CARING PHARMACY GROUP BERHAD

(Company No. 1011859-D)
(Incorporated in Malaysia under the Companies Act, 1965)

annual report

2015

CONTENTS

Corporate Structure

Caring Pharmacy Group Berhad (1011859-D)

100%

Caring Pharmacy Retail Management Berhad (757411-U)

PARTIALLY-OWNED SUBSIDIARIES

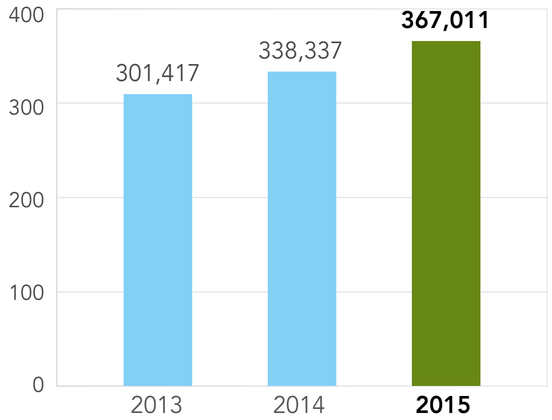
75.5%	Ace Caring Pharmacy Sdn Bhd (783350-D)
51.0%	Be Caring Sdn Bhd (610579-X)
90.0%	Caring Belle Sdn Bhd (539411-A)
60.0%	Caring Clover Sdn Bhd (1074282-D)
75.5%	Caring Health Solutions Sdn Bhd (758693-P)
60.0%	Caring 'N' You Pharmacy Sdn Bhd (785860-D)
75.0%	Caring Pharmacy (ABM) Sdn Bhd (873196-M)
60.0%	Caring Pharmacy (AMC) Sdn Bhd (873532-U)
60.0%	Caring Pharmacy (Ampang) Sdn Bhd (825266-W)
51.0%	Caring Pharmacy (IDR) Sdn Bhd (961134-H)
60.0%	Caring Pharmacy (JB Molek) Sdn Bhd (952979-M)
75.0%	Caring Pharmacy (Kinrara) Sdn Bhd (515698-K)
80.0%	Caring Pharmacy (KLP) Sdn Bhd (776548-H)
80.0%	Caring Pharmacy (Puchong) Sdn Bhd (837657-X)
75.0%	Caring Pharmacy (Shah Alam) Sdn Bhd (952977-A)
90.0%	Caring Pharmacy (SK) Sdn Bhd (947306-U)
70.0%	Caring Pharmacy Always Sdn Bhd (897754-A)
60.0%	Caring Pharmacy (Paradise) Sdn Bhd (982479-P)
60.0%	Caring Pharmacy Rising Sdn Bhd (1044606-P)
59.5%	Caring Trinity Sdn Bhd (1044604-D)
59.5%	Caring Trio Sdn Bhd (1004207-T)
60.0%	Cosy Vision Sdn Bhd (1023064-T)
70.0%	Fuji Acre Sdn Bhd (1036832-M)
70.0%	Living Glory Sdn Bhd (963210-H)
60.0%	Mega Caring Sdn Bhd (1019846-V)
60.0%	MN Pharmacy Sdn Bhd (650272-T)
60.0%	My Caring Pharmacy Sdn Bhd (854236-U)
60.0%	One Caring Pharmacy Sdn Bhd (888822-W)
70.0%	Preciouslife Pharmacy Sdn Bhd (819638-M)
75.5%	Stay Caring Sdn Bhd (661575-M)
50.0%	Sterling Pharmacy Sdn Bhd (575790-U)
60.0%	Tonic Pharma Sdn Bhd (779489-D)
60.0%	United RX Care Sdn Bhd (896651-V)
51.0%	Vertex Pharmacy Sdn Bhd (824229-W)
70.0%	Victorie Caring Sdn Bhd (882809-W)
50.0%	Caring Pharmacy (Empire) Sdn Bhd (1128114-V)

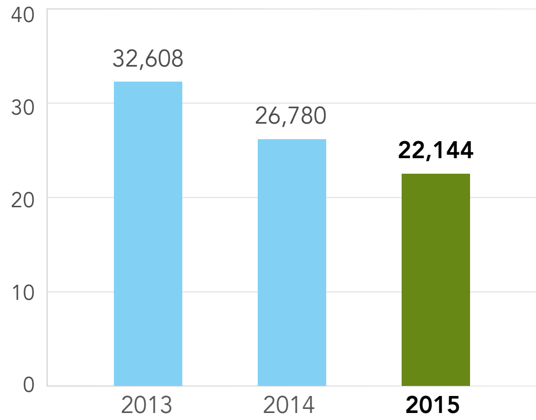
WHOLLY-OWNED SUBSIDIARIES

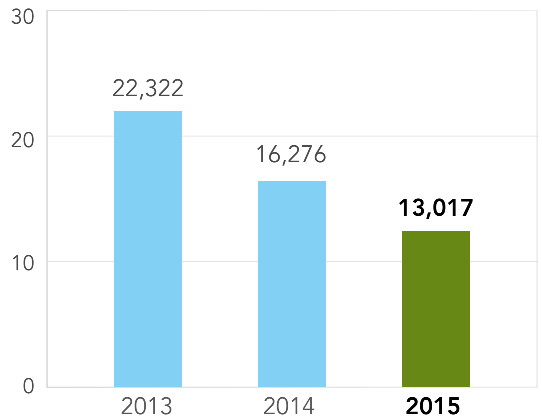
Caring Pharmacy (MSF) Sdn Bhd (846171-V)	100%
Caring Pharmacy (SW) Sdn Bhd (847445-W)	100%
Caring Pharmacy Estore Sdn Bhd (881773-W)	100%
Caring Pharmacy Help Sdn Bhd (1053702-X)	100%
Caring Pharmacy Sdn Bhd (296901-H)	100%
Miracle Cure Caring Sdn Bhd (1039695-P)	100%
United Caring Venture Sdn Bhd (690348-H)	100%
Viva Caring Sdn Bhd (512540-T)	100%
Caring Pharmacy (Lifeplus) Sdn Bhd (968014-D)	100%
Green Surge Sdn Bhd (907199-H)	100%

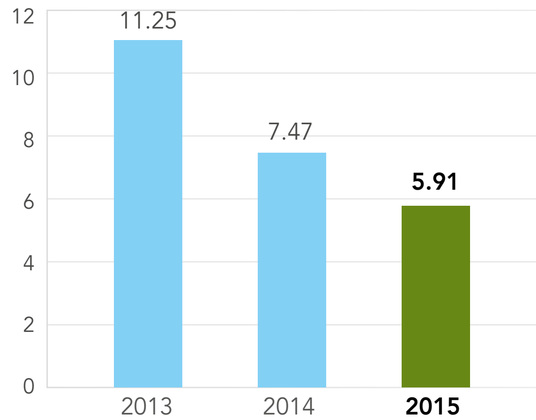
Note:
The Group Structure above is depicted as at 31 May 2015

Financial Highlights









		Proforma (Audited)		(Audited)
Financial Year Ended 31 May		**2013**	**2014**	**2015**
Revenue	RM'000	301,417	338,337	**367,011**
Gross Profit (GP)	RM'000	77,790	83,274	**73,644**
GP Margin	%	25.81	24.61	**20.07**
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	RM'000	32,608	26,780	**22,144**
Profit Before Taxation (PBT)	RM'000	29,819	22,810	**18,499**
PBT Margin	%	9.89	6.74	**5.04**
Profit After Taxation (PAT)	RM'000	22,322	16,276	**13,017**
PAT Margin	%	7.41	4.81	**3.55**
Basic Earnings Per Share [a]	sen	11.25	7.47	**5.91**

Notes:-

(a) Based on the weighted average number of ordinary shares in issue.

Corporate Information

BOARD OF DIRECTORS

Datin Sunita Mei-Lin Rajakumar
Independent Non-Executive Chairperson

Chong Yeow Siang
Managing Director

Soo Chan Chiew
Executive Director

Tan Lean Boon
Executive Director

Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf
Senior Independent Non-Executive Director

Ang Khoon Lim
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Datin Sunita Mei-Lin Rajakumar
Committee Chairperson

Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf
Committee Member

Ang Khoon Lim
Committee Member

NOMINATION COMMITTEE

Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf
Committee Chairman

Datin Sunita Mei-Lin Rajakumar
Committee Member

Ang Khoon Lim
Committee Member

REMUNERATION COMMITTEE

Datin Sunita Mei-Lin Rajakumar
Committee Chairperson

Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf
Committee Member

Ang Khoon Lim
Committee Member

COMPANY SECRETARY

Pang Kah Man (MIA 18831)

REGISTERED OFFICE

No. 3-2, 3rd Mile Square
No. 151 Jalan Kelang Lama
Batu 3½ 58100 Kuala Lumpur
Tel : +603-7987 5300
Fax : +603-7987 5200
Email : lsca-kl@lsca.com.my

AUDITORS

Crowe Horwath (AF1018)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Lot 06-03 Level 6 East Wing
Berjaya Times Square
No.1 Jalan Imbi
55100 Kuala Lumpur
Tel : +603-2145 0533
Fax : +603-2145 9702

PRINCIPAL PLACE OF BUSINESS

No. 1, Jalan 51/203A
Kawasan Perindustrian Tiong Nam
Seksyen 51
46050 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7453 1988
Fax : +603-7450 1988

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad
Stock Name : CARING
Stock Code : 5245

WEBSITE

www.caring2u.com.my

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Caring Pharmacy Group Bhd for the financial year ended 31 May 2015.

Caring celebrated its 20th Anniversary this year with the theme *"Celebrating 20 Years of Caring Profession"*. During the year, for the first time, we grew the number of outlets beyond 100, with 104 outlets as at 31 May 2015. A series of campaigns and activities were organised throughout the year to thank and reward the customers, business partners and local community. This significant milestone marked the start of a new chapter in the Group's corporate journey, a commemoration of past successes, and a commitment to continue to uphold the Group's mission to enrich the lives of the community we serve.

Further, during the year under review, the group moved into and is now operating smoothly in the brand-new purpose-built Corporate Head Office ('HQ') and Distribution Centre ('DC'). The new HQ & DC has not only marked an important milestone for the group but this facility with 68,000sf total built up area has offered more utility space, provided a more conducive working environment and enhanced our system stability . All these significant improvements shall spur our commitment to improve our capability to support and serve the outlets better so that they can focus on serving our customers and bringing in the sales.

Being a truly home grown Malaysian brand and the only listed community pharmacy chain in Bursa Malaysia, we are committed to provide the best professional service, offering innovative healthcare products of the highest quality to Malaysian communities, and being at the forefront of promoting healthy lifestyles to the communities.

CHAIRPERSON'S STATEMENT

FINANCIAL REVIEW

Despite the challenging business landscape for the financial year under review, the Group registered positive growth in revenue, with an increase of 8.5% against the previous corresponding year at RM367.0 million. However, the Group registered a lower profit before tax of RM18.5 million and a profit after tax of RM13.0 million due to a weak consumer sentiment, persistent intense competition and longer than expected gestation periods of new outlets' break-even point. Nevertheless, the Group's financial position remains healthy, with a term loan of RM11.3 million and shareholders' funds amounting to RM120 million, resulting in net assets per share of RM0.55.

OPERATION REVIEW

Year 2014/15 has proved to be a challenging year for the retail industry as consumer sentiments were impacted by the inflationary pressures arising from the government's implementation of subsidy rationalisation and Goods and Services Tax 'GST'. Despite efforts and measures to overcome these challenges, revenue growth has become more difficult to achieve. In the year under review, the group achieved strong single digit revenue growth but had diffculty maintaining the level of earnings.

In view of the tough business environment and greater uncertainties of the near future, we adopted a more prudent outlet expansion strategy. In the year under review, only 9 new outlets were opened, with 8 complex outlets and 1 high street outlet. We are constantly and closely reviewing the performance of every outlet and made the difficult decision of closing 3 underperforming outlets (2 complex outlets and 1 specialty retail outlet) after careful consideration and relocated 1 complex outlet to a more prominent location in the same shopping mall.

Despite the challenging business environment, the group envisions a rapid transition in retail channels from the traditional brick and mortar to an online model. The group has started to explore and venture into e-commerce platforms two years ago and has gained much insight and exposure. The revenue contribution from e-commerce has doubled from the year before. The group will step up the investment to expand the capacity of the e-commerce business and move nearer towards the goal of providing multiple channel shopping convenience to our customers.

Dedicated, enthusiastic and friendly pharmacists remain the trade mark of Caring; while professional and unparalleled customer service continues to be the corner stone of our business. The group will work hard in pharmacist recruitment and retention to fuel our expansion, provide more training, guidance and motivation to our pharmacists and staff to retain this valuable competitive advantage.

Partnership is critical in our success. Our partners are loyal, committed, and have been contributing consistently in growing our business. We shall do our very best to support them in running a successful business with a motivated team and happy customers.

CORPORATE SOCIAL RESPONSIBILITY

We care for the communities we serve. Corporate social responsibility is an integral and vital part of CARiNG's operation. We recognize the unique opportunity we have to change lives for the better in local communities by establishing partnerships with our stakeholders who share our values of improving the health and wellbeing of the communities that we serve. In the year under review, we have initiated and supported more than 10 projects of various scales related to improving community health.

PROSPECTS

So what about 2015/16?

With the current global economic doldrums, weakening Ringgit and plunging equity markets, consumers sentiment is expected to remain weak with cautious spending in the light of the higher costs of living. Consumers are expected to be more price sensitive and demand the best values in town which will result in further price cutting amongst retail operators to defend market share.

In anticipation of the factors above, the group will further strengthen our business competitiveness by improving the service level of our staff, offering the best price and value of products. We will run more effective and aggressive campaigns to enhance brand awareness and loyalty.

Caring is a resilient and perseverant player, the group remains positive about 2015/16. Tough times will test our mettle and it is an opportunity for us to stand out from the crowd. We are confident that being a people oriented business with vast pharmacy retailing experience, coupled with the passion and enthusiasm of our people to serve and to succeed, we will continue to adjust and adapt quickly to rapid and challenging environment, work hard and smart to navigate and overcome all challenges and come out on top in these challenges.

All efforts will focus to ensure that Caring Pharmacy outlets remain as the most preferred pharmacy to our patrons. In Caring, we shall continue to uphold our mantra to offer excellent customer services and great prices as our inherent objective. Regardless of the economic weather, we continue to set the benchmark for best value, so that our customers get the best possible deal with no compromise to quality or service. This is our promise.

On our expansion, the Group will continue to adopt a modest yet pragmatic plan to open 10-12 new outlets a year with the target locations primarily at Klang Valley and other major cities in the peninsular of Malaysia. Furthermore, the Group will continue to undertake refurbishment of its existing outlets to provide better shopping experience to our customers.

DIVIDEND

The Board of Directors remain committed to our company's dividend policy of paying no less than 30% of our Group's profit after taxation. For the FYE 2014/15, the Board recommends the payment of a final single-tier dividend of 2 sen per share subject to the shareholders' approval at the forthcoming annual general meeting. The dividend declared for the financial year is RM4.35 million representing a dividend payout rate of approximately 33% to the profit after taxation for FYE 2014/15.

The Group is in a healthy financial position with a net cash position of RM86.5 million. This provides the Group with the capacity to reward our shareholders and the flexibility to invest in any possible business venture for greater returns in the future.

APPRECIATION

On behalf of the Board of Directors, I would like to thank the management and staff of the Company for their commitment, dedication and contributions in taking Caring through another challenging year. To our customers, shareholders, suppliers, bankers, and business associates, who have continued to provide us support and made us who we are today, I wish to express my sincere appreciation and thanks to all of you.

Datin Sunita Mei-Lin Rajakumar
Independent Non-Executive Chairperson

DATIN SUNITA MEI-LIN RAJAKUMAR

Aged : 47
Designation : Independent Non-Executive Chairperson
Appointment date : 27 December 2012
Tenure of service : 2 year 11 months

She graduated from University Bristol in 1990 with a degree in Law (LLB Hons) and qualified as a Member of the Institute of Chartered Accountants of England and Wales in February 1994. Her working experience included 4 years in Ernst & Young, London, and 6 years at RHB Investment Bank Berhad, Kuala Lumpur, before she established her own firm, Artisan Encipta (M) Sdn Bhd, to manage a government-owned foreign technology venture fund from 2002 to 2008. Since then, she has consulted on national competitiveness by improving national innovation ecosystems. Datin Sunita also sits in the Board of Trustees of Hai-O Foundation, Yayasan myNadi, Yayasan Seni Berdaftar which is registered with the Prime Minister's Department. Currently she holds directorships in two public listed companies, namely Hibiscus Petroleum Berhad and Hai-O Enterprise Berhad and one public company, namely Yayasan Usman Awang.

