

AF: 0308

Chartered Accountants

ENG & COMPANY

特許會計師

那魯計公司

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

Client's copy

Company No. 818060-W

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activities are provision of decontamination and cleansing services on cassette & components parts. There have been no significant changes in these activities during the year.

RESULTS OF THE FINANCIAL YEAR

The net (loss) for the financial year after taxation was RM63,590 (2011 – profit RM421,168).

DIVIDENDS

No dividend was paid or declared during the year.

RESERVES AND PROVISIONS

There was no material transfer to or from reserves or provisions during the year.

BAD AND DOUBTFUL DEBTS

Before the income statement and balance sheet 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 doubtful debts, and satisfied themselves that all known bad debts had been written off, and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the income statement and balance sheet were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business their value as shown in the accounting records of the Company, were written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which :

(i) would render the values attributed to current assets in the financial statements misleading; and

(ii) have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report there does not exist :-

- (i) any charge on the assets of the Company which has arisen since the end of the financial year and secured the liabilities of any other person; and

- (ii) any contingent liability which has arisen since the end of the financial year.

No contingent liability or other liability 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 affect the ability of the Company to meet its obligations as and when they fall due

ITEMS OF AN UNUSUAL NATURE

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 Company, which would render any amount stated in the financial statements misleading.

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

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

ISSUE OF SHARES AND DEBENTURES

There were no issue of shares and debentures during the financial year.

DIRECTORS' BENEFITS

Neither at the end of the financial year nor at anytime during the year, did there subsist any arrangements, to which the Company is a party, enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the last financial year, no director of the Company 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 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.

DIRECTORS

The shareholdings of those who were directors at year end were as follows :-

Number of shares held			
As at	Bought	Sold	As at
01-01-2012			31-12-2012
CHEN SAU NGEN	600,000	-	600,000
ALI MOEINI	400,000	-	400,000

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

ALI MOEINI

CHEN SAU NGEN


CHOW SAY LEONG


In accordance with the Articles of Association of the Company, Mr Chow Say Leong retires by rotation and being eligible offers himself for re-election.

AUDITORS

The auditors, Messrs Eng & Company, Chartered Accountants, Malaysia, have indicated their willingness to be re-appointed.

For and on behalf of the Board

CHEN SAU NGEN
DIRECTOR


CHOW SAY LEONG
DIRECTOR


JOHOR BAHRU : 6 June 2013

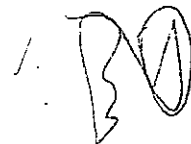
STATEMENT BY THE DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

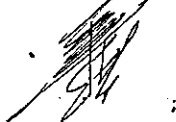
We, the undersigned, being two directors of MICRONCLEAN CORPORATION (M) SDN BHD do hereby state that in our opinion, the financial statements on pages 7 to 15 are properly drawn up in accordance with the applicable Private Entity Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2012 and of the results of their operations and their cash flows for the year then ended.

For and on behalf of the Board

CHEN SAU NGEN
DIRECTOR



CHEOW SAY LEONG
DIRECTOR



JOHOR BAHRU : 6 June 2013

COMPANIES ACT, 1965

Section 169(16)

STATUTORY DECLARATION

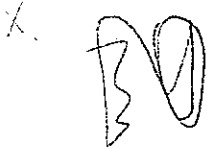
MICRONCLEAN CORPORATION (M) SDN BHD

I, CHEN SAU NGEN, I/C No. 510101-01-5587 of No. P318, Kelapa Sawit, 81030 Kulai, Johor being the director responsible for the financial management of MICRONCLEAN CORPORATION (M) SDN BHD do solemnly and sincerely declare that the financial statements set out on pages 7 to 15 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
the abovesigned CHEN SAU NGEN
at Johor Bahru in the state of Johor
this 6th day of June, 2013.

Before me,

CHEN SAU NGEN



ENG & COMPANY (AF: 0308)

Chartered Accountants

171-B, Jalan Sri Pelangi, Taman Sri Pelangi, 80400 Johor Bahru
Tel / Fax : 07-3316318

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MICRONCLEAN CORPORATION (M) SDN BHD (818060-W)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of MICRONCLEAN CORPORATION (M) SDN BHD, which comprise the balance sheet as at 31st December 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 15.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 Company's preparation and fair presentation of the financial statements 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 Company'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.

ENG & COMPANY (AF: 0308)

Chartered Accountants
171-B, Jalan Sri Pelangi, Taman Sri Pelangi, 80400 Johor Bahru
Tel / Fax : 07-3316318

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MICRONCLEAN CORPORATION (M) SDN BHD (818060-W)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st December 2012 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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.

