



CARING PHARMACY GROUP BERHAD

(Company No.1011859-D)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2014

Contents

	Page
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	1
Condensed Consolidated Statement of Financial Position.....	2
Condensed Consolidated Statement of Changes in Equity.....	4
Condensed Consolidated Statement of Cash Flows.....	5
Notes to the Condensed Financial Statements	7

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 May 2014

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31 May 2014 RM'000	Preceding Year Quarter ⁽²⁾ 31 May 2013 RM'000	Current Year To Date 31 May 2014 RM'000	Preceding Year To Date ⁽²⁾ 31 May 2013 RM'000
REVENUE		88,641	N/A	338,337	N/A
COST OF SALES		(70,730)	N/A	(255,075)	N/A
GROSS PROFIT		17,911	N/A	83,262	N/A
OTHER OPERATING INCOME		7,503	N/A	22,847	N/A
		25,414	N/A	106,109	N/A
SELLING AND DISTRIBUTION EXPENSES		(14,196)	N/A	(53,687)	N/A
ADMINISTRATIVE EXPENSES		(6,956)	N/A	(23,715)	N/A
OTHER OPERATING EXPENSES		(1,344)	N/A	(5,631)	N/A
FINANCE COSTS		(45)	N/A	(263)	N/A
PROFIT BEFORE TAXATION	B5	2,873	N/A	22,813	N/A
TAXATION	B6	(1,510)	N/A	(6,495)	N/A
PROFIT AFTER TAXATION		1,363	N/A	16,318	N/A
OTHER COMPREHENSIVE INCOME , NET OF TAX		-	N/A	-	N/A
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		1,363	N/A	16,318	N/A
PROFIT AFTER TAXATION ATTIBUTABLE TO :-					
- Owners of the Company		1,275	N/A	15,118	N/A
- Non-Controlling interests		88	N/A	1,200	N/A
		1,363	N/A	16,318	N/A
TOTAL COMPREHENSIVE INCOME ATTIBUTABLE TO :-					
- Owners of the Company		1,275	N/A	15,118	N/A
- Non-Controlling interests		88	N/A	1,200	N/A
		1,363	N/A	16,318	N/A
Earning per share (Sen) attributable to Owners of the Company					
- Basic ⁽³⁾	B12	0.59	N/A	6.94	N/A
- Diluted		N/A	N/A	N/A	N/A

Notes:

N/A Not applicable.

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report for the financial year ended 31 May 2013 as disclosed in the Section 12 of the Prospectus of the Company dated 18 October 2013 and the accompanying explanatory notes attached to these interim financial statements.

(2) No comparative figures for the preceding year are presented as this is the third interim financial report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(3) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.

Unaudited Condensed Consolidated Statement of Financial Position for the Financial Year Ended 31 May 2014

	Note	AS AT 31 May 2014 RM'000	AS AT 31 May 2013 ⁽²⁾ RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		32,858	N/A
Intangible assets		2,946	N/A
Deferred tax assets		1,359	N/A
		<u>37,163</u>	<u>N/A</u>
CURRENT ASSETS			
Inventories		79,856	N/A
Trade receivables		337	N/A
Other receivables and deposits		5,768	N/A
Tax recoverable		426	N/A
Deposit with financial institutions		58,625	N/A
Cash and bank balances		19,271	N/A
		<u>164,283</u>	<u>N/A</u>
TOTAL ASSETS		<u>201,446</u>	<u>N/A</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Unaudited Condensed Consolidated Statement of Financial Position for the Financial Year Ended 31 May 2014 (Cont'd)