CHONG YEOW SIANG

Aged : 48
Designation : Managing Director
Appointment date : 30 July 2012
Tenure of service : 3 years 4 months

He graduated in 1992 from Universiti Sains Malaysia with a Bachelor of Pharmacy (Honours) Degree. He became a Registered Pharmacist with the Ministry of Health in 1993. His career started in 1992 as a Pupil Pharmacist in the Pharmacy Department of the Penang General Hospital. Subsequently he left and joined Servier Malaysia, a French pharmaceutical company located in Kuala Lumpur, as a Hospital Product Specialist in 1993. In 1994, he became Product Executive at Servier Malaysia and was later appointed as Product Manager of the company in 1995. He left Servier Malaysia in 1997 and took up the position as Branch Manager and Pharmacist at the Taman Kok Lian outlet of Caring Pharmacy Sdn Bhd. In 1999, he was later appointed as General Manager of Caring Pharmacy Sdn Bhd where he was responsible for the operations of six Caring outlets. He was appointed to his current tenure as Group Managing Director of CARiNG Group of companies in 2002 and is mainly responsible for developing the strategic direction and overseeing the business operations of the Group.

SOO CHAN CHIEW

Aged : 47
Designation : Executive Director
Appointment date : 30 July 2012
Tenure of service : 3 years 4 months

He graduated in 1992 from Universiti Sains Malaysia with a Bachelor of Pharmacy (Honours) Degree. He became a Registered Pharmacist with the Ministry of Health in 1993. His career started in 1992 as a Pupil Pharmacist with Universiti Hospital, Kuala Lumpur. In 1993, he joined George Town Chemist Sdn Bhd, a retail pharmacy chain, as a Pharmacist in one of the outlets. Subsequently he left to set up Caring Pharmacy Sdn Bhd in 1994 and was appointed as Branch Manager of our first 'CARiNG' community pharmacy outlet in Taman Muda. In 2007, with the establishment of Caring Pharmacy Retail Management Sdn Bhd. both the Heads of Finance and Management Information System Department report to him. His role and responsibilities include identifying critical business issues and to develop solutions to enhance the existing core applications, such as our in-house point-of-sales system and our retail management software system.

TAN LEAN BOON

Aged : 48
Designation : Executive Director
Appointment date : 27 December 2012
Tenure of service : 2 year 11 months

He graduated in 1992 from Universiti Sains Malaysia with a Bachelor of Pharmacy (Honours) Degree. He became a Registered Pharmacist with the Ministry of Health in 1993. His career started in 1992 as a Houseman Pharmacist with Universiti Hospital, Kuala Lumpur. In 1993, he left and joined Apex Pharmacy Sdn Bhd as a Pharmacist at one of its retail outlets. In 1994, he joined Eli Lily (M) Sdn Bhd, a pharmaceutical company, as a Regulatory Affairs Executive. He then left and joined Caring Pharmacy Sdn Bhd in 1997 as a Branch Manager in one of the group's retail outlets. Subsequently in 2002, he was appointed to as Purchasing Director of Caring Pharmacy Sdn Bhd. He is currently responsible for overseeing the supply chain operations of our Group which includes procurement, warehousing and logistics.

TAN SRI DATO' HAJI MOHD ARIFFIN BIN MOHD YUSUF

Aged : 67
Designation : Senior Independent Non-Executive Director
Appointment date : 27 December 2012
Tenure of service : 2 year 11 months

He graduated from the Institut Teknologi Mara with a Diploma in Banking in 1972. He is a Member of the British Institute of Management, United Kingdom. His career started in 1975 when he took up the position of Managing Director of Primabumi Sdn Bhd, a company involved in procurement and supply of pharmaceutical products to government hospitals and institutions, where he has been involved in leading the overall operations of the company till to date. He is currently a director and shareholder of several private companies.

ANG KHOON LIM

Aged : 48
Designation : Non-Independent Non-Executive Director
Appointment date : 27 December 2012
Tenure of service : 2 year 11 months

He graduated in 1992 with a Bachelor of Pharmacy (Honours) Degree from Universiti Sains Malaysia. He became a Registered Pharmacist with the Ministry of Health in 1993. His career started in 1994 when he joined Sime Darby Marketing Sdn Bhd as Product Manager. The company is involved in the distribution of pharmaceutical products. In 1996, he joined Solvay Pharmaceutical B.V., Holland, a subsidiary of Solvay SA, a public listed company in Belgium, as Country Manager for Malaysia. Subsequently he left in 1999 and joined Caring Pharmacy Sdn Bhd in the position of General Manager. In 2000, he was appointed Executive Director of Caring Pharmacy Holding Sdn Bhd.

Conflict of interest

None of the Directors has any conflict of interest with the Company.

Conviction of offence

None of the Directors has been convicted of any offence within the past 10 years other than traffic offences.

Corporate Social Responsibility Statement

We care for the communities we serve

Corporate social responsibility is an integral and vital part of CARiNG's operations. We have established partnerships with our stakeholders who share our values of improving health and wellbeing of the communities that we serve.

COMMUNITY HEALTHCARE

CARiNG Health Awareness Day (CHAD)

Objective:

To raise awareness and understanding about health issues that can be avoided if main risk factors are controlled.

Since June 2014, we have provided more than 1500 free health screenings to our communities through CARiNG Health Awareness Day roadshows in CARiNG outlets nationwide. Through our screenings, we have found more than 50% of participants have undesirable total cholesterol and 30% have uncontrolled blood glucose levels, and more than 60% are overweight or obese. These are the common risk factors leading to heart disease and stroke.

Our CHAD team that comprises of pharmacists, dietician and senior diabetic nurse provides counselling on lifestyle modification, medicine use review and refers high risk patients to their medical doctors.

National Stroke Campaign

Objective:

To establish meaningful partnership with National Stroke Association of Malaysia and other stakeholders to promote the awareness of stroke rehabilitation and stroke prevention nationwide under the National Stroke Campaign (NSC) through early screening and education.

Achievement:

In 2014, we provided free health screenings in seven NSC roadshows across Malaysia as an initiative to encourage the public to engage in early health screening, and alert them on their own health status as well as educate them on common contributing risk factors leading to stroke.

We utilised our significant consumer reach to deliver health related information and advice to customers. In addition, we launched a 3-month CARiNG Stroke Prevention Campaign in all CARiNG outlets, providing valuable information on hypertension, high cholesterol and stroke; besides conducting simple stroke risk assessment for customers. Through our partnership with Pfizer, we offered vouchers for free full lipid profile and glucose tests to high risk patients and refer them to neighbouring medical doctors with the aim of encouraging early management and prevention of disease complication.

HEALTH CAMPAIGNS / HEALTH TALKS / WORKSHOPS

Objective:

To improve patients' understanding of medical illnesses and use of medicines, thus improving medication compliance and management of their conditions.

We are committed to provide health education and create awareness program for our communities. We have launched campaigns to encourage customers to talk to pharmacy teams about their health concerns. We provide free health screenings, valuable information and health talks/workshops by medical doctors, senior diabetic nurse, physiotherapist and psychologist.

Health Campaigns 2014/2015

- Stroke Prevention Campaign – August, September and October 2014
- Diabetes Awareness Campaign – November and December 2014
- Weight Management Campaign – January 2015
- Women's Health Campaign – February 2015
- Dementia Awareness Campaign – April 2015
- Eczema Awareness Campaign – May 2015
- Proper Disposal of Medicine – June 2015

Health Talks / Workshops

- Workshop: Diabetes Conversation Map - A Tool To Manage Diabetes & Its Complications
- Workshop: A Friend of Skin Eczema
- Health talk and Physiotherapy: Chronic Pain, Suffer In Pain or Do Something About It
- Public forum: Diabetes and Know Your HbA1c
- Health talk: Chronic Venous Disease; Be Vain About Your Veins
- Workshop: Your Weight, Your Health




Caring Customer Care (3C)

Objective:

A program to create awareness on the importance of regular medical check-up with doctor, thus encourage patients to visit their doctors on a regular basis.

Through our 3C program, we identify those with high risks and encourage them to seek advices from medical doctors.

Patient Information Leaflets

We have launched a series of easy read patient information leaflets that supplied information on medical and health topics to patients.

Phase 1: Topics

- Smoking cessation
- Pain management
- Acne therapy
- Exercise and activity modification
- Contraception
- Managing cholesterol
- High blood pressure
- Men's health

LOCAL COMMUNITIES PROGRAM / CARE HOME VISIT

Parent's Day Celebration

Objective:

To contribute good deed to the community and to extend our love and care to the elderly.

General Medicines Management training

General Medicines Management training is an essential training, in many countries, for all care staff who are dealing with medicine in a care home setting. We provided the training with the aim of delivering to care home staff the essential knowledge that is required for them to safely monitor and, where required, to administer medicines to the service users in their care.

Elderly Care Home Visits, June 2015

We have visited 6 elderly care homes.

- Amitabha Centre Charity Old Folks Home
- Charis Home
- Sincere Care Home
- Shalom Home
- Lovely Nursing Home
- Pusat Jagaan Warga Emas Suria Care Centre

During the visit, our pharmacists provided free blood glucose screening, blood pressure checks, medicine use review for the elderly. Medicine management advice was also given.

"Bag To School" With CARiNG Pharmacy

In February 2015, CARiNG Pharmacy contributed 800 school bags in aid of school children affected by floods along the east coast states of Peninsular Malaysia at the beginning of 2015. The school bags were contributed to pupils in Pekan, Pahang by our collaboration partner, the editor of "KUNTUM" Magazine.

The 3 designated schools were SK Seri Biram, SK Seri Terentang and SK Pasir Panjang. The pupils received the school bags from CARiNG Pharmacy happily and there were cheered up by the mascot from KUNTUM magazine during the event.

20TH ANNIVERSARY CELEBRATION

In 2014, CARiNG Pharmacy marked a very significant milestone, the company celebrated 100 stores and being 20 years in business in Malaysia. To commemorate the 20th Anniversary, CARiNG Pharmacy had planned a series of consumer rewards programs to thank their customers for their continuous support throughout the years.

Wellness Carnival

CARiNG WELLNESS CARNIVAL was a key highlight in conjunction with CARiNG's 20th anniversary in 2014. Its objectives included promoting health awareness and prevention of chronic diseases to the public. More than 40 participating brands were involved in the carnival, which were ready to educate communities on healthy eating and staying physically active.

A launch held for the inaugural CARiNG WELLNESS CARNIVAL was held on 14 to 16 November 2014 at Mid Valley Exhibition Centre (MVEC) with the theme of "Towards a Balanced Lifestyle". The launch was officiated by the company's Managing Director, Mr Chong Yeow Siang and witnessed by the participating business partners and NGOs such as World Vision Malaysia, Persatuan Farmasi Malaysia and National Cancer Society Malaysia.

Health activities

- "Know Your Medicines"; an educational program on medicines and their proper uses by Pharmaceutical Division, Ministry of Health.
- Clinical breast examination and health education by National Cancer Society Malaysia.
- We had 50 CARiNG pharmacists providing more than 800 free health screenings, counseling and medicine use review to the public.
- Eye examination which included cataract screening and dry eye test by Optimax Eye Specialist.

Health talks

- *Let's Have Fun With Your Children* by Mr Lee Boon Hock, registered counsellor
- *Diabetes & You* by Ms Wong Yoke Lian, senior diabetic nurse
- *The Safe Handling, Management & Administration of Medications* by Ms Gillian Yong, CARiNG pharmacist

"Driving Towards 20th Anniversary" Customer Rewards Campaign

"Driving Towards 20th Anniversary Contest" started from 12 August to 31 October 2014, it was another highlight of the year and the company was giving away one (1) unit of all-new NISSAN SYLPHY, ten (10) units of the latest gadget SAMSUNG GALAXY TAB S and offered many more exclusive premium redemption for their customers.

More than 100,000 customers had participated in this program and a Grand Final Draw and Prize Presentation was held on 16 November 2014 at Mid Valley Exhibition Centre (MVEC) during Wellness Carnival event.

1. Establish Clear Roles and Responsibilities

1.1 Clear Functions of the Board and Management

The Board of Directors (or "Board") of Caring Pharmacy Group Berhad ("Caring" or "the Company") is responsible for oversight and overall management of the Company. In order to ensure the effective discharge of its function and responsibilities, a Board Charter has been established for the Company and the subsidiaries ("Group" or "Caring Group") where specific powers of the Board are delegated to the relevant Board Committees and the Managing Director (or "MD"). Board Committees comprise Audit Committee ("AC"), Remuneration Committee ("RC") and Nomination Committee ("NC") as set out herein. On 7 September 2015, the Board renamed the AC as the Audit and Risk Management Committee ("ARMC") to broaden its scope and highlight the importance placed on the risk management of the various elements of the Company's business whilst also covering the areas of internal control, financial reporting and corporate governance.

The Board reviews and approves the annual corporate plan ("ACP") for Caring Group, which includes the annual business plan and budget, dividend policy, business continuity plan, new issuance of securities, business restructuring, expenditure above a certain limit, disposals of significant fixed assets and the acquisition or disposal of companies within the Group, risk management strategy, internal controls and reporting systems (including their establishment and maintenance).

The Board Committees are entrusted with specific duties and responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("ToR"). Although specific powers are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee, including key issues via reports by the Chairman and/or Chairperson of each of the Board Committees, as well as the tabling of minutes of all Board Committee meetings, to the Board at Board meetings. The Board reviews the respective Board Committees' authority and ToR from time to time to ensure their relevance and enhance its efficiency.

1.2 Clear Roles and Responsibilities

The Board has wide responsibilities which are discharged in the best interests of the Company in pursuance of its commercial objectives. Amongst the key responsibilities of the Board are as described below:

a. Reviewing and adopting the Company's strategic plans

The Board plays an active role in the development of the Company's strategy. It has in place a strategy planning process, whereby the Management presents to the Board its recommended strategy annually, together with its proposed business plans for the ensuing year at a dedicated session, for the Board's review and approval. At this session, the Board deliberates both the Management's and its own perspectives, and challenges the Management's views and assumptions, to ensure the best outcome.

In conjunction with this, the Board also reviews and approves the annual budget for the ensuing year, and sets the Key Performance Indicators ("KPIs") under the ACP, ensuring that the targets correspond to the Company's strategy and business plan, reflect competitive industry trends and internal capabilities as well as provide sufficient stretch for the Management.

The Board actively engages with Management in monitoring the progress of initiatives and projects identified from time to time and, where required, identifies alternative measures to be taken to ensure the successful realisation of the strategies. The Board discusses strategy implementation processes taking cognisance of internal and external factors which had supported various achievements as well as challenges facing Management.

b. Overseeing the conduct of the Company's business

The Board has a collective responsibility for the oversight and overall management of the Group. The Non-Executive Directors are responsible for bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenges to Management.

The Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group. In this manner, the Non-Executive Directors fulfil a crucial corporate accountability role as they provide independent and objective views, opinions and judgement on issues being deliberated and act in the best interest of the Group, its stakeholders and shareholders, including minority shareholders. There is a schedule of key matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Group are in its hands.

On the other hand, the MD is responsible for the day-to-day management of the business and operations of the Group. He is supported by the Executive Directors, Management team and other Board committees established. Management Team's performance, under the leadership of the MD, is assessed by the Board through a status report which is tabled to the Board and which includes a comprehensive summary of the Group's operating drivers and its financial performance during each reporting period. The Board is also kept informed of key strategic initiatives, significant operational issues and the Group's performance, based on the approved KPIs under the ACP as well as the follow up or implementation of its decisions/ recommendations by the Management.

c. Identifying principal risks and ensuring the implementation of appropriate systems to manage them

The Board recognises the importance of managing risks and maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls. The Board has delegated the implementation and monitoring of the internal control system to the Management and has appointed independent assurance provider to carry out the internal audit functions.

The ARMC assists the Board to oversee the risk management framework of the Group. Based on the feedback provided by the Management Team, the ARMC advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the Group. The ARMC reviews the risk management policies formulated by Management annually and makes relevant recommendations to the Board for approval.

Nevertheless, the Board is in the midst of establishing an Enterprise Risk Management framework ("ERM"). For the effective implementation of ERM, a Management Risk Committee ("MRC"), chaired by the Non-Independent Non-Executive Director and comprising key management personnel from the respective departments will be established. The MRC is tasked to report to the ARMC on key risks identified and the implementation of action plans to mitigate such risks. Details of the main features of the Company's internal controls system and risk management framework are further elaborated in the Statement on Internal Control and Risk Management of this Annual Report.

d. Succession planning

The NC is responsible for reviewing candidates for key management positions, determining compensation packages for these appointments, and formulating nomination, selection, compensation and succession policies for the Group. In discharging its responsibility, the NC reviews the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review, and the annual manpower budget.

Through the input and feedback provided by the MD, the NC continues to monitor the actions taken by the Group Human Resources Department to ensure the smooth transition of key personnel into critical positions, and that the development plans for the identified successors are put in place based on their readiness to assume the positions. Where there are key management positions to be filled, the Board will also discuss on the same to ensure that the candidates appointed or employed are of sufficient calibre.

e. Overseeing the development and implementation of a communication policy for the Company

Having cognizant of the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company, the Company will take necessary steps in carrying out its Investor Relations ("IR") activities in accordance with the resources and needs of the Group from time to time.