ENG & CO
(AF: 0308)
Chartered Accountants

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ENG AIK MOH (Partner)
Chartered Accountant
648/03/14(JPH)
JOHOR BAHRU, MALAYSIA

Date : 6 June 2013

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 DECEMBER 2012

NOTE
2012
RM

NON-CURRENT ASSETS	Plant & equipment	4	1,415,556
	CURRENT ASSETS		
	Trade receivables		833,964
	Other receivables & deposit		27,538
	Tax recoverable		29,386
	Cash and bank balances		740,956
			1,631,844
CURRENT LIABILITIES	Trade payables		336,360
	Other payables & accruals		900,960
	H.P payables	5	14,057
			1,251,377
NET CURRENT ASSETS			380,467
	NON-CURRENT LIABILITIES		
	Deferred taxation		(231,400)
	H.P payables		(91,989)
			(323,389)
			1,472,634
Represented by,	SHARE CAPITAL	6	1,000,000
	ACCUMULATED PROFIT		472,634
			1,472,634

The attached NOTES form an integral part of the financial statements

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE
2012
RM

Revenue 7 4,051,231

Cost of goods sold (2,256,225)

Gross profit 1,795,006

Other operating income 10,000

General and administrative expenses (1,757,003)

Profit before taxation 9 48,003

Taxation 10 (111,593)

(Loss)/profit after taxation (63,590)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

	Share capital RM	Accumulated profit RM	Total RM
Balance as at 31-12-2010	1,000,000	115,056	1,115,056
Profit for the year	-	421,168	421,168
Balance as at 31-12-2011	1,000,000	536,224	1,536,224
(Loss) for the year	-	(63,590)	(63,590)
Balance as at 31-12-2012	1,000,000	472,634	1,472,634

The attached NOTES form an integral part of the financial statements

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

2012	RM
Cash Flows From Operating Activities	
Net profit before taxation	48,003
Adjustments for :-	
Interest expenses	344
Depreciation	196,404
Operating profit before working capital changes	244,751
(Increase) in receivables	(178,593)
Increase/(decrease) in payables	550,020
Cash generated from operations	616,178
Tax paid	(98,929)
Net cash provided by operating activities	517,249
Cash Flows From Investing Activities	
Purchase of fixed assets	(238,204)
Cash Flows From Financing Activities	
Interest paid	(344)
Payment to hire purchase payables	(1,564)
Net increase in cash and cash equivalents	277,137
Cash and bank balances at beginning of year	463,819
Cash and bank balances at end of year	740,956

The attached NOTES form an integral part of the financial statements

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED31 DECEMBER 20121. GENERAL INFORMATION

The Company is a private limited company, incorporated and domiciled in Malaysia.

The registered office is located at No. 171-A, Jalan Sri Pelangi, Taman Pelangi, 80400 Johor Bahru.

The principal place of business is located Lot 3035, 25 miles, Jalan Air Hitam, Kelapa Sawit, 81030 Kulajaya, Johor.

The principal activities are provision of decontamination and cleansing services on cassette & components parts. There have been no significant changes in these activities during the year.

The number of employees (including 2 working director) at end of the year was 59.

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6th June, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(a) Basis of accounting

The financial statements are prepared under the historical cost convention in compliance with applicable Private Entity Reporting Standards and provisions of the Companies Act, 1965 in Malaysia.

(b) Property, plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation of plant & equipment is computed on the straight line method based on estimated useful lives of the assets concerned. The annual rates used are as follows :-

Plant & machinery	10%
Equipments & furnitures	10%
Cleanroom	10%
Motor vehicle	20%

(c) Trade and other receivables

Trade and other receivables are stated at anticipated realisable value. Bad debts are written off when identified.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and bank balances.

MICRONCLAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (e) Trade and other payables
Trade and other payables are carried at cost, which is the fair values of the consideration to be paid in the future for services received, whether or not billed to the Company.
- (f) Property, plant and equipment under hire-purchase arrangements
Property, plant and equipment acquired under hire purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.
- (g) Share capital
Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in the equity in the period in which they are declared.
- (h) Revenue recognition
Revenue from services is recognised when the services are rendered.
- (i) Income taxes
Current tax expense is determined according to the tax laws of Malaysia. Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.
- (j) Employee benefits
Short term employee benefits include wages, salaries, allowances, paid annual leave and sick leave, bonuses and non-monetary benefits and are accrued in the period in which the associated services are rendered by employees.
- The Company contributes to the Employee Provident Fund, the national defined contribution plan. Contributions to the defined contribution plan are charged to the income statement in the period in which they relate. Once the contributions have been paid, the Company has no further payment obligation.
- The Company has no long term employee benefits other than normal salaries in lieu of notice of termination and termination payments in accordance with the Labour Act of Malaysia. Such payments are charged to the income statement in the period they are paid.