	Note	AS AT 31 May 2014 RM'000	AS AT 31 May 2013 ⁽²⁾ RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital		217,706	N/A
Share premium		7,402	N/A
Retained profits		71,052	N/A
Merger deficit		(181,984)	N/A
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		114,176	N/A
NON-CONTROLLING INTERESTS		6,704	N/A
TOTAL EQUITY		120,880	N/A
NON-CURRENT LIABILITIES			
Term loan	B8	9,779	N/A
Deferred tax liabilities		259	N/A
		10,038	N/A
CURRENT LIABILITIES			
Trade payables		63,108	N/A
Other payables and accruals		6,661	N/A
Provision for taxation		638	N/A
Term loan	B8	121	N/A
		70,528	N/A
TOTAL LIABILITIES		80,566	N/A
TOTAL EQUITY AND LIABILITIES		201,446	N/A
Net assets per share attributable to ordinary equity holders of the parent (RM) ⁽³⁾			
		0.52	N/A

Notes:

N/A Not applicable.

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report for the financial year ended 31 May 2013 as disclosed in the Section 12 of the Prospectus of the Company dated 18 October 2013 and the accompanying explanatory notes attached to these interim financial statements.

(2) No comparative figures for the preceding year are presented as this is the third interim financial report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(3) Based on the issued share capital of 217,706,400 shares after the completion of the Public Issue as detailed in Note B7.

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Year Ended 31 May 2014

	<----- Distributable to equity holders of the Company ----->				<----- Non-distributable ----->		
	Share Capital	Share Premium	Merger Deficit	Distributable Retained Profits	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2013	#	-	-	(7)	(7)	-	(7)
Effect arising from merger	182,706	-	(181,984)	59,200	59,922	6,754	66,676
Effect of issue of share capital by a subsidiary	-	-	-	-	-	54	54
Dilution in equity interest in a subsidiary	-	-	-	7	7	(7)	-
Public issue of shares	35,000	8,750	-	-	43,750	-	43,750
Share issue expenses ⁽³⁾	-	(1,348)	-	-	(1,348)	-	(1,348)
Quasi loans from non-controlling interests	-	-	-	-	-	447	447
Total comprehensive income for the period	-	-	-	15,118	15,118	1,200	16,318
Dividend paid	-	-	-	(3,266)	(3,266)	-	(3,266)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(1,744)	(1,744)
At 31 May 2014	217,706	7,402	(181,984)	71,052	114,176	6,704	120,880

Notes :

Represents RM3.

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report for the financial year ended 31 May 2013 as disclosed in the Section 12 of the Prospectus of the Company dated 18 October 2013 and the accompanying explanatory notes attached to these interim financial statements.
- (2) No comparative figures for the preceding year are presented as this is the third interim financial report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- (3) Listing expenses for the issue of the new CARiNG Shares of RM1.34 million were written off against the share premium account under Section 60 of the Companies Act, 1965.

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 May 2014 (Cont'd)

	Current Year To Date 31 May 2014 RM'000	Preceding Year To Date ⁽²⁾ 31 May 2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,813	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	3,559	N/A
Gain on disposal of property, plant and equipment	(189)	N/A
Interest expense	251	N/A
Interest income	(1,284)	N/A
Rental income	(112)	N/A
Impairment loss on equipment	316	N/A
Initial public offering expenses	1,736	N/A
Operating profit before working capital changes	27,090	N/A
Increase in inventories	(22,416)	N/A
Decrease in trade and other receivables	(428)	N/A
Increase in trade and other payables	9,605	N/A
CASH FROM OPERATION	13,851	N/A
Tax paid	(8,254)	N/A
Tax refund	317	N/A
Interest paid	(251)	N/A
NET CASH FROM OPERATING ACTIVITIES	5,663	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	1,284	N/A
Purchase of property, plant and equipment	(7,835)	N/A
Proceeds from disposal of property, plant and equipment	189	N/A
Rental received	112	N/A
NET CASH FOR INVESTING ACTIVITIES	(6,250)	N/A
CASH FROM FINANCING ACTIVITIES		
Dividend paid	(3,266)	N/A
Dividend paid to non-controlling interests	(1,743)	N/A
Payment of initial public offering expenses	(2,129)	N/A
Proceeds from issuance of shares pursuant to Public Issue	43,750	N/A
Drawdown of term loan	2,970	N/A
Repayment of term loans	(3,115)	N/A
Proceeds from issuance of shares to non-controlling interests	54	N/A
Quasi loan from non-controlling interests	447	N/A
NET CASH FROM FINANCING ACTIVITIES	36,968	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,381	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	41,515	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	77,896	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISE:-		
- Deposit with financial institutions	58,625	N/A
- Cash and bank balances	19,271	N/A
	77,896	N/A