To promote the dissemination of the financial results of the Company to investors, shareholders and media as well as to keep the investing public and other stakeholders updated on the progress and development of the Group's business, the MD and/or the Finance Director will also conduct the briefings from time to time.

f. Reviewing the adequacy and integrity of management information and internal control system of the Company

The Board is ultimately responsible for the adequacy and integrity of the Company's internal control system. Details pertaining to the Company's internal control system and the review of its effectiveness are set out in the Statement on Internal Control and Risk Management of this Annual Report.

The Board also has a separate Whistleblowing Policy and Procedures ("WPP") stating the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of the WPP is in line with Section 368B of the Companies Act, 1965 ("the Act") where provisions have been made to protect Caring's officers who make disclosures on breach or non-observance of any requirement or provision of the Act or on any serious offence involving fraud and dishonesty.

1.3 Access to Information and Advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may seek advice from Management on issues under their respective purview. The Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from Management. The Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to approval by the Chairperson or the Board, depending on the quantum of the fees involved. Wherever necessary, consultants and experts will be invited to brief the Board on their areas of expertise or their reports.

1.4 Strategies promoting Sustainability

The Board is cognisant of the importance of business sustainability and, in conducting the Group's business, the impact on the environment, social and governance shall be taken into consideration. The Group also embraces sustainability in its operations and throughout its value chain and in partnership with its stakeholders, including suppliers, customers and other organisations.

1.5 Board Charter

The Board recognises the importance of establishing a single source of reference for Board activities through a Board Charter as recommended by the Malaysian Code of Corporate Governance 2012 ("MCCG 2012"). As such, the Board has formalised such a Charter to clearly delineate the roles of the Board, Board Committees and Management in order to provide a structured guidance for Directors and Management regarding their responsibilities of the Board, its Committees and Management, including the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities. The Board will review and update its Charter regularly, to keep itself up to date with new changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives. The salient features of the Board Charter are available for reference on the Company's website.

1.6 Formalised Ethical Standards through Code of Ethics

The Board is committed in maintaining a corporate culture which engenders ethical conduct. A Code of Ethics is formalised through the Company's Code of Conduct, which summarises what the Company must endeavour to do proactively in order to increase corporate value, and which describes the areas in daily activities that require caution in order to minimise any risks that may occur.

1.7 Qualified and Competent Company Secretary

The Company Secretary of Caring is competent and suitably qualified to act as company secretary under Section 139A of the Act. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of her functions, who plays a vital role in advising the Board in relation to the Company's constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary ensures that deliberations at Board and Board Committee meetings are well captured and documented, and proper records are maintained accordingly at the Registered Office of the Company, and produced for inspection, if required. The Company Secretary constantly keeps herself abreast of the evolving capital market environment, regulatory changes and developments in CG through continuous training. The removal of the Company Secretary is a matter for the Board, as a whole to decide.

2. Strengthen Composition

2.1 Nomination Committee

The NC was established on 18 February 2013 to make recommendations to the Board on suitable candidates for appointment to the Board. The ToR of the NC provides that it shall comprise three Non-Executive Directors of whom two are Independent Non-Executive Directors and one is Non-Independent Non-Executive Directors. The NC is chaired by an Independent Non-Executive Director.

The ToR of the NC further provides that it shall have specific responsibilities in relation to nomination matters. With respect to nomination matters, the specific responsibilities of the NC shall include, amongst others:

- Formulating the nomination, selection and succession policies for the members of the Board;
- Making recommendations to the Board on new candidates for appointment and re-appointment/re-election of Directors to the Board;
- Reviewing the required mix of skills, experience and other qualities of the Board annually;
- Reviewing and recommending to the Board the appointment of members of Board Committees established by the Board annually;
- Establishing a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, and reviewing the performance of the members of the Board; as well as
- Ensuring that orientation and education programmes are provided for new members of the Board, and reviewing the Directors' continuing education programmes.

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

a. Recruitment or appointment of Directors

The policies and procedures for recruitment or appointment (including re-election/re-appointment) of Directors are detailed out the Policies and Procedures for Nomination of Directors ("PP") approved by the Board on 23 July 2014. The NC is guided by the PP in carrying out its responsibilities in respect of the nomination, selection and appointment process, which also provides the requirements under the relevant laws and regulations on the matter. The review process involved the NC's consideration and submission to the Board its recommendation of suitable candidates for the proposed appointment as Directors of the Company.

The Company re-election process accords with Article 95 of the Company's Articles of Association ("Articles"), which states that one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election. All Directors shall retire from office once at least in each three years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires, whether the meeting is adjourned or not. An election of Directors shall take place each year.

The NC's view of the criteria to be used in the appointment process largely focuses on ensuring a good mix of skills, experience and strength in the qualities that are relevant for the Board to discharge its responsibilities in an effective and competent manner. The other factors considered by the NC in its review include the candidates' ability to spend sufficient time and commitment on the Company's matters, the ability to satisfy the test of independence taking into account the candidate's character, integrity and professionalism, as well as having a balanced mix of age and diversity of Directors on the Board. The Board diversity factor as reviewed by the NC includes experience, skills, competence, race, gender, culture and nationality, to facilitate optimal decision-making by harnessing different insights and perspectives.

The NC reviews the composition of the Board Committees annually in accordance with the procedures as set out in the PP. In determining candidates for appointment to the Board Committees, various factors are considered, including the time commitment of the Board Committee members in discharging their role and responsibilities through attendance at their respective meetings.

Given much of the time and resources have been channeled into attaining corporate goals (such as upgrading of information management systems via an integrated enterprise resource planning system, opening of new outlets, Goods and Services Tax implementation and relocation to new corporate office and warehouse), the Board unanimously agreed that the evaluation and assessment on performance of the Board and Board Committees for the financial year ended 31 May ("FY") 2015 to be based on the Board and Board committee evaluation form only. From FY2016 onwards, the evaluation and annual assessment exercise would be extensively conducted via the Audit Committee evaluation questionnaire, Audit Committee members' self and peer evaluation form, Independent Directors' evaluation form, Board and Board committee evaluation form (Collectively referred to as "Questionnaires").

The Directors standing for re-election/re-appointment at the 3rd Annual General Meeting of the Company are as follows:

Name	Designation
Chong Yeow Siang	MD
Ang Khoon Lim	Non-Independent Non-Executive Director

Chong Yeow Siang and Ang Khoon Lim are due to retire pursuant to Article 95 at the 3rd Annual General Meeting. All these Directors will be recommended for re-election/re-appointment by the Board. Information of each Director standing for re-election is set out in pages 7 and 9 of the Directors' Profile of this Annual Report.

b. Annual assessment

The NC will carry out the annual assessment exercise annually and the Company Secretary will facilitate the NC in carrying out the annual assessment exercise. The annual assessment will be conducted via Questionnaires commencing from FY2016. The NC will review the outcome of the annual assessment and recommend to the Board the areas identified for continuous improvement.

The Board's effectiveness is assessed in the areas of composition, administration and process, accountability and responsibility, Board conduct and communication with Management, as well as performance of the Chairperson and MD.

The Board, through the Questionnaires, will examine the Board committees, including their respective Chairman or Chairperson, to ascertain whether their functions and duties are effectively discharged in accordance with their respective ToR.

c. Gender diversity policy

The Company currently has one female director who is the Chairperson of the Board. The Board recognises that diversity is critical to a well-functioning Board and an essential measure of good governance. However, the appointment of a new Board member will not be guided solely by gender but rather the skills-set, experience and knowledge of the candidate. The NC is mindful of its responsibilities to ensure that new appointments should provide the appropriate mix of skills, experience, strength and other qualities which would be relevant to enhance the composition of the Board.

2.3 Remuneration Committee

The RC was established on 18 February 2013 and is primarily responsible for the development and review of the remuneration policy and packages for the Board members and senior management. The ToR of the RC provides that it shall comprise three members with a majority of Independent Non-Executive Directors. The NC is chaired by an Independent Non-Executive Director with two members of whom one is Independent Non-Executive Director and one is Non-Independent Non-Executive Director.

The specific responsibilities of the RC in relation to remuneration matters as set out under its ToR include, amongst others:

- Formulating and reviewing the remuneration policies and remuneration for the members of the Board, Board Committees and the senior management, and recommending the same to the Board for approval; and

- Recommending the engagement of external professional advisors to assist and/or advise the RC on remuneration matters, where necessary.

2.4 Remuneration Policies

The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company as well as other individuals serving as members of the Board Committees. Hence, the Board has established formal and transparent remuneration policies for the Board and Board Committees, and the procedures in determining the same. The RC reviews the Board remuneration policy annually and in the course of deliberating on the remuneration policy, it considers various factors including the Non-Executive Directors' fiduciary duties, time commitments expected of Non-Executive Directors and Board Committee members, the Company's performance and market conditions. The RC also takes into consideration the remuneration of Directors of other public listed companies ("PLCs") in order to ensure competitive remuneration policies that reflect the prevailing market rate.

In 2015, the Board approved the RC's recommendation on remuneration of the Executive Directors and MD, remuneration of the Non-Executive Directors, and Directors' fees for FY2015 for the approval of the shareholders at the 3rd Annual General Meeting. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board. Disclosure of each Director's remuneration, including that of the MD, is set out in the Annual Audited Financial Statements of this Annual Report.

Directors' remuneration for FY2015 in aggregate, with categorisation into appropriate components, distinguishing between Executive and Non-Executive Directors, is as follows:

	Executive Directors	Non-Executive Directors
[RM, in Gross] *		
Salaries	955,200	-
Directors Fees **	208,800	144,000
Emoluments ***	385,644	4,800
Benefits ^	-	-
Total	**1,549,644**	**148,800**

* Numbers are provided before tax.
** Fees paid to Non-Executive Directors.
*** Other emoluments include bonuses, incentives, retirement benefits, provision for leave passage and other allowances.
^ Benefits include rental payment, motor vehicle, club membership, personal expenses and other benefits as Directors.

The number of Directors of the Company whose remuneration band falls within the following successive bands of MYR50,000 is as follows:

Ranges of Remuneration [MYR] [RM, in Gross]*	Executive Directors	Non-Executive Directors
1 – 50,000	-	1
50,000 – 100,000	-	2
150,000 – 500,000	3	-
1,000,000 – 2,000,000	-	-
2,800,000 – 2,950,000	-	-
Total	**3**	**3**

* Numbers are provided before tax

In respect of the non-disclosure of detailed remuneration of each Director, the Board views that the transparency in respect of the Directors' remuneration has been appropriately dealt with by the 'band disclosure' presented in this CG Statement.

3. Reinforce Independence

3.1 Annual Assessment of Independence

The The Policy on Assessing Independence of Directors ("Policy") approved by the Board on 23 July 2014, sets out policies and procedures to ensure the effectiveness of the Independent Non-Executive Directors on the Board, including new appointments. The Board, through the NC, assesses the independence of Non-Executive Directors annually using the Directors' Policy, which is in line with Recommendation 3.1 of the MCCG 2012, as one of the factors in determining their eligibility to stand for re-election/re-appointment. The NC reviewed and was satisfied that all the Directors had satisfied the criteria for an independent director as prescribed in Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and Practice Note 13. The NC was also satisfied that they are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company.

Additionally, each of the Independent Non-Executive Directors has provided an annual confirmation of their independence to the NC and the Board.

3.2 Tenure of Independent Director

The Board has implemented a nine-year policy for Independent Non-Executive Directors, in line with Recommendation 3.2 of the MCCG 2012. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event such Director was to retain as an Independent Director, the Board would have to justify in the notice convening the Annual General Meeting and seek shareholders' approval the retention of such Independent Director at every Annual General Meeting.

As at the date of this CG Statement, none of the Independent Non-Executive Directors has reached nine years of service since their appointment and/or election as Directors. Their tenure of service is set out in the Directors' Profile of this Annual Report.

3.3 Separation of Positions of the Chairperson and MD

The Chairperson, who is an Independent Non-Executive Director, leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. Together with the other Non-Executive and Independent Director, she leads the discussion on the strategies and policies recommended by the Management. She also chairs the meetings of the Board and the shareholders.

The positions of Chairperson and MD are held by two different individuals. The MD is a Non-Independent Executive Director, who manages the business and operations of the Company and implements the Board's decisions. He is subject to the control of the Board and is accountable for leading the Management team, implementing the policies/decisions approved by the Board, building a dynamic corporate culture with the requisite skills and competency and acting as Caring Group's official spokesperson. The distinct and separate roles of the Chairperson and MD, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

3.4 Composition of the Board

The Board of Caring, chaired by an Independent Non-Executive Director, comprises six Directors of whom two are Independent Non-Executive Directors, one is Non-Independent Non-Executive Director and three are Executive Director of whom one is also the MD. In this respect, Caring complies with the requirement of the Listing Requirements of Bursa Securities for Independent Non-Executive Directors to make up at least one-third of the Board membership.

The Board is of the opinion that its current composition and size constitute an effective Board to Caring Group. Furthermore, the strong representation of high caliber Independent Non-Executive Directors provides the necessary balance. The role of the Independent Non-Executive Directors is important in ensuring that the strategies proposed by the Management are fully discussed and deliberated, and the interests of the shareholders, employees, customers, suppliers and other stakeholders are taken into consideration.

The Independent Non-Executive Director, Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf also performs the role as the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by shareholders and stakeholders. The Group has made available a dedicated electronic mail, tansri@caringpharmacy.com.my, to which stakeholders can direct such concerns to be reviewed and addressed by the Board accordingly.

4. Foster Commitment

4.1 Time Commitment

The Board ordinarily schedules four meetings in a year. Board and Board Committee meetings are scheduled well in advance, i.e. prior to the closing of each quarter to facilitate the Directors in planning ahead and to ensure that the Board and Committees meetings are booked in their respective schedules. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. The agenda for the meeting of the Board are set by the Company Secretary in consultation with the Chairperson and the MD. Decisions of the Board are made unanimously or by consensus. Where appropriate, decisions may be taken by way of Directors' Circular Resolutions between scheduled and special meetings.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of Caring. This is evidenced by the attendance record of the Directors at Board of Directors and Board Committee meetings during the financial under review as set out as follows:

Board members' Meeting Attendance	Board	AC	NC	RC
Datin Sunita Mei-Lin Rajakumar	^5/5	^5/5	1/1	^3/3
Chong Yeow Siang	5/5	5/5	-	-
Soo Chan Chiew	5/5	5/5	-	-
Tan Lean Boon	5/5	5/5	-	-
Ang Khoon Lim	5/5	5/5	1/1	3/3
Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf	5/5	5/5	^1/1	3/3

^ Chairperson/Chairman of the Board or Board Committees

a. Procedures for appointment of Director

Notwithstanding that no specific quantum of time has been fixed, each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. Each Board member is expected to achieve at least fifty percent attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairperson and/or Company Secretary, where applicable.

Prior to the acceptance of new Board appointment(s) in other companies and/or PLCs, the Directors are to notify the Chairperson and/or the Company Secretary in writing. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, one criterion as agreed by the Board is that they must not hold directorships at more than five PLCs (as prescribed in Paragraph 15.06 of Listing Requirements).

b. Annual meeting calendar

To facilitate the Directors' time planning, an annual meeting calendar will be prepared and circulated to them before the beginning of each year. It will provide the scheduled dates for meetings of the Board and Board Committees, the Annual General Meeting, major briefings to be conducted by the Company, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results.

4.2 Training

The Board takes a strong view of the importance of continuing education for its Directors to ensure they are equipped with the necessary skills and knowledge to meet the challenges of the Board. Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, to keep abreast of industry developments and trends, each Director shall determine the areas of training that he or she may require for personal development as a Director or as a member of a Board Committee. Any Director appointed to the Board is required to complete the Mandatory Accreditation Programme ("MAP") within four months from the date of appointment.

The external auditors briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year. In addition, the Board is briefed at every Board meeting on any significant changes in laws and regulations that are relevant by the Company Secretary. The Directors' are also encouraged to attend appropriate external trainings on subject matter that aids the Directors in the discharge of their duties as Directors, at the Company's expense.

