,206,061	4,817,276
Amount owing to a related party	1,607,700	-
Bills payable	3,631,441	2,077,073
Bank overdrafts	631,987	2,323,014
	67,422,085	25,738,571
Less: Fixed deposits with licensed banks	(3,500,000)	-
Less: Cash and bank balances	(7,905,615)	(1,179,629)
Net debt	56,016,470	24,558,942
Total equity	53,779,181	43,776,880
Debt-to-equity ratio	1.04	0.56

42. FINANCIAL INSTRUMENTS (CONT'D)

42.2 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.

42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group	
	2013	**2012**
	RM	**RM**
Financial assets		
Loans and receivables financial assets		
Trade receivables	7,543,768	7,620,198
Other receivables and deposits	682,802	474,835
Amount owing by related parties	20,411,446	762,662
Fixed deposits with licensed banks	3,500,000	-
Cash and bank balances	7,905,615	1,179,629
	40,043,631	10,037,324
Fair value through profit or loss		
Derivative (liabilities)/assets	(231,943)	223,052
Financial liability		
Other financial liabilities		
Hire purchase payables	6,786,412	3,903,201
Term loans	32,813,309	8,329,785
Trade payables	14,745,175	4,288,222
Other payables and accruals	7,206,061	4,817,276
Amount owing to a related party	1,607,700	-
Bills payable	3,631,441	2,077,073
Bank overdrafts	631,987	2,323,014
	67,422,085	25,738,571

	The Company	
	2013	**2012**
	RM	**RM**
Financial assets		
Loans and receivables financial assets		
Amount owing by subsidiaries	5,199,000	2,552,070
Fixed deposits with licensed banks	2,000,000	-
Cash and bank balances	454,587	152,755
	7,653,587	2,704,825
Financial liability		
Other financial liabilities		
Other payables and accruals	61,929	215,000
Amount owing to subsidiaries	3,048,804	864,034
	3,110,733	1,079,034

42. FINANCIAL INSTRUMENTS (CONT'D)

42.4 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The carrying amounts of long term bank loans and hire purchase payables approximated the fair values of the instruments. The fair values of the long term bank loans and hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar instruments at the end of the reporting period.

(iii) The fair value of forward foreign currency contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

(iv) The fair value of term loan approximated its fair value as this instrument bears interest at variable rates.

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

	The Group	
	2013	**2012**
	%	**%**
Hire purchase payables	6.0	4.5

42.5 FAIR VALUE HIERARCHY

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1 : Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has carried its derivative (liabilities)/assets at their fair values. These financial assets belong to level 2 of the fair value hierarchy.

43. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Company and its subsidiaries undertook the following transaction:-

On 9 February 2012, the Company placed out its second tranche of the private placement, consisting of 15,000,000 ordinary shares of RM0.10 each at an issue price of RM0.32 per share.

44. 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	
	2013 RM	2012 RM
Euro	4.21	4.01
Pound Sterling	4.91	4.79
United States Dollar	3.11	3.04

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

The breakdown of the retained profits/(accumulated loss) 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	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained profits				
- realised	18,409,077	15,224,264	3,310,168	2,307,841
- unrealised	(299,796)	(85,757)	-	-
At 31 January	18,109,281	15,138,507	3,310,168	2,307,841

List of Properties

Registered owner and postal address/identification	Approximate age of the building/ Date of certificate of fitness	Tenure/Expiry date of lease	Description and existing use	Land area (Square feet)	Built-up area (Square feet)	Net book value as at 31.01.2013 (RM)
Careplus (M) Sdn Bhd						
Lot 104, Lorong Senawang 4/2, Off Jalan Senawang Empat, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus. **Title Identification** No. Hakmilik PM 43, Lot No. 5619, Pekan Senawang, Daerah Seremban, Negeri Sembilan Darul Khusus.	12 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	905,966
No. G-51, Ground Floor of Terminal One Shopping Complex 70000 Seremban, Negeri Sembilan Darul Khusus. **Title Identification** Strata Title under Geran No. 60178/M1/1/36, No. Petak 36, Lot No. 20321, Mukim Bandar Seremban, Daerah Seremban, Negeri Sembilan Darul Khusus.	13 years/ 12.02.1999	Freehold	Ground floor unit commercial lot in shopping complex, currently tenanted	Not applicable	689	195,148
Nos 120 and 121, Jalan Senawang 3, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus. **Title Identification** PM 71, Lot No. 10577, Pekan Senawang, District of Seremban, Negeri Sembilan Darul Khusus.	Approximately 31 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	9,859,257
Rubbercare Protection Products Sdn Bhd						
Lot 110, Lorong Senawang 4/3, Off Jalan Senawang Empat, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus. **Title Identification** Lot No. PT 1345, H.S.(D) 133246 in Mukim Ampangan, Daerah Seremban, Negeri Sembilan Darul Khusus.	15 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	1,280,000
Careglove Global Sdn Bhd						
Lot 17479, Lorong Senawang 3/2, Off Jalan Senawang 3, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus. **Title Identification** No. Hakmilik PN 1290, Mukim Ampangan, Daerah Seremban, Negeri Sembilan Darul Khusus	2 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	13,154,778