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 May 2014 (Cont'd)

Notes:

N/A *Not applicable.*

- (1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report for the financial year ended 31 May 2013 as disclosed in the Section 12 of the Prospectus of the Company dated 18 October 2013 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *No comparative figures for the preceding year are presented as this is the third interim financial report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Interim Financial Report for the Financial Year Ended 31 May 2014
Part A –Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Para 9.22(Appendix 9B Part A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This is the third interim financial report on the consolidated results for the fourth quarter ended 31 May 2014 announced by the Company in compliance with the Main Market Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

The interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and Accountants’ Report for the financial year ended 31 May 2013 as disclosed in Prospectus of the Company dated 18 October 2013 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 May 2013. The interim consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with MFRSs.

The group has adopted merger accounting method for the preparation of this Interim Financial Statements.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the adopted as disclosed in the Accountants’ Report in the prospectus of the company dated 18 October 2013 except for the adoption of the following :-

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 Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014

Interim Financial Report for the Financial Year Ended 31 May 2014
Part A –Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

A2. Changes in Accounting Policies (*Cont’d*)

MFRSs and IC Interpretations (Including The Consequential Amendments) (Cont’d)	Effective Date
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

The adoption of the above revised MFRSs, Amendments to FRSs and IC Interpretation will not have any significant financial impact on the financial position and performance of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 May 2013.

A4. Seasonal or Cyclical Factors

The financial performance of the Group is not significantly affected by any seasonal or cyclical factors save for the materialization of purchase rebate entitlements from our suppliers which can only be determined in the third quarter of the financial year.

A5. Item of Unusual Nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow because of their nature, size or incidence for the financial quarter under review except for RM1.736 million of non-recurring expenses related to the Company's Initial Public Offer and Listing on the Main Market of Bursa Securities which were charged as “other operating expenses”.

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

A7. Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter except for those disclosed in Note B7.

Interim Financial Report for the Financial Year Ended 31 May 2014
Part A –Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

A8. Dividend Paid

An interim single-tier dividend of 1.5 sen per ordinary share in respect of financial year ended 31 May 2014 was declared on 26 February 2014 and paid on 21 March 2014.

In the previous quarter, an interim dividend amounting to RM 597,800 was paid by the Company's subsidiaries to non-controlling shareholders of subsidiaries in respect of the financial year ended 31 May 2014 on 12 February 2014.

Prior to the completion of the Acquisition as disclosed in Note B7 below, an interim dividend amounting to RM1,145,800 was paid by the Company's subsidiaries to non-controlling shareholders of subsidiaries in respect of the financial year ended 31 May 2014 on 19 August 2013.

A9. Segmental Information

No segmental analysis is prepared as the Group is primarily engaged in retail pharmacy and related activities in Malaysia.

A10. Capital Commitments

Capital commitment for property and equipment not provided for as at 31 May 2014 are as follows:-

Capital expenditure commitments	As at 31-May-2014 RM'000
Authorised and contracted for	
- property, plant and equipment	1,634

A11. Material Events Subsequent To the End of the Interim Period

Saved as disclosed in Note B7 on the Status of Corporate Proposals, there were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report.