All the Directors have attended the MAP. During the financial year under review, the Directors attended in-house development programs conducted for the Directors and senior management and various external programs, which included the following:

Board members		Courses/Training Programmes Attended
Datin Sunita Mei-Lin Rajakumar	i)	Bursa Malaysia's Nominating Committee Programme 2 : Effective Board Evaluation
	ii)	Bursa Malaysia: Great Companies Deserve Great Boards
	iii)	Malaysian Accounting Standards Board : Round Table Discussion on Financial Reporting
	iv)	Audit Committee Institute Breakfast Talk "The Impact of Cyber Security at Board Levels" by KPMG
	v)	Briefing on Goods and Services Tax
	vi)	Malaysian Institute of Management Ambassadorial Brief by HE Cho Byungjae, Ambassador, Embassy of The Republic of Korea to Malaysia: "Economic innovation Korea – Changing Lives, Changing Future".
	vii)	Securities Commission's Audit Oversight Board "Conversation with Audit Committees"
Chong Yeow Siang	i)	2015 Budget Outlook by Crowe Horwath
Soo Chan Chiew	i)	Practical Accounting for GST and Managing GST Risk Workshop by Wolter Kluwer CCH
	ii)	2015 Budget Outlook by Crowe Horwath
Tan Lean Boon	i)	GST Training by Malaysian Institute of Accountants
Ang Khoon Lim	i)	2015 Budget Outlook by Crowe Horwath
Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf	i)	GST Training by Malaysian Institute of Accountants

5. Uphold Integrity in Financial Reporting

5.1 Compliance with Applicable Financial Reporting Standards

The The Board ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's financial performance, its position and future prospects, through the issuance of the Annual Audited Financial Statements and quarterly financial reports, as well as corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements.

The ARMC Chairperson, Datin Sunita Mei-Lin Rajakumar together with all ARMC members, reviewed the Company's financial statements in the presence of both external and internal auditors, prior to recommending them for the Board's approval and issuance to stakeholders.

As part of the governance process in reviewing the quarterly and yearly financial statements by the ARMC, the MD and Finance Director provided assurance to the ARMC on a quarterly basis that adequate processes and controls were in place for an effective and efficient financial statement close process, that appropriate accounting policies had been adopted and applied consistently and that the relevant financial statements gave a true and fair view of the state of affairs of the Group.

In addition to the above, the Head of each department also undertook an independent assessment of the system of internal control on an annually basis and assured the ARMC that no material issue or major deficiency had been noted which posed a high risk to the overall system of internal control under review.

As such, the Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Group's position and prospects in the Directors' Report and the Annual Audited Financial Statements set out in this Annual Report.

5.2 Assessment of Suitability and Independence of External Auditors

The external auditors fill an essential role by enhancing the reliability of the Company's Annual Audited Financial Statements and giving assurance to stakeholders of the reliability of the Annual Audited Financial Statements. The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of the Management, and if necessary, to the ARMC and the Board.

The ARMC, without the presence of Executive Board members and Management also meets with the external auditors at least twice during each financial year to exchange free and honest views on issues which the external auditors may wish to discuss in relation to their audit findings.

The ARMC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of external auditors and review and evaluate factors relating to the independence of the external auditors. The terms of engagement for services provided by the external auditors are reviewed by the ARMC prior to submission to the Board for approval.

The ARMC undertakes an annual assessment of the suitability and independence of the external auditors in accordance with the Board's Non-Audit Services Policy which was adopted on 23 July 2013 as well as the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

In this regard, the ARMC had on 28 July 2015, assessed the independence of Messrs. Crowe Horwath ("CH") as external auditors of the Company as well as reviewed the level of non-audit services rendered by CH to the Company for FY2015. The ARMC was satisfied with CH's technical competency and audit independence. Having satisfied itself with their performance and fulfillment of criteria as set out in the policy, the ARMC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the 3rd Annual General Meeting.

5.3 Related Party Transactions

All related party transactions are submitted to the ARMC for review on a quarterly basis. The details of the related party transactions are set out under Note 32 to the Annual Audited Financial Statements on page 80 of this Annual Report.

6. Recognise and Manage Risks

6.1 Sound Framework to Manage Risks

The Board and Management are mindful of measures required to identify risks residing in any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment. The responsibilities of identifying and managing risks are delegated to the respective Head of each department. The Board and the ARMC are responsible to review the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.

The ARMC will assist the Board in overseeing the risk management framework of the Group and reviewing the risk management policies formulated by Management and to make relevant recommendations to the Board for approval.

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

6.2 Internal Audit Function

The Board has established an internal audit function within the Company based on the risk profiles of the business unit of the Group, which is led by the Head of each department who reports directly to the ARMC. The Board has also outsourced the internal audit function to an independent assurance provider to provide an independent appraisal over the system of internal control of the Group to the ARMC.

Details of the Company's internal control system and risk management framework are set out in the Statement on Internal Control and Risk Management and ARMC Report of this Annual Report.

7. Ensure Timely and High Quality Disclosure

7.1 Corporate Disclosure Policy

To ensure and facilitate compliance with the Listing Requirements as a PLC, the Company has set out clear roles and responsibilities of Directors, Management and employees with levels of authority, to be accorded to the designated person(s) and spokespersons in the handling and disclosure of material information. The persons responsible for preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the timely disclosure of material information to the investing public.

The Company has put in place an internal policy on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Group recognises the importance of prompt and timely dissemination of information to shareholders and investors, in order for these stakeholders to be able to make informed investment decisions. Towards this, the Company's website incorporates a corporate section which provides all relevant information on the Company and is accessible by the public. This corporate section enhances the IR function by including share price information, all announcements made, annual reports as well as the corporate and governance structure of the Company.

The Company has leveraged on information technology for broader and effective dissemination of information with regard to the dates scheduled to release its quarterly results. The announcement of the quarterly financial results is also made via Bursa LINK in a timely manner as required under the Listing Requirements in ensuring equal and fair access to information by the investing public.

8. Strengthen Relationship between the Company and Shareholders

8.1 Encourage Shareholder Participation at General Meetings

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board believes that they are not only accountable to shareholders but also responsible for managing a successful and productive relationship with the Company's stakeholders. In this regard, the Board will ensure that all the Company's shareholders and stakeholders are treated equitably and the rights of all investors, including minority shareholders, are protected.

The Company dispatches its notice of Annual General Meeting to shareholders at least twenty one days before the Annual General Meeting, under the Act and Listing Requirements. This would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney together with the Notice of Annual General Meeting, which provides information to shareholders with regard to, among others, details of the Annual General Meeting, their entitlement to attend the Annual General Meeting, the right to appoint proxy and also qualification of proxy. The Company allows a member to appoint a proxy who may but need not be a member of the Company. If the proxy is not a member of the Company, he or she need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.

Where special business items appear in the Notice of the Annual General Meeting, a full explanation is provided to shareholders on the effect of the proposed resolution emanating from the special business item. The Annual General Meeting is the principal opportunity for the Board to meet shareholders and for the Chairperson to provide an overview of the Company's progress and receive questions from shareholders.

To in line with Paragraph 7.21A(2) of Listing Requirements for further promoting participation of members through proxies, the Chairperson will brief the members, corporate representatives and proxies present of their right to speak and vote on the resolutions set out in the Notice of the 3rd Annual General Meeting dated 23 September 2015. Following the removal of the limit on the number of proxies to be appointed by an exempt authorised nominee with shares in the Company for multiple beneficial owners in one securities account under the Listing Requirements, the beneficial owners of shares will have greater participation at general meetings of the Company. The Articles further entitles a member to vote in person, by corporate representative, by proxy or by attorney. Essentially, a corporate representative, proxy or attorney shall be entitled to vote both on a show of hands and on a poll as if they were a member of the Company.

The Board is of the view that given the circumstances and technology surrounding electronic voting currently, the adoption of electronic voting may not facilitate greater shareholder participation as it is not user-friendly and most shareholders may not be familiar with using such a system. Nonetheless, the Board is committed to disclose all relevant information to shareholders in the Notices and during the meetings to enable them to exercise their rights.

8.2 Encourage Poll Voting

At At the commencement of all general meetings, the Chairperson will inform the shareholders of their rights to a poll voting. All the resolutions set out in the Notice of the 3rd Annual General Meeting will be put to vote by show of hands. The Board is of the view that with the current level of shareholders' attendance at annual general meeting, voting by way of a show of hands continues to be efficient. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairperson will declare the number of proxy votes received, both for and against each separate resolution where appropriate. The Company shall endeavor, whenever possible, to put to vote of substantive resolutions at the 3rd Annual General Meeting by poll. The outcome of the 3rd Annual General Meeting will be announced to Bursa on the same meeting day.

The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future. However, the Board is of the view that given the circumstances and technology surrounding electronic voting currently, the adoption of electronic means of poll voting may not also facilitate greater shareholder participation as it is not user-friendly and most shareholders may not be familiar with using such a system.

8.3 Effective Communication and Proactive Engagements

All the Directors shall endeavor to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the 3rd Annual General Meeting. The proceedings of the 3rd Annual General Meeting will include the Chairperson's briefing on the Company's overall performance for FY2015, the presentation of the external auditors' unqualified report to the shareholders, and a Q&A session during which the Chairperson will invite shareholders to raise questions pertaining to the Company's accounts and other items for adoption at the meeting, before putting a resolution to vote. The Directors, MD and external auditors will be in attendance to respond to the shareholders' queries. The Board will also share with the shareholders the Company's responses to questions submitted in advance of the 3rd Annual General Meeting by the Minority Shareholder Watchdog Group, if any.

The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcement on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Company's website at www.caring2u.com.my from which shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, tansri@caringpharmacy.com.my, to which stakeholders can direct their queries or concerns.

COMPLIANCE STATEMENT

This CG Statement on the Company's CG practices is made in compliance with Paragraphs 15.25 and 15.08A of the Listing Requirements. The Board considers and is satisfied that the Company fully complied with the principles and recommendations of the MCCG 2012, the relevant chapters of the Listing Requirements on CG and all applicable laws and regulations throughout FY2015.

This CG Statement was approved by the Board on 7 September 2015.

COMPOSITION AND ATTENDANCE

The Audit Committee ("AC") of Caring Pharmacy Group Berhad ("Caring" or "the Company") comprises three members, all of whom are Non-Executive Directors, one being a Non-Independent Non-Executive Director and two being Independent Non-Executive Directors who also satisfy the test of independence under Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements"). This meets the requirements of paragraph 15.09(1)(b) of the Listing Requirements. On 7 September 2015, the Board renamed the AC as the Audit and Risk Management Committee ("ARMC") to broaden its scope and highlight the importance placed on the risk management of the various elements of the Company's business whilst also covering the areas of internal control, financial reporting and corporate governance. The ARMC members and their attendance records are outlined in the Corporate Governance ("CG") Statement.

The Board will review annually the terms of office of the ARMC members and assesses the performance of the ARMC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that for the financial year ended 31 May ("FY") 2015, the ARMC and its members have been able to discharge their functions, duties and responsibilities in accordance with the Terms of Reference of the ARMC ("ToR") which is set out in the Company's website, thereby supporting the Board in ensuring appropriate CG standards within the Company and the subsidiaries ("Group" or "Caring Group").

MEETINGS

The The ARMC held five meetings in FY2015 without the presence of other Directors, members of Senior Management and employees, except when their attendance was requested by the ARMC. The Managing Director ("MD") was invited to all ARMC meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

The lead audit engagement partner of the external auditors responsible for the Group attended three ARMC meetings in FY2015 to present the audit plans and auditors' report on the Annual Audited Financial Statements for FY2015.

During the first meeting between the external auditors and the ARMC in FY2015, the ARMC sought the external auditors' confirmation that they had been given unfettered access to information and co-operation from the Management during the course of audit. In the ARMC meetings, the external auditors were invited to raise any matter they considered important for the ARMC's attention. The ARMC Chairperson obtained confirmation from the external auditors that the Management had given its full support and unrestricted access to information as required by the external auditors to perform their duties and that there were no other matters considered important which had not been raised with the ARMC.

In addition to the meetings held between the ARMC and the external auditors during ARMC meetings where the external auditors were given opportunities to raise any matters without the presence of Management, the ARMC members also gave unrestricted access to the external auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or reviews. Deliberations during the ARMC meetings, including the issues tabled and rationale adopted for decisions, were recorded. Minutes of the ARMC meetings were tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

In FY2015, the ARMC Chairperson presented to the Board the recommendations of the ARMC for approval of the annual and quarterly financial statements as well as declaration of dividends. The ARMC Chairperson also conveyed to the Board matters of significant concern as and when raised by the external auditors or internal auditors. The internal auditors were present at three ARMC meetings to table the respective internal audit ("IA") reports. The relevant Departmental Head of the respective departments of the audit subjects were also invited to brief the ARMC on specific issues arising from the relevant IA reports.

SUMMARY OF ACTIVITIES

The ARMC's activities during the financial year under review to the date of this Statement encompassed the following:

Activities with regards to external audit:

- review of external audit scope and audit plans based on the external auditors' presentation of audit strategy and plan;
- review of external audit results, audit reports, management letter and the response from the Management;
- review and evaluation of factors relating to the independence of the external auditors. The ARMC worked closely with the external auditors in establishing procedures in assessing the suitability and independence of the external auditors, in confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants;
- consideration and recommendation to the Board for approval of the audit fees payable to the external auditors; and
- review the performance and effectiveness of the external auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of external auditors.

Activities with regards to internal audit:

- review of internal audit's resource requirements, scope, adequacy and function;
- review of internal audit's plan and programs;
- review of IA reports, recommendations and Management responses. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the internal auditors were discussed together with the Management Team in a separate forum;
- review of implementation of these recommendations through follow up IA reports to the ARMC;
- suggestion on additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
- review of the whistle-blowing policy for adoption by the Board; and
- review of the risk management framework from time to time and assessed the resources and knowledge of the Management and employees involved in the risk management process.

Activities with regards to financial statements:

- review of annual report and the annual audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 1965 ("the Act") and the applicable approved accounting standards as per the Malaysian Accounting Standards Board ("MASB");
- review of the Group's compliance with the Listing Requirements, MASB and other relevant legal and regulatory requirements with regards to the quarterly and year-end financial statements; and

- review of the unaudited financial results announcements before recommending them for Board's approval, focusing particularly on:
  - o any change in accounting policies and practices
  - o significant adjustments arising from the audit
  - o the going concern assumption
  - o compliance with applicable financial reporting standards and other legal requirements

Activities with regards to risk management:

- assess the resources and knowledge of the Management and employees involved in the risk management process;
- review and undertake monitoring of principal risks which may affect the Group directly or indirectly, and if deemed necessary, recommend additional course(s) of action to mitigate such risks
- monitor and communicate the risk assessment results to the Board; and
- assess the actual and potential impact of any failure or weakness of the internal controls in place.

Other activities:

- review of related party transactions and ordinary dividend payments;
- review of application of corporate governance principles and the extent of the Group's compliance with the best practices set out under with the Malaysian Code for Corporate Governance 2012; and
- review of the CG Statements, ARMC Report and the Statement on Internal Control and Risk Management for adoption by the Board.

INTERNAL AUDIT FUNCTION

The purpose of the IA function is to provide the Board, through the ARMC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To ensure that the responsibilities of internal auditors are fully discharged, the ARMC reviews the adequacy of the scope, functions and resources of the IA function as well as the competency of the internal auditors. The internal auditors also highlighted to the ARMC the audit findings which required follow-up action by Management as well as outstanding audit issues which required corrective action to ensure an adequate and effective internal control system within the Group.

The IA activities were carried out based on a risk-based audit plan presented by the internal auditors to the ARMC for approval. The establishment of the audit plan took into consideration the corporate risk profile and input from Senior Management and the ARMC members. The results of the audits provided in the IA reports were reviewed by the ARMC. The relevant Departmental Head of the respective departments of the specific audit subject was made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframe. Internal auditors also conducted follow-up audits to ensure that Management's corrective actions were implemented appropriately. In this respect, the IA has added value by improving the control processes within the Group. All IA activities in FY2015 were outsourced to an independent assurance provider and the total costs incurred in FY2015 amounted to RM40,000.

INTRODUCTION

The Board of Directors (or "Board") of Caring Pharmacy Group Berhad ("Caring" or "the Company") is committed towards maintaining a sound system internal control and risk management and is pleased to provide the following Statement on Internal Control and Risk Management ("Statement") which outlines the internal controls of and the scope and nature of risk management for the Company and the subsidiaries ("Group" or "Caring Group") for the financial year ended 31 May ("FY") 2015. For the purpose of disclosure, this Statement is guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") pursuant to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements").

BOARD RESPONSIBILITY

The Board re-affirms its commitment in and acknowledges its overall responsibility in maintaining the Group's system of internal control and risk management as well as reviewing its adequacy, integrity and effectiveness to safeguard shareholders' investments and the Group's assets. The Board recognises that a sound system of internal control and risk management is an integral part of good corporate governance. The Board and the Management Team are responsible and accountable for the establishment of internal controls for the Group. The Board has an on-going process for identifying, evaluating and managing significant risks faced by the Group. The Board has delegated the responsibility of monitoring the internal control and risk management systems to the Management Team.

The system of internal control and risk management covers not only financial controls but operational, risk and compliance controls as well. These systems are designed to manage, rather than eliminate, the risk of failure arising from non-achievement of the Group's policies, goals and objectives. Such systems provide reasonable, rather than absolute, assurance against material misstatement or loss.