Analysis of Shareholdings / Warrant Holdings
as at 30 April 2013

SHARE CAPITAL

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	66	46,100	0.02
1,001 - 10,000 shares	441	3,060,600	1.30
10,001 - 100,000 shares	502	19,954,000	8.49
100,001 - less than 5% of issued shares	139	86,425,100	36.78
5% and above of issued shares	4	125,514,100	53.41
Total	**1,154**	**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)	17.89
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 30 April 2013

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 APRIL 2013
(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	3,200,700	1.36
9	Tan Hang Lim	3,119,500	1.33
10	Tan Han Hui	2,500,000	1.06
11	Lai Chee Fong	2,406,900	1.02
12	Mak Weng Kit	2,262,500	0.96
13	Vibrant Model Sdn. Bhd.	2,030,900	0.86
14	Tan Hang Chai	2,000,000	0.85
15	Tan Chuan Hock	2,000,000	0.85
16	Tengku Ab Malek bin Tengku Mohamed	1,960,000	0.83
17	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sleuths Holdings Sdn. Bhd.	1,850,000	0.79
18	Soh Tian Chai	1,763,700	0.75
19	Tan Z Kiat	1,750,000	0.74
20	Tan Poh Thoong	1,523,000	0.65
21	Tan Gek Toh	1,500,000	0.64
22	Lee Pui Seng	1,459,000	0.62
23	Lim Hoe Seng	1,425,000	0.61
24	Maybank Nominees (Tempatan) Sdn. Bhd. Pledge Securities Account for Lim Qim Leong	1,293,700	0.55
25	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for UBS AG (Clients Assets)	1,271,800	0.54
26	Maybank Securities Nominees (Asing) Sdn. Bhd. Maybank Kim Eng Securities Pte Ltd for Heng Tin Meng	1,100,000	0.47
27	Seow Kok Tiong	1,000,000	0.43
28	Tan Check Ee	1,000,000	0.43
29	Moh Chee Leong	1,000,000	0.43
30	Lim Ah Tee	928,000	0.39

Analysis of Shareholdings / Warrant Holdings
as at 30 April 2013

WARRANTS

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	25	1,200	0.00
100-1,000	96	64,450	0.06
1,001-10,000	425	2,148,650	2.05
10,001-100,000	301	11,007,300	10.48
100,001 - less than 5% of issued warrants	68	29,051,350	27.67
5% and above of issued warrants	4	62,727,050	59.74
TOTAL:	**919**	**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 30 April 2013

THIRTY LARGEST 2011/2016 WARRANT HOLDERS AS AT 30 APRIL 2013

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	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Sak Chong (Margin)	1,920,000	1.83
9	Vibrant Model Sdn. Bhd.	1,000,000	0.95
10	Tan Chuan Hock	1,000,000	0.95
11	Lim Kau @ Lim Kwee Wu	977,800	0.93
12	Tan Z Kiat	875,000	0.83
13	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy (8092812)	737,600	0.70
14	Tang Kok Hooi	700,000	0.67
15	Lee Pei Hoon @ Lee Poh	700,000	0.67
16	Tan Hang Lim	500,000	0.48
17	Tan Check Ee	500,000	0.48
18	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kwong Ming Kwei (08KW032ZG-008)	491,000	0.47
19	Lim Hoe Seng	490,000	0.47
20	Yap Thiam Loo	487,500	0.46
21	Ng Seng Nam	400,000	0.38
22	Loo Chian	388,250	0.37
23	Kendek Industry Sdn. Bhd.	350,000	0.33
24	Chuah Lay Leng	350,000	0.33
25	Mak Weng Kit	350,000	0.33
26	Lim Peng Joo	310,000	0.30
27	Maybank Nominees (Tempatan) Sdn. Bhd. Pledge Securities Account for Liew Yin Shiung	300,000	0.29
28	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Khor Jan Yeow (8083119)	300,000	0.29
29	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Chek Leng (033)	300,000	0.29
30	Phua Eng Sua	299,500	0.29