Interim Financial Report for the Financial Year Ended 31 May 2014**Part A –Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

A12. Changes in Composition of the Group

In conjunction and as an integral part of the Company's listing on the Main Market of Bursa Securities, the Company completed the acquisition of the entire issued and paid up capital of Caring Pharmacy Retail Management Sdn. Bhd. ("CPRM") on 4 September 2013. The completion of this acquisition results in CPRM and its subsidiaries being subsidiaries of the Company.

The Acquisitions were accounted for using the Merger Accounting Method whereby the difference between the acquisition costs and the nominal value of the share capital of the subsidiary is taken to the merger reserve or deficit, where applicable. The Acquisitions have resulted in a merger deficit amounting to RM180.40 million.

A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Interim Financial Report for the Financial Year Ended 31 May 2014**Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities**

B1. Review of Performance of the Group

The Group achieved revenue of RM88.64 million and profit before tax of RM2.87 million for the current financial quarter.

For the 12 months of the financial year ended 31 May 2014, the Group recorded revenue of RM338.34 million and profit before tax of RM 22.81 million. The profit before tax includes a non-recurring expense of RM1.74 million as mentioned in Note A5 of this report. The net profit before tax if excluding the above expense would be RM24.55 million.

During the quarter under review, we have established an additional 7 new outlets comprise 4 shopping complex outlets and 3 street outlets. As of 31 May 2014, we have a total of 99 community pharmacies.

No comparative figures are presented for the preceding year's corresponding quarter as this is the third interim financial report on the consolidated results for the financial year ended 31 May 2014 announced by the Group.

B2. Variation of Results with the Immediate Preceding Quarter

Despite achieving marginally higher revenue of RM88.64 million for the quarter under review compared to RM81.97 million for the immediate preceding quarter, the Group's profit before taxation reduced significantly to RM2.87 million for the quarter under review from RM9.11 million for the immediate quarter mainly due to the following factors :

- i. Materialisation of significant purchase rebates in immediate preceding quarter;
- ii. Lower profit margins arising from sales promotion activities and lower selling price due to competition;
- iii. Higher operating cost;
- iv. Losses arising from new outlets and impairment charges on existing outlets.

B3. Prospect for the Group

The consumer sentiment index for the first quarter 2014 remains below the 100-point threshold and indicated that consumers remain cautious with their spending due to inflationary pressure.

(Source: Malaysian Institute of Economic Research)

Thus, in the view of the cautious consumer sentiment and also of the increasing costs of business operation, the Group expects the next financial year to be challenging. Even so, the Group will maintain its strategy of opening additional community pharmacies at strategic locations to expand market share and be more aggressive in marketing activities to improve on same outlets' sales. Taking the above factors, the board is cautiously optimistic of the Group's performance for the next financial year.

Interim Financial Report for the Financial Year Ended 31 May 2014
Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Notes to the Statement of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31-May-14	31-May-13	31-May-14	31-May-13
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,028	N/A	3,559	N/A
Impairment of equipment	316	N/A	316	N/A
Interest expense	33	N/A	251	N/A
Interest income	(492)	N/A	(1,284)	N/A
Rental income	(11)	N/A	(112)	N/A

Save for the above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

Note:

No comparative figures for the preceding quarter and preceding year are available as these are the third interim financial report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31-May-14	31-May-13	31-May-14	31-May-13
	RM'000	RM'000	RM'000	RM'000
<u>Income Tax</u>				
Current Tax - Current	1,510	N/A	6,495	N/A
Tax expense	1,510	N/A	6,495	N/A

Note:

No comparative figures for the preceding quarter and preceding year are available as these are the third interim financial report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

The effective tax rate for the current quarter and financial year under review is higher than the statutory tax rate of 25% mainly due to deferred tax assets not recognized.