The internal control and risk management systems and processes are subjected to regular evaluations on their adequacy and effectiveness by the Management Team and are updated from time to time, including mitigating measures taken by the Management Team, via the Audit Committee ("AC") to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

The adequacy and effectiveness of internal controls were reviewed by AC in relation to the internal audits conducted by an independent assurance provider, NGL Tricor Consulting Sdn Bhd ("internal auditors") during the year under review. Audit issues and actions taken by Management to address the issues tabled by internal auditors were deliberated during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.

RISK MANAGEMENT FRAMEWORK

The Board and the Management Team fully support the contents of the Guidelines. To in line with Principle 6 and Recommendation 6.1 of the Malaysian Code on Corporate Governance 2012 and the increasing focus of shareholders on Corporate Governance, risk management practices are inculcated and entrenched in the activities of the Group's, which requires, amongst others, establishing an Enterprise Risk Management Framework ("ERM") which is designed to provide consistency in the management of risks across the Group.

During the financial year under review, key principal risks affecting the Group's business and operations has been identified with a risk register being established accordingly. Management Team is however, still in the midst of establishing and formalising the risk strategy, risk appetite and risk indicators as well as the process of identification, evaluation and management of key principal risks.

In providing oversight of risk management framework and policies in the Group, the Board had on 7 September 2015 renamed the AC as the Audit and Risk Management Committee ("ARMC") to broaden its scope and highlight the importance placed on the risk management of the various elements of the Company's business whilst also covering the areas of internal control, financial reporting and corporate governance. The ARMC will meet on a half yearly basis to review, deliberate and provide advice on matters pertaining to the key corporate risks, risk assessment of projects and programmes, operational risks and mitigation measures, as well as ERM activities. Internal control and risk-related matters which warrant the attention of the Board will be recommended by the ARMC to the Board for its approval and matters or decisions made within the ARMC's purview will be updated to the Board for its notation.

On the other hand, a Management Risk Committee ("MRC"), chaired by the Non-Independent Non-Executive Director will also be established to promote the ERM and to ensure that the risk management process and culture are embedded throughout the Group. MRC will meet on a quarterly basis where the Head of Departments have the overall responsibility to report the key risks to the attention of the MRC and to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted and provide regular reporting and update to the ARMC on key risk management issues. The responsibility for day-to-day risk management resides with the Management of each subsidiary and they are accountable for the risks identified and assessed.

OTHER RISK AND CONTROL PROCESSES

Apart from risk management and internal audit function, the Board has also put in place the following elements as part of the Group's system of internal control:

- Clearly defined organisational structure with proper delegation of responsibilities and accountability;

- Appropriate authority limits are established for the approval process, therefore minimising the risk of unauthorised transactions;

- Annual budget system is in place. There is requirement for the timely submission of monthly financial reports and key operational performance indicators to the Management; and

- Human resource function sets out policies for recruitment, training and staff appraisal to ensure that staff is competent and adequately trained in carrying out their responsibilities.

The internal auditors are engaged to independently assess the implementation and the efficiency and effectiveness of the system of internal control and risk management, based on a detailed internal audit plan approved by the ARMC. The results of the internal audits are monitored by the Management Team and reported periodically to the ARMC and the report of the ARMC is a permanent agenda in the meeting of the Board. The Management Team responses on each internal audit recommendation and action plans therein, are regularly reviewed and followed up by internal auditors and reported to the ARMC. A matrix which covers the overall audit ratings, nature of work and scope, and audit issues and its priorities have been developed by the internal auditors as a template to guide the conduct of the follow up audit. For FY2015, based on the preliminary assessment of enterprise risk management for the Group, Management is of the view that there were no major gaps in respect to the minimum internal controls as determined by the Group.

The Managing Director ("MD") and Finance Director also report to the Board on significant changes in the business and the external environment which affects the operations. Financial information, key performance and risk indicators are also reported on a quarterly basis to the Board.

On the other hand, sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken in which Management reviews the coverage for the fixed asset and inventory based on their respective net book values and "replacement value", i.e. the prevailing market price for the same or similar item, where applicable. The underwriter also assists by conducting a risk assessment, which helps the Company in assessing the adequacy of the intended coverage.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board has received assurance from the MD that the Group's internal control and risk management systems are operating adequately and effectively, in all material aspects, during the financial year under review. Taking into consideration the assurance from the Management Team and input from the relevant assurance providers, the Board is of the view that the system of internal control and risk management is satisfactory and is adequate to safeguard shareholders' investments, customers' interest and Group assets. The Group will continue to take measures to strengthen the internal control and risk management environment.

Based on the internal audit reviews carried out, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement for inclusion in this Annual Report, 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 system of internal control and risk management.

Internal auditors have reviewed this Statement and reported to the ARMC that, while it has addressed individual lapses in internal control during the course of its internal audit assignments for the financial year under review, it has not identified any circumstances which suggest any fundamental deficiencies in the Group's internal control and risk management systems.

CONCLUSION

The Board is of the view that the system of internal control and risk management is in place for the financial year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard shareholders' investments, the interests of customers, regulators, employees and other stakeholders, as well as the Caring Group's assets. There was no material control failure that would have any material adverse effect on the financial results of the Company for the year under review and up to the date of issuance of the financial statements.

The Board continues to take pertinent measures to sustain and, where required, to improve the Group's internal control and risk management systems in meeting the Group's strategic objectives.

This Statement was approved by the Board on 7 September 2015.

Directors' Responsibility Statement for the Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs), and the requirements of the Act in Malaysia and the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- Considered the appropriate approved accounting standards in Malaysia;
- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act. The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

Financial Statements

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2015.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are set out in Note 8 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	13,016,715	5,560,294
Attributable to:-		
Owners of the Company	12,869,024	5,560,294
Non-controlling interests	147,691	-
	13,016,715	5,560,294

DIVIDENDS

Since end of the previous financial year, the Company paid a final single tier tax-exempt dividend of 1.5 sen per ordinary share amounting to RM3,265,596 in respect of the financial year ended 31 May 2014.

The directors now recommend the payment of a final single tier tax-exempt dividend of 2.0 sen per ordinary share amounting to RM4,354,128 in respect of the financial year under review, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

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

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

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 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 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

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

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

ITEMS OF AN UNUSUAL NATURE (CONT'D)

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.

HOLDING COMPANY

The holding company is Motivasi Optima Sdn. Bhd., a company incorporated in Malaysia which the directors also regard as the ultimate holding company.

DIRECTORS

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

ANG KHOON LIM
CHONG YEOW SIANG
DATIN SUNITA MEI-LIN RAJAKUMAR
SOO CHAN CHIEW
TAN LEAN BOON
TAN SRI DATO' HAJI MOHD ARIFFIN BIN MOHD YUSUF

Pursuant to Article 95 of the Articles of Association of the Company, Chong Yeow Siang and Ang Khoon Lim retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding 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 RM1 Each			
THE COMPANY	**At 1.6.2014**	**BOUGHT**	**SOLD**	**At 31.5.2015**
Direct Interests				
ANG KHOON LIM	262,600	-	(135,299)	127,301
CHONG YEOW SIANG	262,700	-	(135,299)	127,401
DATIN SUNITA MEI-LIN RAJAKUMAR	200,000	-	-	200,000
SOO CHAN CHIEW	262,600	-	(135,299)	127,301
TAN LEAN BOON	262,600	-	(135,299)	127,301
TAN SRI DATO' HAJI MOHD ARIFFIN BIN MOHD YUSUF	300,000	-	-	300,000
MOTIVASI OPTIMA SDN. BHD. (HOLDING COMPANY)				
Direct Interests				
ANG KHOON LIM	18,647	-	-	18,647
CHONG YEOW SIANG	14,239	-	-	14,239
SOO CHAN CHIEW	18,647	-	-	18,647
TAN LEAN BOON	18,647	-	-	18,647

By virtue of their shareholdings in the holding company, Ang Khoon Lim, Soo Chan Chiew and Tan Lean Boon are deemed to have interests in the shares in the Company and its related corporations to the extent of the holding company's interests, in accordance with Section 6A of the Companies Act 1965.

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 32 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company 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 EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 36 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 37 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 7 SEPTEMBER 2015

Soo Chan Chiew

Chong Yeow Siang

STATEMENT BY DIRECTORS

We, Soo Chan Chiew and Chong Yeow Siang, being two of the directors of Caring Pharmacy Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 44 to 86 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 May 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 38 on page 87, 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 7 SEPTEMBER 2015

Soo Chan Chiew **Chong Yeow Siang**

STATUTORY DECLARATION

I, Foo Lee Fah, being the officer primarily responsible for the financial management of Caring Pharmacy Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 86 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 Foo Lee Fah, at
Melaka in the state of Melaka
on this 7 September 2015

Foo Lee Fah

Before me
Ong San Kee (M015)
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Caring Pharmacy Group Berhad, which comprise the statements of financial position as at 31 May 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 44 to 86.

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 the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 May 2015 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit 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.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 on page 87 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Wong Tak Mun
Approval No : 1793/09/16 (J)
Chartered Accountant

7 September 2015

Melaka

STATEMENTS OF FINANCIAL POSITION
AT 31 MAY 2015

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	6	36,686,028	32,853,330	-	-
Intangible assets	7	2,946,430	2,946,430	-	-
Investment in subsidiaries	8	-	-	205,394,979	182,706,397
Deferred tax assets	9	10,200	1,342,400	-	-
		39,642,658	37,142,160	205,394,979	182,706,397
CURRENT ASSETS					
Inventories	10	83,485,860	79,855,424	-	-
Trade receivables	11	1,120,075	336,422	-	-
Other receivables, deposits and prepayments	12	8,016,558	5,768,465	5,000	5,000
Amounts owing by a related company	13	-	-	4,832,280	7,635,582
Tax recoverable		1,561,670	426,216	-	-
Deposits with financial institutions	14	51,145,876	58,624,884	20,448,152	37,631,744
Cash and bank balances		35,354,686	19,271,237	248,489	533,238
		180,684,725	164,282,648	25,533,921	45,805,564
TOTAL ASSETS		220,327,383	201,424,808	230,928,900	228,511,961

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

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	217,706,400	217,706,400	217,706,400	217,706,400
Share premium	16	7,401,916	7,401,916	7,401,916	7,401,916
Retained profits	17	76,917,850	71,003,801	5,678,343	3,383,645
Merger deficit	18	(181,984,395)	(181,984,395)	-	-
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		120,041,771	114,127,722	230,786,659	228,491,961
NON-CONTROLLING INTERESTS	8(a)	804,389	3,170,282	-	-
TOTAL EQUITY		120,846,160	117,298,004	230,786,659	228,491,961
NON-CURRENT LIABILITIES					
Term loans	19	9,859,901	9,778,588	-	-
Deferred tax liabilities	9	375,594	277,866	-	-
		10,235,495	10,056,454	-	-
CURRENT LIABILITIES					
Trade payables	20	76,888,144	62,905,995	-	-
Other payables and accruals	21	6,884,701	6,814,288	25,941	20,000
Amount owing to non-controlling shareholders	22	3,511,898	3,531,900	-	-
Amounts owing to related parties	23	48,278	56,215	-	-
Provision for taxation		455,767	640,540	116,300	-
Term loans	19	1,456,940	121,412	-	-
		89,245,728	74,070,350	142,241	20,000
TOTAL LIABILITIES		99,481,223	84,126,804	142,241	20,000
TOTAL EQUITY AND LIABILITIES		220,327,383	201,424,808	230,928,900	228,511,961

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2015

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
REVENUE	24	367,011,028	338,337,107	4,621,836	8,088,213
COST OF SALES		(293,366,956)	(255,063,526)	-	-
GROSS PROFIT		73,644,072	83,273,581	4,621,836	8,088,213
OTHER OPERATING INCOME		36,416,519	22,828,479	1,338,289	588,584
		110,060,591	106,102,060	5,960,125	8,676,797
SELLING AND DISTRIBUTION EXPENSES		(50,720,692)	(48,089,181)	-	-
ADMINISTRATIVE EXPENSES		(36,894,392)	(29,310,640)	(274,507)	(2,020,438)
OTHER OPERATING EXPENSES		(3,711,915)	(5,610,339)	-	-
FINANCE COSTS		(234,498)	(281,690)	-	-
PROFIT BEFORE TAXATION	25	18,499,094	22,810,210	5,685,618	6,656,359
TAXATION	26	(5,482,379)	(6,533,932)	(125,324)	-
PROFIT AFTER TAXATION		13,016,715	16,276,278	5,560,294	6,656,359
OTHER COMPREHENSIVE INCOME, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		13,016,715	16,276,278	5,560,294	6,656,359
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		12,869,024	15,078,271	5,560,294	6,656,359
Non-controlling interests		147,691	1,198,007	-	-
		13,016,715	16,276,278	5,560,294	6,656,359
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		12,869,024	15,078,271	5,560,294	6,656,359
Non-controlling interests		147,691	1,198,007	-	-
		13,016,715	16,276,278	5,560,294	6,656,359
EARNINGS PER SHARE (SEN)					
Basic	27	5.91	7.47		
Diluted		Not applicable	Not applicable		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2015

The Group	Note	Share Capital RM	Share Premium RM	Merger Deficit RM	Retained Profits RM	Attributable To Owners Of The Company RM	Non-Controlling Interests RM	Total Equity RM
		<---------------- Non-Distributable		----------------->	<Distributable>			
Balance at 31.5.2013		182,706,400	-	(181,984,395)	59,184,030	59,906,035	3,669,471	63,575,506
Total comprehensive income for the financial year		-	-	-	15,078,271	15,078,271	1,198,007	16,276,278
Contributions by and distributions to owners of the Company:-								
- Issuance of shares pursuant to public issue	15 & 16	35,000,000	8,750,000	-	-	43,750,000	-	43,750,000
- Dividends:								
- by the Company	28	-	-	-	(3,265,596)	(3,265,596)	-	(3,265,596)
- by subsidiaries to non-controlling interests		-	-	-	-	-	(1,743,600)	(1,743,600)
Total transactions with owners		35,000,000	8,750,000	-	(3,265,596)	40,484,404	(1,743,600)	38,740,804
Dilution in equity interest in subsidiary		-	-	-	7,096	7,096	(7,096)	-
Effect of issue of share capital by subsidiaries		-	-	-	-	-	53,500	53,500
Listing expenses		-	(1,348,084)	-	-	(1,348,084)	-	(1,348,084)
Balance at 31.5.2014		217,706,400	7,401,916	(181,984,395)	71,003,801	114,127,722	3,170,282	117,298,004

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

The Group	Note	Share Capital RM	Share Premium RM	Merger Deficit RM	Retained Profits RM	Attributable To Owners Of The Company RM	Non-Controlling Interests RM	Total Equity RM
		<---------------- Non-Distributable	-----------------	----------------->	<Distributable>			
Balance at 31.5.2014/1.6.2014		217,706,400	7,401,916	(181,984,395)	71,003,801	114,127,722	3,170,282	117,298,004
Total comprehensive income for the financial year		-	-	-	12,869,024	12,869,024	147,691	13,016,715
Distributions to owners of the Company:-								
- Dividends:								
- by the Company	28	-	-	-	(3,265,596)	(3,265,596)	-	(3,265,596)
- by subsidiaries to non-controlling interests		-	-	-	-	-	(1,318,850)	(1,318,850)
Total transactions with owners		-	-	-	(3,265,596)	(3,265,596)	(1,318,850)	(4,584,446)
Accretion in equity interest in subsidiaries		-	-	-	(3,689,379)	(3,689,379)	(1,214,734)	(4,904,113)
Effect of issue of share capital by subsidiaries		-	-	-	-	-	20,000	20,000
Balance at 31.5.2015		217,706,400	7,401,916	(181,984,395)	76,917,850	120,041,771	804,389	120,846,160

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

		<-------Non-Distributable------>		<Distribution>	
The Company	Note	Share Capital RM	Share Premium RM	Retained Profits/ (Accumulated Losses) RM	Total Equity RM
Balance at 1.6.2013		3	-	(7,118)	(7,115)
Contributions by and Distributions to owners of the Company:-					
- Acquisition of subsidiaries	15	182,706,397	-	-	182,706,397
- Issuance of shares pursuant to public issue	15 & 16	35,000,000	8,750,000	-	43,750,000
Total transactions with owners		217,706,397	8,750,000	-	226,456,397
Listing expenses		-	(1,348,084)	-	(1,348,084)
Total comprehensive income for the financial year		-	-	6,656,359	6,656,359
Dividends paid	28	-	-	(3,265,596)	(3,265,596)
Balance at 31.5.2014/1.6.2014		217,706,400	7,401,916	3,383,645	228,491,961
Total comprehensive income for the financial year		-	-	5,560,294	5,560,294
Dividends paid	28	-	-	(3,265,596)	(3,265,596)
Balance at 31.5.2015		217,706,400	7,401,916	5,678,343	230,786,659