Notice of Third Annual General Meeting

NOTICE IS HEREBY GIVEN that the Third 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 Friday, 21 June 2013 at 11.00 a.m. to transact the following business:-

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 January 2013 together with the reports of the directors and auditors thereon.	**Please refer to Note i**
2.	To declare a first and final single tier dividend of 0.25 sen per share for the financial year ended 31 January 2013.	**Resolution 1**
3.	To approve the payment of directors' fees for the financial year ended 31 January 2013.	**Resolution 2**
4.	To re-elect the following Directors who retire in accordance with Article 103 of the Company's Articles of Association :	
	i. Mr. Loo Teck Looi	**Resolution 3**
	ii. Ms. Yew Yee Peng	**Resolution 4**
5.	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 5**

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

6. **ORDINARY RESOLUTION** — **Resolution 6**
GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"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."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a first and final single tier dividend of 0.25 sen per share in respect of the financial year ended 31 January 2013, if approved by the shareholders at the Annual General Meeting of the Company, will be paid on 31 July 2013 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 10 July 2013.

A depositor shall qualify for entitlement to the dividend only in respect of :-

a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 10 July 2013 in respect of ordinary transfers; and

b) Shares bought on the Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By order of the Board

TEA SOR HUA (MACS 01324)
SHEE PEK HOONG (MAICSA 7052352)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 May 2013

Notice of Third Annual General Meeting

Notes:

i. 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 and hence, is not put forward for voting.

ii. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

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

iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.

v. The instrument appointing a proxy must be deposited at the registered office of the Company situated 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 for holding the meeting or any adjournment thereof.

vi. The depositors whose names appear in the Record of Depositors as at 13 June 2013 shall be regarded as members and entitled to attend, speak and vote at the Third Annual General Meeting.

EXPLANATORY NOTES TO SPECIAL BUSINESS

The Ordinary Resolution proposed under item 6 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 25 July 2012 and it will lapse at the conclusion of the Third annual general meeting of the Company.

Statement Accompanying Notice Annual General Meeting

The Directors standing for re-election at the Third Annual General Meeting of the Company pursuant to Article 103 of the Company's Articles of Association are as follows:-

i. Mr. Loo Teck Looi

ii. Ms. Yew Yee Peng

Article 103 – At least one-third of the Directors for the time being shall retire from Office provided that all Directors, shall retire from office once at least in every three years but shall be eligible for re-election.

The Profile of the Directors who are standing for re-election are set out in the Directors' Profile Section of this Annual Report; while the details of their interest in the securities of the Company are set out in the Analysis of Shareholdings – Directors' Shareholding of this Annual Report.

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Careplus Group Berhad (896134-D)

PROXY FORM

I/We *(full name in capital letters)*____________________________________ NRIC/Company No. __________________
of *(full address)* ____
being (a) member(s) of **CAREPLUS GROUP BERHAD** hereby appoint *(full name in capital letters)*__________________
NRIC No.____________________________ 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 Third 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 Friday, 21 June 2013 at 11.00 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 declare a first and final single tier dividend of 0.25 sen per share for the financial year ended 31 January 2013		
2.	To approve the payment of directors' fees for the financial year ended 31 January 2013.		
3.	To re-elect Mr. Loo Teck Looi as director who retires pursuant to Article No. 103 of the Company's Articles of Association.		
4.	To re-elect Ms. Yew Yee Peng as director who retires pursuant to Article No. 103 of the Company's Articles of Association.		
5.	To re-appoint Messrs Crowe Horwath as Auditors of the Company.		
6.	To approve the authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Dated this______________ day of________________ 2013

NO. OF SHARES HELD

____

Signature of Member(s)/Common Seal

Notes:
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A shareholder shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a shareholder appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
4. The instrument appointing a proxy must be deposited at the registered office of the Company situated 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 for holding the meeting or any adjournment thereof.
5. The depositors whose names appear in the Record of Depositors as at 13 June 2013 shall be regarded as members and entitled to attend, speak and vote at the Third Annual General Meeting.

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The Company Secretaries

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

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