Interim Financial Report for the Financial Year Ended 31 May 2014**Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities**

B7. Status of Corporate Proposals

In conjunction with and as an integral part of our company listing on main market of Bursa, the following listing scheme was undertaken by the company:

i. Acquisition

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

The acquisition exercise was completed on 4 September 2013.

ii. Initial Public Offering ("IPO")

a. Public Issue

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

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

Interim Financial Report for the Financial Year Ended 31 May 2014
Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities
B7. Status of Corporate Proposals (Cont'd)

iii. Listing

The Company's entire enlarged issued and paid-up share capital of RM217,706,400 comprising of 217,706,400 ordinary shares of RM1.00 each was listed on the Main Market of Bursa Securities on 13 November 2013.

iv. Utilisation of Proceeds

The Public Issue has raised gross proceeds of RM43.75 million. The status of the utilisation of the proceeds as at 31 May 2014 is as follows:

Purposes	Proposed Utilisation	Actual utilisation	Deviation	Balance	Estimated Timeframe for Utilisation Upon Listing
	RM'000	RM'000	RM'000	RM'000	
(i) New community pharmacy outlets					
- Property, plant and equipment	6,000	(965)	-	5,035	Within 24 months
- Inventories	12,000	(3,891)	-	8,109	Within 24 months
(ii) To pare down borrowings to reduce interest cost	6,000	-	-	6,000	Within 24 months
(iii) Renovation of new head office and warehouse	4,000	-	-	4,000	Within 24 months
(iv) Working capital ⁽¹⁾	11,750	-	907	12,657	Within 24 months
(v) Estimated listing expenses ⁽¹⁾	4,000	(3,093)	(907)	-	Within 3 months
Total gross proceeds	43,750	(7,949)	-	35,801	

Note:-

(1) Actual listing expenses incurred were less than the estimated listing expenses by approximately RM0.907 million. Pursuant to the Prospectus dated 18 October 2013, the excess will be utilized for working capital purpose.

As at the date of this report, save as disclosed above, there are no other corporate proposals that are pending for completion.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Interim Financial Report for the Financial Year Ended 31 May 2014
Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities

B8. Group Borrowings

The Group's borrowing as at 31 May 2014 are as follows:

	As at 31-May-14 RM'000	As at 31-May-13 RM'000
Long term borrowing		
Secured:		
Term loan	9,779	N/A
Short term borrowing		
Secured:		
Term loan	121	N/A
Total borrowing	9,900	N/A

No comparative figures for the preceding quarter and preceding year are available as this is the third interim report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

B9. Material Litigation

There was no material litigation and the Directors do not aware of any proceedings pending or threatened against the Group as at the date of issuance of this interim financial report.

B10. Dividends

On 31 July 2014, the Board of Directors proposed a final single tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 May 2014, subject to the shareholders' approval at the forthcoming Annual General Meeting of the company.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Interim Financial Report for the Financial Year Ended 31 May 2014
Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities

B11. Realised and Unrealised Profits

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities.

	As at 31-May-2014 RM'000	As at 31-May-2013 RM'000
Total retained earnings		
- realised	68,559	N/A
- unrealised	1,100	N/A
	69,659	N/A
Add: consolidated adjustments	1,393	N/A
Total retained earnings	71,052	N/A

No comparative figures for the preceding quarter and preceding year are available as this is the third interim report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Interim Financial Report for the Financial Year Ended 31 May 2014
Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities
B12. Earnings Per Share
(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year to date are computed as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	Year To Date
	31-May-14	31-May-13	31-May-14	31-May-13
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,275	N/A	15,118	N/A
Number of ordinary shares of RM1.00 each in issue*	217,706	N/A	217,706	N/A
Basic Earnings Per Share (sen)	0.59	N/A	6.94	N/A

Note:

* Based on the issued share capital after the completion of the Acquisitions as detailed in Note B7 (i) and the Public Issue as detailed in Note B7 (ii).

No comparative figures for the preceding quarter and preceding year are available as this is the third interim report on the consolidated results for the financial year ended 31 May 2014 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

(b) Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter and financial year-to-date.

By order of the Board
31 JULY 2014