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2015

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		18,499,094	22,810,210	5,685,618	6,656,359
Adjustments for:-					
Impairment loss on property, plant and equipment		227,615	315,812	-	-
Depreciation of property, plant and equipment		3,413,577	3,558,645	-	-
Equipment written off		69,515	-	-	-
Interest expenses		231,404	411,133	-	-
Listing expenses		-	1,735,885	-	1,735,885
Gain on disposal of property, plant and equipment		(161,856)	(184,332)	-	-
Interest income		(1,644,804)	(1,284,483)	(1,337,782)	(588,584)
Rental income		(144,500)	(176,900)	-	-
Operating profit before working capital changes		20,490,045	27,185,970	4,347,836	7,803,660
Increase in inventories		(3,630,436)	(22,348,207)	-	-
Increase in trade and other receivables		(3,031,746)	(659,257)	-	(5,000)
Increase in trade and other payables		14,044,625	9,792,851	5,941	18,000
CASH FROM OPERATIONS		27,872,488	13,971,357	4,353,777	7,816,660
Tax paid		(5,736,163)	(8,498,471)	(9,024)	-
Tax refunded		363,485	561,887	-	-
Interest paid		(231,404)	(411,133)	-	-
NET CASH FROM OPERATING ACTIVITIES		22,268,406	5,623,640	4,344,753	7,816,660

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

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Accretion in equity interest in subsidiaries		(4,904,113)	-	-	-
Interest received		1,644,804	1,284,483	1,337,782	588,584
Net advances to subsidiary		-	-	(19,885,280)	(8,606,567)
Proceeds from disposal of property, plant and equipment		177,100	188,500	-	-
Purchase of property, plant and equipment	29	(7,558,649)	(7,835,178)	-	-
Rental received		144,500	176,900	-	-
NET CASH FOR INVESTING ACTIVITIES		(10,496,358)	(6,185,295)	(18,547,498)	(8,017,983)
CASH FLOW (FOR)/FROM FINANCING ACTIVITIES					
Dividends paid to:-					
- shareholders of the Company	28	(3,265,596)	(3,265,596)	(3,265,596)	(3,265,596)
- non-controlling shareholders of subsidiaries		(1,318,850)	(1,743,600)	-	-
Payment of initial public offering expenses		-	(2,128,525)	-	(2,128,525)
Proceeds from issuance of shares pursuant to public issue		-	43,750,000	-	43,750,000
Drawdown of term loans		1,980,000	2,970,000	-	-
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders		20,000	53,500	-	-
Repayment of term loans		(563,159)	(3,114,729)	-	-
Net (repayment to)/advances from non-controlling shareholders		(20,002)	411,765	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(3,167,607)	36,932,815	(3,265,596)	38,355,879
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,604,441	36,371,160	(17,468,341)	38,154,556
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		77,896,121	41,524,961	38,164,982	10,426
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30	86,500,562	77,896,121	20,696,641	38,164,982

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

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	:	3-2, 3rd Mile Square No.151, Jalan Kelang Lama Batu 3 1/2 58100 Kuala Lumpur
Principal place of business	:	No. 1, Jalan 51/203A Kawasan Perindustrian Tiong Nam Seksyen 51, 46050 Petaling Jaya Selangor Darul Ehsan

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

2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANY

The holding company is Motivasi Optima Sdn. Bhd., a company incorporated in Malaysia which the directors also regard as the ultimate holding company.

4. 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.

4.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

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

4. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above mentioned accounting standards and interpretations (including the consequential amendments) is not expected to have any material impact on the Group's financial statements upon their initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 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 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Income Taxes

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

(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) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets on a case by case basis as the risk of impairment on these assets is not considered significant in view of the Group's business. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(f) 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.

(g) Impairment of Goodwill and Trademark

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

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

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

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

(a) Business Combinations

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

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

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

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

However, in the future, 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

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

(b) Non-Controlling Interests

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

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

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

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

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

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

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

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

5.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 GOODWILL (CONT'D)

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.

5.4 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.

5.5 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

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

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

(a) Financial Assets

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

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(i) Financial Assets at Fair Value through Profit or Loss (Cont'd)

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.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

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

(ii) Held-to-maturity Investments

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

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

(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.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets (Cont'd)

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.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

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

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classifies as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

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

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 INVESTMENTS IN SUBSIDIARIES

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

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

5.7 TRADEMARK

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

5.8 PROPERTY, PLANT AND EQUIPMENT

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

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

Leasehold lands	Over the lease period of 70 to 99 years
Buildings	2%
Computer equipment	33.33%
Motor vehicles	20%
Office equipment	20%
Furniture and fittings	20%
Renovation	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

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

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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets 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.

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.

5.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.11 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 reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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.

5.12 CASH AND CASH EQUIVALENTS

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

5.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 EMPLOYEE BENEFITS (CONT'D)

(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.

5.14 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.

(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.

5.15 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.

5.16 FAIR VALUE MEASUREMENTS

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.16 FAIR VALUE MEASUREMENTS (CONT'D)

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs are unobservable inputs for the asset or liability.

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

5.17 BORROWING COSTS

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

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

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

5.18 REVENUE AND OTHER INCOME

(a) Sale of Goods

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

(b) Dividend Income

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

(c) Rental income

Rental income is recognised on an accrual basis.

(d) Advertising and promotion income

Advertising and promotion income is recognised on an accrual basis.

(e) Interest income

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

5.19 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.

6. PROPERTY, PLANT AND EQUIPMENT

The Group Net Book Value	At 1.6.2014 RM	Additions RM	Disposal RM	Impairment Losses RM	Written Off RM	Reclassification RM	Depreciation Charge RM	At 31.5.2015 RM
Leasehold lands	4,266,350	-	-	-	-	12,043,095	(76,182)	16,233,263
Buildings	2,475,094	-	-	-	-	7,848,012	(66,817)	10,256,289
Computer equipment	1,709,422	850,970	-	(10,089)	-	-	(993,081)	1,557,222
Motor vehicles	610,911	308,552	(15,244)	-	-	-	(193,977)	710,242
Office equipment	1,263,359	1,565,277	-	(70,679)	(22,510)	-	(543,910)	2,191,537
Furniture and fittings	2,009,694	1,396,618	-	(77,666)	(24,912)	-	(884,420)	2,419,314
Renovation	1,637,393	2,427,232	-	(69,181)	(22,093)	-	(655,190)	3,318,161
Asset in progress	18,881,107	1,010,000	-	-	-	(19,891,107)	-	-
Total	32,853,330	7,558,649	(15,244)	(227,615)	(69,515)	-	(3,413,577)	36,686,028

The Group Net Book Value	At 1.6.2013 RM	Additions RM	Disposal RM	Impairment Losses RM	Depreciation Charge RM	At 31.5.2014 RM
Leasehold lands	4,332,396	-	-	-	(66,046)	4,266,350
Buildings	2,528,831	-	-	-	(53,737)	2,475,094
Computer equipment	530,264	2,058,957	-	(8,652)	(871,147)	1,709,422
Motor vehicles	323,881	565,044	-	-	(278,014)	610,911
Office equipment	1,246,943	700,999	(4,168)	(84,713)	(595,702)	1,263,359
Furniture and fittings	1,998,337	1,106,317	-	(130,430)	(964,530)	2,009,694
Renovation	1,309,730	1,149,149	-	(92,017)	(729,469)	1,637,393
Asset in progress	14,921,107	3,960,000	-	-	-	18,881,107
Total	27,191,489	9,540,466	(4,168)	(315,812)	(3,558,645)	32,853,330

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

THE GROUP AT 31.5.2015	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Leasehold lands	16,549,625	(316,362)	16,233,263
Buildings	10,534,924	(278,635)	10,256,289
Computer equipment	5,403,094	(3,845,872)	1,557,222
Motor vehicles	1,445,951	(735,709)	710,242
Office equipment	5,865,785	(3,674,248)	2,191,537
Furniture and fittings	8,676,796	(6,257,482)	2,419,314
Renovation	7,938,945	(4,620,784)	3,318,161
Total	56,415,120	(19,729,092)	36,686,028

THE GROUP AT 31.5.2014	AT COST RM	ACCUMULATED DEPRECIATION RM	NET BOOK VALUE RM
Leasehold lands	4,506,530	(240,180)	4,266,350
Buildings	2,686,912	(211,818)	2,475,094
Computer equipment	4,839,665	(3,130,243)	1,709,422
Motor vehicles	1,646,233	(1,035,322)	610,911
Office equipment	4,311,355	(3,047,996)	1,263,359
Furniture and fittings	7,066,467	(5,056,773)	2,009,694
Renovation	5,434,875	(3,797,482)	1,637,393
Asset in progress	18,881,107	-	18,881,107
Total	49,373,144	(16,519,814)	32,853,330

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

Net Book Value	The Group 2015 RM	2014 RM
Leasehold lands	12,032,956	2,900,504
Buildings	7,834,935	1,365,354
Asset in progress	-	18,881,107
	19,867,891	23,146,965

7. INTANGIBLE ASSETS

The Group	Goodwill RM	Trademark RM	Total RM
Cost:-			
Balance at 1 June 2014/2013	1,071,560	1,874,870	2,946,430
Addition during the financial year	-	-	-
Net carrying amount at 31 May 2015/2014	1,071,560	1,874,870	2,946,430

7. INTANGIBLE ASSETS (CONT'D)

Key assumption used in value-in-use calculations

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

The recoverable amount of cash-generating unit is determined based on value-in-use calculation using discounted cash flow projection based on financial budgets approved by management covering a ten-year period. The key assumptions used for value-in-use calculation are based on past experience and the discount rate applied to the cash flow projection is 11.46% per annum which was the weighted average cost of capital of the Group as at 31 May 2015.

8. INVESTMENT IN SUBSIDIARIES

	The Company	
	2015 RM	2014 RM
Unquoted shares		
- at cost	182,706,397	182,706,397
Quasi loans	22,688,582	-
	205,394,979	182,706,397

Quasi loans represent advances to a subsidiary of which the settlement is neither planned nor likely to occur in the foreseen future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

The details of the subsidiaries are as follows:-

Name of company	Place of incorporation	Ordinary Paid-up Capital RM	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	Principal activities
Caring Pharmacy Retail Management Sdn. Bhd.	Malaysia	2,310,918	100	100	Investment holding, provision of management services and central warehousing and distribution of pharmaceutical, healthcare and personal care products
Held by Caring Pharmacy Retail Management Sdn. Bhd.:					
Caring Health Solutions Sdn. Bhd.	Malaysia	100,000	76	51	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Caring Pharmacy (Kinrara) Sdn. Bhd.	Malaysia	100,000	75	50	As above
Viva Caring Sdn. Bhd.	Malaysia	100,000	100	100	As above

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Place of incorporation	Ordinary Paid-up Capital RM	Effective Equity Interest 2015 %	2014 %	Principal activities
Caring Belle Sdn. Bhd.	Malaysia	100,000	90	80	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Be Caring Sdn. Bhd.	Malaysia	100,000	51	51	As above
Sterling Pharmacy Sdn. Bhd.	Malaysia	100,000	50	50	As above
Stay Caring Sdn. Bhd.	Malaysia	100,000	76	51	As above
United Caring Venture Sdn. Bhd.	Malaysia	100,000	100	100	As above
MN Pharmacy Sdn. Bhd.	Malaysia	100,000	60	60	As above
Caring Pharmacy (KLP) Sdn. Bhd.	Malaysia	100,000	80	60	As above
Caring 'N' You Pharmacy Sdn. Bhd.	Malaysia	100,000	60	60	As above
Caring Pharmacy Sdn. Bhd.	Malaysia	1,000,000	100	100	As above
Tonic Pharma Sdn. Bhd.	Malaysia	100,000	60	60	As above
Ace Caring Pharmacy Sdn. Bhd.	Malaysia	100,000	76	51	As above
Caring Pharmacy (Ampang) Sdn. Bhd.	Malaysia	100,000	60	60	As above
Vertex Pharmacy Sdn. Bhd.	Malaysia	100,000	51	51	As above
Preciouslife Pharmacy Sdn. Bhd.	Malaysia	100,000	70	70	As above
Caring Pharmacy (Puchong) Sdn. Bhd.	Malaysia	100,000	80	80	As above
My Caring Pharmacy Sdn. Bhd.	Malaysia	100,000	60	60	As above
Victorie Caring Sdn. Bhd.	Malaysia	200,000	70	60	As above
Caring Pharmacy (MSF) Sdn. Bhd.	Malaysia	100,000	100	100	As above
Caring Pharmacy (SW) Sdn. Bhd.	Malaysia	300,000	100	100	As above
Caring Pharmacy (ABM) Sdn. Bhd.	Malaysia	100,000	75	75	As above
Caring Pharmacy (AMC) Sdn. Bhd.	Malaysia	100,000	60	60	As above
United RX Care Sdn. Bhd.	Malaysia	100,000	60	60	As above
One Caring Pharmacy Sdn. Bhd.	Malaysia	100,000	60	60	As above

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of company	Place of incorporation	Ordinary Paid-up Capital RM	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	Principal activities
Caring Pharmacy Always Sdn. Bhd.	Malaysia	100,000	70	70	Operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products
Green Surge Sdn. Bhd.	Malaysia	310,000	100	70	As above
Caring Pharmacy (Lifeplus) Sdn. Bhd.	Malaysia	310,000	100	70	As above
Caring Pharmacy (IDR) Sdn. Bhd.	Malaysia	100,000	51	51	As above
Living Glory Sdn. Bhd.	Malaysia	100,000	70	70	As above
Caring Pharmacy Paradise Sdn. Bhd.	Malaysia	100,000	60	60	As above
Caring Pharmacy (SK) Sdn. Bhd.	Malaysia	100,000	90	90	As above
Caring Pharmacy (Shah Alam) Sdn. Bhd.	Malaysia	100,000	75	60	As above
Caring Pharmacy (JB Molek) Sdn. Bhd.	Malaysia	100,000	60	60	As above
Caring Trio Sdn. Bhd.	Malaysia	100,000	60	60	As above
Mega Caring Sdn. Bhd.	Malaysia	100,000	60	60	As above
Cosy Vision Sdn. Bhd.	Malaysia	100,000	60	60	As above
Fuji Acre Sdn. Bhd.	Malaysia	100,000	70	70	As above
Caring Pharmacy Rising Sdn. Bhd.	Malaysia	100,000	60	60	As above
Caring Clover Sdn. Bhd.	Malaysia	100,000	60	60	As above
Caring Trinity Sdn. Bhd.	Malaysia	100,000	60	60	As above
Caring Pharmacy Estore Sdn. Bhd.	Malaysia	2	100	100	Internet and warehouse sales of healthcare and personal care products
Miracle Cure Caring Sdn. Bhd.	Malaysia	2	100	100	Dormant
Caring Pharmacy Help Sdn. Bhd.	Malaysia	2	100	100	Dormant
Caring Pharmacy (Empire) Sdn. Bhd.	Malaysia	2	50	-	Dormant

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The non-controlling interests at the end of the reporting period comprise the following:-

	The Group	
	2015	2014
	RM	RM
Non-controlling interest with the following effective equity interest :-		
- 40.10% - 50.00%	838,760	2,991,068
- 30.10% - 40.00%	(40,064)	651,117
- 20.10% - 30.00%	(73,485)	(520,424)
- 10.00% - 20.00%	79,178	48,521
	804,389	3,170,282

None of the subsidiaries of the Group has a material non-controlling interests.

9. DEFERRED TAX (ASSETS)/LIABILITIES

	The Group	
	2015	2014
	RM	RM
Deferred tax assets		
At 1.6.2014/2013	(1,342,400)	(448,300)
Recognised in profit or loss (Note 26)	1,332,200	(894,100)
At 31.5.2015/2014	(10,200)	(1,342,400)
Deferred tax liabilities		
At 1.6.2014/2013	277,866	150,500
Recognised in profit or loss (Note 26)	97,728	127,366
At 31.5.2015/2014	375,594	277,866
Net deferred tax liabilities/(assets)	365,394	(1,064,534)

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

	The Group	
	2015	2014
	RM	RM
Deferred tax liabilities		
An excess of carrying amount over tax base	365,394	424,866
Deferred tax assets		
Unabsorbed tax losses	-	(1,174,000)
Unutilised capital allowances	-	(315,400)
	-	(1,489,400)
Net deferred tax assets	365,394	(1,064,534)

9. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

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

	The Group	
	2015 RM	2014 RM
Unabsorbed tax losses	6,063,600	4,012,400
Unutilised capital allowances	2,038,100	1,658,400
Other temporary differences	149,100	-
	8,250,800	5,670,800

10. INVENTORIES

	The Group	
	2015 RM	2014 RM
At cost		
Trading goods	83,485,860	79,855,424

None of the inventories are stated at net realisable value.

11. TRADE RECEIVABLES

The Group's sales are normally conducted on cash basis. The trade receivables represent amount owing from transactions conducted with business associates and credit terms are assessed and approved on case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	2,090,710	475,131	-	-
Deposits	5,883,347	5,284,850	5,000	5,000
Prepayments	42,501	8,484	-	-
	8,016,558	5,768,465	5,000	5,000

13. AMOUNTS OWING BY A RELATED COMPANY

	The Company	
	2015	2014
	RM	RM
Subsidiary		
Non-trade balances	210,444	3,013,746
Dividend receivable	4,621,836	4,621,836
	4,832,280	7,635,582

The non-trade balances represent unsecured, interest-free advances and payments made on behalf. The amounts owing are repayable on demand and to be settled in cash.

14. DEPOSITS WITH FINANCIAL INSTITUTIONS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Fixed deposits with financial institution	348,315	360,000	-	-
Placements with financial institution	50,797,561	58,264,884	20,448,152	37,631,744
	51,145,876	58,624,884	20,448,152	37,631,744

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

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

	The Group		The Company	
	2015	2014	2015	2014
	%	%	%	%
Fixed deposits with financial institution	3.00 – 3.15	3.00 – 3.15	-	-
Placements with financial institution	2.69 – 3.31	2.04 – 2.84	2.69 – 3.31	2.04 – 2.84

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

	The Group	
	2015	2014
	Days	Days
Fixed deposits with financial institution	30 - 365	30 - 365

15. SHARE CAPITAL

	The Company			
	2015	2014	2015	2014
	Number of shares		RM	RM
Authorised				
Ordinary shares of RM1.00 each				
At 31 May 2015/2014	500,000,000	500,000,000	500,000,000	500,000,000
Issued And Fully Paid-Up				
Ordinary shares of RM1.00 each				
At 1 June 2014/2013	217,706,400	3	217,706,400	3
Issuance of shares pursuant to initial public offering:-				
- acquisition of subsidiaries	-	182,706,397	-	182,706,397
- public issue	-	35,000,000	-	35,000,000
At 31 May 2015/2014	217,706,400	217,706,400	217,706,400	217,706,400

16. SHARE PREMIUM

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

	The Group/The Company	
	2015	2014
	RM	RM
At 1 June 2014/2013	7,401,916	-
Premium from public issue	-	8,750,000
Listing expenses	-	(1,348,084)
At 31 May 2015/2014	7,401,916	7,401,916

Share premium comprises the premium paid on subscription of shares in the Company and above the par value of the shares net of listing expenses. The total listing expenses for the Initial Public Offering exercise amounted to RM3,083,969, of which RM1,348,084 were written off against share premium. The balance of the listing expenses of RM1,735,885 were recognised in the profit or loss as disclosed in Note 25 to the financial statements.

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

17. RETAINED PROFITS

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

18. MERGER DEFICIT

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

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

19. TERM LOANS

	The Group	
	2015 RM	2014 RM
Current portion:-		
- repayable within one year	1,456,940	121,412
Non-current portion:-		
- repayable between one and two years	1,456,940	1,456,940
- repayable between two and five years	4,370,820	2,913,880
- repayable more than five years	4,032,141	5,407,768
Total non-current portion	9,859,901	9,778,588
	11,316,841	9,900,000

Term loans are repayable over 120 (2014 – 120) monthly installments from the date of drawdown and secured by the following:-

(i) legal charges over the Group's leasehold lands and buildings as disclosed in Note 6 to the financial statements; and

(ii) joint and several guarantee from certain directors of the Company and its subsidiary.

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

	The Group	
	2015 %	2014 %
Term loans	4.45	4.20

20. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 days to 120 days (2014 – 30 days to 120 days). Other credit terms are granted to the Group on a case-by-case basis.

21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other payables	2,575,890	2,157,681	5,941	-
Accrued expenses	1,505,137	1,893,236	20,000	20,000
Payroll liabilities	2,803,674	2,763,371	-	-
	6,884,701	6,814,288	25,941	20,000

22. AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS

The amount owing is unsecured, interest bearing advances and repayable on demand. The amount is to be settled in cash. The advances bear an interest ranging from 3.48% to 3.82% (2014 – 3.20% to 3.31%) per annum.

23. AMOUNTS OWING TO RELATED PARTIES

	The Group	
	2015	2014
	RM	RM
Companies in which certain directors and a substantial shareholder have significant financial interests		
Trade balances	48,278	56,215

The trade balances are subject to the normal trade credit terms of 60 days (2014 – 60 days). The amounts owing are to be settled in cash.

24. REVENUE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Sales of goods	366,908,528	338,227,072	-	-
Loyalty fee	-	44,935	-	-
Rental income	102,500	65,100	-	-
Dividend income	-	-	4,621,836	8,088,213
	367,011,028	338,337,107	4,621,836	8,088,213

25. PROFIT BEFORE TAXATION

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before taxation is arrived at after charging:-				
Auditors' remuneration				
- statutory audit				
current financial year	283,000	261,300	20,000	20,000
under provision in the previous financial year	10,400	8,200	-	500
- other services	30,000	-	-	-
Depreciation of property, plant and equipment	3,413,577	3,558,645	-	-
Directors' fee paid	977,400	1,069,200	144,000	204,000
Directors' non-fee emoluments	9,298,251	8,952,817	4,800	-
Equipment written off	69,515	-	-	-
Impairment loss on property, plant and equipment	227,615	315,812	-	-
Incorporation expenses	2,100	1,500	-	-
Interest expenses	231,404	411,133	-	-
Listing expenses	-	1,735,885	-	1,735,885
Rental of premises	17,631,891	14,903,009	-	-
Staff costs	36,258,441	31,255,957	-	4,100
And crediting:-				
Gain on disposal of property, plant and equipment	(161,856)	(184,332)	-	-
Interest income	(1,644,804)	(1,284,483)	(1,337,782)	(588,584)
Rental income	(42,000)	(111,800)	-	-

Included in staff costs is EPF contribution of RM3,609,890 (2014 – RM3,255,231) of the Group.

26. TAXATION

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Current tax expenses:-				
Malaysian Income Tax for the current financial year	3,982,237	7,273,330	116,300	-
Under provision in the previous financial year	70,214	27,336	9,024	-
	4,052,451	7,300,666	125,324	-
Deferred tax expenses (Note 9):-				
Relating to origination and reversal of temporary differences	1,486,625	(750,834)	-	-
Effect of change in corporate income tax rate from 25% to 24%	(8,593)	-	-	-
Over provision in the previous financial year	(48,104)	(15,900)	-	-
	1,429,928	(766,734)	-	-
	5,482,379	6,533,932	125,324	-

During the current financial year, all subsidiaries of the Company are not entitled the preferential tax rate of 20% on their chargeable income of up to RM500,000 as the Company's issued and paid-up share capital has exceeded RM2,500,000.

26. TAXATION (CONT'D)

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before taxation	18,499,094	22,810,210	5,685,618	6,656,359
Tax at the applicable corporate tax rate	4,624,774	5,486,531	1,421,405	1,664,090
Tax effects of:-				
Non-deductible expenses	702,036	875,649	58,678	505,109
Non-taxable income	(438,328)	(317,679)	(1,363,783)	(2,169,199)
Under provision of Malaysian Income Tax in the previous financial year	70,214	27,336	9,024	-
Deferred tax assets not recognised during the financial year	580,380	477,995	-	-
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	(8,593)	-	-	-
Over provision of deferred tax in the previous financial year	(48,104)	(15,900)	-	-
Tax charge for the financial year	5,482,379	6,533,932	125,324	-

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective from year of assessment 2016.

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

	The Group	
	2015 RM	2014 RM
Unabsorbed tax losses	6,063,600	8,708,300
Unutilised capital allowances	2,038,100	2,956,100
	8,101,700	11,664,400

27. EARNING PER SHARE

	The Group	
	2015	2014
Profit attributable to owners of the Company (RM)	12,869,024	15,078,271
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 June 2014/2013	217,706,400	182,706,400
Effect of public issue	-	19,273,973
Weighted average number of ordinary shares at 31 May 2015/2014	217,706,400	201,980,373
Basic earnings per share (sen)	5.91	7.47

The diluted earnings per share were not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

28. DIVIDENDS

	The Group/The Company	
	2015	2014
	RM	RM
Paid:-		
In respect of the previous financial year:-		
Final single tier tax-exempt dividend of 1.5 sen per ordinary share	3,265,596	-
In respect of the current financial year:-		
Interim single tier tax-exempt dividend of 1.5 sen per ordinary share	-	3,265,596
	3,265,596	3,265,596

At the forthcoming Annual General Meeting, a final single tier tax-exempt dividend of 2.0 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 May 2016.

29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2015	2014
	RM	RM
Cost of property, plant and equipment purchased	7,558,649	9,540,466
Deposit paid in the previous financial year	-	(1,705,288)
Cash disbursed for purchase of property, plant and equipment	7,558,649	7,835,178

30. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deposits with financial institutions	51,145,876	58,624,884	20,448,152	37,631,744
Cash and bank balances	35,354,686	19,271,237	248,489	533,238
	86,500,562	77,896,121	20,696,641	38,164,982

31. DIRECTORS' REMUNERATION

(a) The aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company				
Executive directors:				
- fee	208,800	208,800	-	-
- non-fee emoluments	1,340,844	1,353,430	-	-
	1,549,644	1,562,230	-	-
Non-Executive directors:				
- fee	144,000	204,000	144,000	204,000
- non-fee emoluments	4,800	-	4,800	-
	148,800	204,000	148,800	204,000
Directors of the subsidiaries				
Executive directors:				
- fee	624,600	656,400	-	-
- non-fee emoluments	7,952,607	7,599,387	-	-
	8,577,207	8,255,787	-	-
	10,275,651	10,022,017	148,800	204,000

(b) The number of the Company's directors with total remuneration from the Group falling in bands of RM50,000 are as follows:-

	2015	2014
	Number Of Directors	
Executive directors:-		
RM500,001 – RM550,000	3	3
Non-Executive directors:-		
Below RM50,000	1	-
RM50,001 – RM100,000	2	3

32. SIGNIFICANT RELATED PARTIES DISCLOSURES

(a) Identities of related parties

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

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Subsidiaries				
Dividend income received/receivable	-	-	4,621,836	8,088,213
Interest income received/receivable	-	-	504,486	31,264
A company in which certain directors have significant financial interests				
Rental expenses paid/payable	294,000	294,000	-	-
A company in which a substantial shareholder have significant financial interests				
Rental expenses paid/payable	374,637	357,263	-	-
Companies in which a director and a substantial shareholder have significant financial interests				
Purchase of goods	184,052	208,969	-	-

Information regarding outstanding balances arising from related party transactions as at the end of the reporting period is disclosed in Notes 13 and 23 to the financial statements.

(c) Key management personnel compensation:-

	The Group	
	2015 RM	2014 RM
Short-term employee benefits	2,879,987	2,924,259
Post-employment benefits	455,843	450,702
	3,335,830	3,374,961

33. OPERATING SEGMENTS

The Group is principally engaged in operation of community pharmacy including retailing of pharmaceutical, healthcare and personal care products. Therefore, segmental information has not been prepared as the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and non-cash expenses are confined to one business segment and located in Malaysia.

34. CAPITAL COMMITMENTS

	The Group/The Company	
	2015	2014
	RM	RM
Capital expenditure commitments		
Authorised and contracted for		
- property, plant and equipment	-	1,634,442
Authorised but not contracted for		
- property, plant and equipment	320,000	-

35. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. 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.

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

(i) Market Risk

(i) Foreign Currency Risk

The Group does not have material transactions or balances denominated in foreign currency and hence does not have significant exposure to foreign currency risks.

(ii) Interest Rate Risk

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

(iii) Equity Price Risk

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

(ii) Credit Risk

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

Credit risk concentration profile

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

35. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Credit Risk (Cont'd)

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.

Ageing analysis

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

The Group 2015	Gross Amount RM	Individual Impairment RM	Carrying Value RM
Not past due	652,676	-	652,676
Past due:-			
- less than 3 months	462,880	-	462,880
- 3 to 6 months	4,234	-	4,234
- over 6 months	285	-	285
	1,120,075	-	1,120,075

2014	Gross Amount RM	Individual Impairment RM	Carrying Value RM
NOT PAST DUE	336,422	-	336,422

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 Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

35. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) 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 RM	1 – 5 Years RM	Over 5 Years RM
2015						
Trade payables	-	76,888,144	76,888,144	76,888,144	-	-
Other payables and accruals	-	6,884,701	6,884,701	6,884,701	-	-
Amount owing to non-controlling shareholders	3.48 - 3.82	3,511,898	3,511,898	3,511,898	-	-
Amounts owing to related parties	-	48,278	48,278	48,278	-	-
Term loans	4.45	11,316,841	14,569,400	1,456,940	4,370,820	8,741,640
		98,649,862	101,902,421	88,789,961	4,370,820	8,741,640
2014						
Trade payables	-	62,905,995	62,905,995	62,905,995	-	-
Other payables and accruals	-	6,814,288	6,814,288	6,814,288	-	-
Amount owing to non-controlling shareholders	3.20 - 3.31	3,531,900	3,531,900	3,531,900	-	-
Amounts owing to related parties	-	56,215	56,215	56,215	-	-
Term loans	4.20	9,900,000	12,141,167	121,412	4,370,820	7,648,935
		83,208,398	85,449,565	73,429,810	4,370,820	7,648,935

35. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk (Cont'd)

The Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2015				
Other payables and accruals	-	25,941	25,941	25,941

The Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2014				
Other payables and accruals	-	20,000	20,000	20,000

(b) 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 shareholder(s) 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 that complies with debt covenants, if any. The debt-to-equity ratio is calculated as total net debt borrowings from financial institutions divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

35. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial assets				
Loans and receivables financial assets				
Trade receivables	1,120,075	336,422	-	-
Other receivables and deposits	7,974,057	5,759,981	5,000	5,000
Amounts owing by a related company	-	-	4,832,280	7,635,582
Deposits with financial institutions	51,145,876	58,624,884	20,448,152	37,631,744
Cash and bank balances	35,354,686	19,271,237	248,489	533,238
	95,594,694	83,992,524	25,533,921	45,805,564
Financial liabilities				
Other financial liabilities				
Trade payables	76,888,144	62,905,995	-	-
Other payables and accruals	6,884,701	6,814,288	25,941	20,000
Amount owing to non-controlling shareholders	3,511,898	3,531,900	-	-
Amounts owing to related parties	48,278	56,215	-	-
Term loans	11,316,841	9,900,000	-	-
	98,649,862	83,208,398	25,941	20,000

(d) Fair Value Information

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

The fair values of 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.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The following are the significant events involving the Group during the financial year:-

a) acquisition of 24,500 ordinary shares in Caring Health Solution Sdn. Bhd. for a total cash consideration of RM486,407 resulting an increase in Caring Pharmacy Retail Management Sdn. Bhd. ("CPRM")'s effective equity interest in the subsidiary from 51% to 75.5%;

b) acquisition of 24,500 ordinary shares in Stay Caring Sdn. Bhd. for a total cash consideration of RM1,410,889 resulting an increase in CPRM's effective equity interest in the subsidiary from 51% to 75.5%;

c) acquisition of 25,000 ordinary shares in Caring Pharmacy (Kinrara) Sdn. Bhd. for a total cash consideration of RM1,465,276 resulting an increase in CPRM's effective equity interest in the subsidiary from 50% to 75%;

d) acquisition of 20,000 ordinary shares in Caring Pharmacy (KLP) Sdn. Bhd. for a total cash consideration of RM978,001 resulting an increase in CPRM's effective equity interest in the subsidiary from 60% to 80%;

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The following are the significant events involving the Group during the financial year (Cont'd):-

e) acquisition of 24,500 ordinary shares in Ace Caring Sdn. Bhd. for a total cash consideration of RM277,521 resulting an increase in CPRM's effective equity interest in the subsidiary from 51% to 75.5%;

f) acquisition of 15,000 ordinary shares in Caring Pharmacy (Shah Alam) Sdn. Bhd. for a total cash consideration of RM131,140 resulting an increase in CPRM's effective equity interest in the subsidiary from 60% to 75%;

g) acquisition of 10,000 ordinary shares in Caring Belle Sdn. Bhd. for a total cash consideration of RM154,877 resulting an increase in CPRM's effective equity interest in the subsidiary from 80% to 90%;

h) acquisition of 30,000 ordinary shares in Caring Pharmacy (Lifeplus) Sdn. Bhd. for a total cash consideration of RM1.00 resulting an increase in CPRM's effective equity interest in the subsidiary from 70% to 100%;

i) acquisition of 30,000 ordinary shares in Green Surge Sdn. Bhd. for a total cash consideration of RM1.00 resulting an increase in CPRM's effective equity interest in the subsidiary from 70% to 100%;

j) acquisition of 80,000 new ordinary shares in Victorie Caring Sdn. Bhd. for a total cash consideration of RM80,000 resulting an increase in CPRM's effective equity interest in the subsidiary from 60% to 70%; and

k) subscription of 1 ordinary share of RM1.00 each representing 50% of the issued and paid-up share capital of Caring Pharmacy (Empire) Sdn. Bhd. at a total cash consideration of RM1.00.

37. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The following are the significant events involving the Group after the reporting period:-

a) disposal of 20,000 ordinary shares of RM1.00 each in Caring Pharmacy (SK) Sdn. Bhd. for a total cash consideration of RM20,000 on 1 June 2015 by CPRM resulting a decrease in CPRM's effective equity interest in the subsidiary from 90% to 70%; and

b) acquisition of additional 60,000 ordinary shares of RM1.00 each in Caring Pharmacy Rising Sdn. Bhd. for a total cash consideration of RM60,000 on 1 July 2015 by CPRM.

38. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFIT/ LOSSES

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained profits of the Company and its subsidiaries:-				
- realised	74,930,544	68,553,661	5,678,343	3,383,645
- unrealised	(365,394)	1,064,534	-	-
	74,565,150	69,618,195	5,678,343	3,383,645
Add: Consolidation adjustments	2,352,700	1,385,606	-	-
At 31 May	76,917,850	71,003,801	5,678,343	3,383,645

List of Properties

No.	Registered Owner/ Beneficial Owner	Postal Address/ Title Identification	Description of Property/ Existing Use	Approximate Land Area (sq ft)/ Approximate Built-up Area (sq ft)	Approximate Age of Building/ Tenure/ Category of Land Use	Date of Acquisition	Audited Net Book Value as at 31.5.2015 (RM'000)
1.	Caring Pharmacy Retail Management Sdn. Bhd.	• No. 18, Jalan Sembilang, Taman Tenaga, Off Jalan Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan • Pajakan Negeri (WP) 14748, Lot 33765, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Persekutuan	Description of Property: Four (4) Storey Intermediate Shop Office Existing Use: Ground floor – CARiNG outlet Other floors – for rental purposes	Land area: 1,615 Built up area: 6,967	Approximate age of building: 32 years Tenure: 99 years - Till 18 April 2076 Category of land use: Building	2 March 2012	1,198,838
2.	Caring Pharmacy Retail Management Sdn. Bhd.	• No. 22-1, 22-2, 22-3, Jalan Radin Anum 1, Taman Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan • Pajakan Mukim No. 2286, Lot 21207, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Persekutuan KL	Description of Property: Three (3) Storey Shop Office End Lot Existing Use: Ground floor – CARiNG outlet Other floors – for rental purposes	Land area: 2,476 Built up area: 7,225	Approximate age of building: 32 years Tenure: 99 years - Till 5 April 2078 Category of land use: Building	26 August 2008	1,650,546
3.	Caring Pharmacy (Kinrara) Sdn. Bhd.	• No. 19, Jalan TK 1/11B, No. 19A, 19B & 19C, Jalan TK 1/11A, Taman Kinrara Seksyen 1, Batu 7 ½, Jalan Puchong, 58200 Kuala Lumpur • Master Title H.S. (D) 104492, PT 2068, Mukim Petaling, District of Petaling, State of Selangor Darul Ehsan	Description of Property: Four (4) Storey Intermediate Shop Office Existing Use: Ground floor – CARiNG outlet Other floors – for rental purposes	Land area: 1,650 Built up area: 5,916	Approximate age of building: 18 years Tenure: 99 years - Till 27 August 2088 Category of land use: Building	26 November 2007	1,232,738
4.	Caring Pharmacy Retail Management Sdn. Bhd.	• No. 1, Jalan 51/203A, Kawasan Perindustrian Tiong Nam, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan • Pajakan Negeri 10310, Lot 73, Seksyen 20, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor Darul Ehsan	Description of Property: Headquarter and Warehouse Existing Use: Headquarter and Warehouse	Land area: 33,778 Built up area: 68,000	Approximate age of building: 1 year Tenure: 99 years Commencing From Issuance of Title Category of land use: Building	28 December 2011	19,867,891
5.	Caring Pharmacy Retail Management Sdn. Bhd.	• No. 22, Jalan Manis 4, Taman Segar, 56100 Kuala Lumpur • PN 10493, Lot No. 39187, Mukim Kuala Lumpur, Daerah & Negeri Wilayah Persekutuan	Description of Property: Three Storey Intermediate Shophouse Existing Use: Ground floor – CARiNG outlet Other floors – for rental purposes	Land area: 1,679 Built up area: 4,002	Approximate age of building: 32 years Tenure: 99 years - Till 10 December 2077 Category of land use: Building	18 February 2013	2,539,539

Additional Compliance Information Disclosures

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

2. SHARE BUY-BACK

There was no share buy-back by the Company during the financial year.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year.

4. AMERICAN DEPOSITORY RECEIPT ("ADR")/GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR/GDR Programme during the financial year.

5. SANCTIONS AND/OR PENALTY

There were no sanctions and/or penalty imposed on the Company, its subsidiaries, Directors or management by the relevant regulatory bodies for the financial year.

6. NON-AUDIT FEES

An amount of RM30,000 was incurred to the external auditors by the Group for non-audit services provided for the financial year ended 31 May 2015.

7. VARIATION IN RESULTS

There was no variation between the financial results in the annual audited financial statements for the financial year ended 31 May 2015 and the audited financial results for the period ended 31 May 2015 announced by the Company on 28 July 2015.

8. PROFIT GUARANTEE

There was no profit guarantee for the financial year.

9. MATERIAL CONTRACTS

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

ANALYSIS OF SHAREHOLDINGS
As at 19 August 2015

Authorised Share Capital	:	RM500,000,000.00
Issue and fully paid-up share capital	:	RM217,706,400.00
Class of Shares	:	Ordinary shares of RM1.00 each

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	37	1.66	578	0.00
100-1,000	430	19.33	310,200	0.14
1,001-10,000	1,369	61.56	6,264,200	2.88
10,001-100,000	326	14.66	9,848,700	4.52
100,001-10,885,319	60	2.70	64,470,587	29.62
10,885,320 and above	2	0.09	136,812,135	62.84
Total	2,224	100.00	217,706,400	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Name	No. of Shares	%	No. of Shares	%
Motivasi Optima Sdn Bhd	109,623,857	50.35	-	-
Jitumaju Sdn Bhd	39,292,780	18.05	-	-
Chong Yeow Siang	127,401	0.06	109,623,857*	50.35
Soo Chan Chiew	127,301	0.06	109,623,857*	50.35
Tan Lean Boon	127,301	0.06	109,623,857*	50.35
Ang Khoon Lim	127,301	0.06	109,623,857*	50.35
Tan Lye Suan	-	-	109,623,857*	50.35
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	39,292,780^	18.05
Nerine Tan Sheik Ping	-	-	39,292,780^	18.05
Chryseis Tan Sheik Ling	-	-	39,292,780^	18.05

*Deemed interested by virtue of their direct interests in Motivasi Optima Sdn Bhd
^Deemed interested by virtue of their direct interests in Jitumaju Sdn Bhd

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Name	No. of Shares	%	No. of Shares	%
Datin Sunita Mei-Lin Rajakumar	200,000	0.09	-	-
Chong Yeow Siang	127,401	0.06	109,623,857*	50.35
Soo Chan Chiew	127,301	0.06	109,623,857*	50.35
Tan Lean Boon	127,301	0.06	109,623,857*	50.35
Ang Khoon Lim	127,301	0.06	109,623,857*	50.35
Tan Sri Dato' Haji Mohd Ariffin Bin Mohd Yusuf	300,000	0.14	-	-

*Deemed interested by virtue of their direct interests in Motivasi Optima Sdn Bhd

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 19 AUGUST 2015

	Name of Shareholders	No. of Shares	(%)
1	**Motivasi Optima Sdn Bhd**	109,623,857	50.35
2	**Kenanga Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Jitumaju Sdn Bhd	27,188,278	12.49
3	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Syed Ali Bin Abbas Alhabshee (MGN-WSA0001M)	9,534,035	4.38
4	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Arsam Bin Damis (MGN-ARD0003M)	9,092,160	4.18
5	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Ismail Bin Osman (MGN-IBO0001M)	9,074,035	4.17
6	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Lye Ek Seang (MGN-LES0002M)	8,934,035	4.10
7	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Jitumaju Sdn Bhd (MGN-VTC0001M)	4,780,000	2.20
8	**Malaysia Nominees (Tempatan) Sendirian Berhad** Pledged Securities Account For Jitumaju Sdn Bhd (00-33029-012)	3,199,502	1.47
9	**Maybank Nominees (Asing) Sdn Bhd** Exempt An For DBS Bank Limited (Client A/C)	2,165,100	0.99
10	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Jitumaju Sdn Bhd (MGN-IBO0001M)	1,365,000	0.63
11	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Jitumaju Sdn Bhd (MGN-WSA0001M)	1,115,000	0.51
12	**HSBC Nominees (Tempatan) Sdn Bhd** HSBC (M) Trustee Bhd For RHB Small Cap Opportunity Unit Trust	1,100,000	0.51
13	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Jitumaju Sdn Bhd (MGN-LES0002M)	1,095,000	0.50
14	**HSBC Nominees (Tempatan) Sdn Bhd** HSBC (M) Trustee Bhd For Manulife Investment Progress Fund (4082)	1,049,700	0.48
15	**Chong Shean Min**	1,000,000	0.46
16	**Susy Ding**	694,300	0.32
17	**MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Jitumaju Sdn Bhd (MGN-ARD0003M)	550,000	0.25
18	**HLB Nominees (Tempatan) Sdn Bhd** Pledged Securities Account For Wong Yee Hui	517,000	0.24
19	**HSBC Nominees (Tempatan) Sdn Bhd** HSBC (M) Trustee Bhd For RHB Emerging Opportunity Unit Trust	490,000	0.23
20	**Lee Eng Hock & Co. Sendirian Berhad**	480,000	0.22
21	**Koh Cheng Keong**	350,000	0.16
22	**Tan Lay Ean**	345,500	0.16
23	**Teo Kwee Hock**	313,400	0.14
24	**Yeo Eng Chong @ Yeo Yong Chong**	312,600	0.14
25	**Ong Seng Khek**	300,000	0.14
26	**Cimsec Nominees (Tempatan) Sdn Bhd** CIMB Bank For Koh Kin Lip (MY0502)	300,000	0.14
27	**Ch'Ng Haw Chong**	297,860	0.14
28	**Jason Chan Chuak Ming**	290,000	0.13
29	**Maybank Nominees (Tempatan) Sdn Bhd** Libra Invest Berhad For Chuah Yeon Hang (ED0008)	280,000	0.13
30	**UOBM Nominees (Tempatan) Sdn Bhd** UOB Asset Management (Malaysia) Berhad For Gibraltar BSN Aggressive Fund	265,800	0.12
		196,102,162	**90.08**

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of CARING PHARMACY GROUP BERHAD ("Caring" or "the Company") will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Friday, 16 October 2015 at 11:00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2015 together with the Reports of Directors and Auditors thereon (Please refer to Note A).

2. To approve the payment of Directors' fees for the financial year ended 31 May 2015. **(Ordinary Resolution 1)**

3. To declare a final tax-exempt single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 May 2015. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who retire in accordance with Article 95 of the Company's Articles of Association:-

   (1) Mr Chong Yeow Siang **(Ordinary Resolution 3)**
   (2) Mr Ang Khoon Lim **(Ordinary Resolution 4)**

5. To approve the re-appointment of retiring Auditors, Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

As Special Business

To consider and if thought fit, to pass the following resolutions:-

6. **Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965** **(Ordinary Resolution 6)**

   "THAT, subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and approval and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 132D of the Act to allot and issue new ordinary shares of RM1.00 each in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued and paid-up share capital for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

7. **Proposed authority to the Company to purchase its own ordinary shares up to ten percent (10%) of its issued and paid-up capital** **(Ordinary Resolution 7)**

   "THAT, subject to compliance with the Act, the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to allocate an amount not exceeding the total share premium reserve and retained profit of the Company for the purpose of and to purchase such amount of ordinary shares of RM1.00 each ("Caring Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company provided that the aggregate number of Caring Shares purchased and/or held as treasury shares pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up capital of the Company.

THAT upon completion of the purchase by the Company of its own shares, the Directors are authorized to deal with the Caring Shares in the following manner:-

(i) cancel the Caring Shares so purchased; or
(ii) retain the Caring Shares so purchased as treasury shares; or
(iii) retain part of Caring Shares so purchased as treasury shares and cancel the remainder; or
(iv) if held as treasury shares, to resell the treasury shares on Bursa Securities and/or distribute the treasury shares as dividends to the Company's shareholders and/or subsequently cancel the treasury shares or any combination thereof;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in full force until:

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever is the earliest and the Directors and/or any of them be and are hereby authorized to complete and do all such acts and things deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back contemplated and/or authorized by this resolution."

8. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed final tax-exempt single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 May 2015, if approved, will be paid on 13 November 2015 to depositors registered in the Record of Depositors of the Company at the close of business on 15 October 2015.

A depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account on or before 4.00 p.m. on 15 October 2015 in respect of ordinary transfers; and
(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By order of the Board
PANG KAH MAN (MIA 18831)
Company Secretary

Kuala Lumpur
23 September 2015

NOTES:-

(A) This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 ("the Act") does not require a formal approval of the shareholders and hence, is not put forward for voting.

1. Only depositors whose names appear in the Record of Depositors as at 08 October 2015 shall be regarded as members and be entitled to attend, speak and vote at the Meeting.

2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting on a show of hands or on a poll in his stead provided that the provisions of Section 149(1)(c) of the Act are complied with. There shall be no restriction as to the qualification of the proxy.

3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

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

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registered Office of the Company at 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding this meeting or any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. **Ordinary Resolution no. 6**
Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution no. 6 under Item 6, if passed, will grant general mandate ("General Mandate") and empower the Directors of the Company, from the date of the forthcoming Annual General Meeting to allot and issue shares in the Company up to an amount not exceeding in total ten percent (10%) of the issued and paid-up capital of the Company for the time being for such purposes as they may think fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.

The mandate now sought is a renewal from the previous mandate obtained during the previous Annual General Meeting held on 27 November 2014 which will expire at the conclusion of the forthcoming Annual General Meeting.

As at the date of this Notice, no new shares were being issued by the Company pursuant to the previous mandate granted to the Directors since the previous Annual General Meeting held on 27 November 2014.

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

2. **Ordinary Resolution no. 7**
Proposed authority for purchase of own shares by the Company

The proposed Ordinary Resolution no. 7 under Item 7, if passed, will allow the Board of Directors to exercise the power of the Company to purchase not more than ten percent (10%) of the issued and paid-up share capital of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next annual general meeting of the Company.

Further details are set out in the Circular to Shareholders dated 23 September 2015.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUAL WHO IS STANDING FOR ELECTION AS DIRECTOR

No individual is seeking election as a Director at the Third Annual General Meeting of the Company.

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CARING PHARMACY GROUP BERHAD

(Company No. 1011859-D)
(Incorporated in Malaysia under the Companies Act, 1965)

PROXY FORM

I/We,………………………………..………………………NRIC No./Passport No./Company No...............………….....…...

of ……….................................
(FULL ADDRESS)

being (a) member(s) of Caring Pharmacy Group Berhad hereby appoint(s)

……….............................…

of ……….................................

or failing him / her,…………………………………………………………………….............................……………………

of ……………………………………………….....................……………………………………………………………

as my/our proxy to vote for me/us and on my/our behalf at the Third Annual General Meeting of the Company to be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Friday, 16 October 2015 at 11:00 a.m. and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1	Approval of Directors' fees for the financial year ended 31 May 2015		
2	Declaration of a final tax-exempt single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 May 2015		
3	Re-election of Mr Chong Yeow Siang as Director		
4	Re-election of Mr Ang Khoon Lim as Director		
5	Re-appointment of Messrs Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration		
6	Renewal of authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
7	Authority to the Company to purchase its own ordinary shares up to ten percent (10%) of its issued and paid-up capital		

Please indicate with an "X" in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/ her discretion.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	NRIC No./Passport No.	No. of Shares	Percentage
Proxy 1			
Proxy 2			
Total			100%

CDS Account No.	
Number of Shares Held	

Dated this ……….. day of ………………. 2015

…………………………………………………
Signature of Shareholder(s) or Common Seal

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 08 October 2015 shall be regarded as members and be entitled to attend, speak and vote at the Meeting.*
2. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting on a show of hands or on a poll in his stead provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with. There shall be no restriction as to the qualification of the proxy.*
3. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.*
6. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Registered Office of the Company at 3-2, 3rd Mile Square, No. 151 Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding this meeting or any adjournment thereof.*

Fold here

AFFIX
STAMP

The Company Secretary
LSCA Management Consultants Sdn Bhd
(Company No. 151489-K)

Kuala Lumpur Office, 3-2, 3rd Mile Square
No.151, Jalan Kelang Lama, Batu 3½, 58100 Kuala Lumpur,
Malaysia

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New Head Office and Distribution Centre

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is our Profession

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