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (k) Impairment of assets
The carrying amounts of assets are reviewed for impairment when there is an indication that the assets might be impaired. An impairment loss is charged to the income statement immediately. Subsequently increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately.

3. FINANCIAL INSTRUMENTS

- (a) Financial risk management objectives and policies
The overall financial risks management objective is to minimise the potential adverse effects on the performance of the Company. The management ensure that adequate financial resources are available for the operations of the Company whilst managing its credit and liquidity risks.
- (b) Credit risk
The credit is monitored by the directors in charge of business development.
- (c) Liquidity and cash flow risks
As part of its prudent liquidity risk management, the Company maintains sufficient cash and cash equivalents to meet its working capital requirements.
- (d) Other financial risks
The Company is not exposed to other financial risks.
- (e) Fair values
The carrying amounts of financial assets and liabilities of the Company at the balance sheet date approximate their fair values at this date.

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2012

4. PLANT AND EQUIPMENT

Cost	As at 01-01-2012	Additions	Disposal	As at 31-12-2012
Plant & machinery	1,042,662	16,500	-	1,059,162
Cleanroom	36,300	-	-	36,300
Equipments and furniture	497,305	205,816	-	703,121
Motor vehicle	5,800	120,888	-	126,688
Total	1,582,067	343,204	-	1,925,271
Accumulated depreciation	As at 01-01-2012	Charge for the year	Disposal	As at 31-12-2012
Plant & machinery	207,566	104,875	-	312,441
Cleanroom	7,260	3,630	-	10,890
Equipments and furniture	96,165	62,561	-	158,726
Motor vehicle	2,320	25,338	-	27,658
Total	313,311	196,404	-	509,715
Depreciation for 2011	104,266	3,630	49,731	1,160
Net Book Value	As at 01-01-2012	835,096	29,040	401,140
Motor vehicle	1,268,756	3,480	-	-
Total	1,415,556	25,410	544,395	99,030
As at 31-12-2012	746,721	25,410	544,395	1,415,556

5. HIRE PURCHASE PAYABLES

2012	RM
Outstanding balance	124,116
Undue H.P charges	(18,070)
Amount due within one year	14,057
Amount due between 2 to 5 years	91,989
	106,046

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2012

6. SHARE CAPITAL	
Authorised	
Ordinary shares of RM1 each	1,000,000
Issued & fully paid	
Ordinary shares of RM1 each	1,000,000

7. REVENUE	
Revenue represented the net invoiced value of services rendered.	

8. EMPLOYMENT BENEFITS	
Directors' remuneration	48,450
Wages, allowances & bonuses	576,331
Salaries, allowances & bonuses	342,057
EPF & SOCSO	19,619

986,457

9. PROFIT BEFORE TAXATION

2012
RM

This is arrived at after charging :-

Directors' remuneration	48,450
Audit fee	4,500
H.P interest	344
Depreciation	196,405
Rental	126,000

10. TAXATION

2012
RM

Tax for the year

Deferred tax

Taxation underprovided for prior year

111,593

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2012

10. TAXATION (continued)

A reconciliation of the tax expenses applicable to profit before taxation at the statutory rates and that at the effective rate is as follows :-

2012	RM	
48,003		Profit before taxation
9,601		Taxation at statutory rate of 20%
		Tax effects on :-
15,556		Expenses not deductible for tax purposes
45,115		Deferred tax under overprovided in prior year
70,272		Taxation underprovided for prior year
41,321		
111,593		

The Company does not have any Section 108 tax credit for franking of dividend payment.

These NOTES form an integral part of the financial statements.

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

DETAILED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

2012	RM	
4,051,230.97		Services rendered
		Cost of goods sold
		Purchases
		Glass disc expenses
		Wages, allowances & bonuses
		EPF
		SOCSSO
		Water & electricity
		Upkeep of equipments
		Upkeep of building
		Cleanroom expenses
		Petrol & diesel
		Transportation & custom duty
		Factory expenses
		Upkeep of plant & machinery
		Depreciation
2,256,225.42		Gross profit
1,795,005.55		Other income
10,000.00		
1,805,005.55		General and administrative expenses
1,757,003.04		
48,002.51		Net profit before taxation

MICRONCLEAN CORPORATION (M) SDN BHD

(Incorporated in Malaysia)

GENERAL AND ADMINISTRATION EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2012

2012	RM
DIRECTOR'S REMUNERATION	48,650.00
SALARIES, ALLOWANCES & BONUSES	342,057.02
EPF	17,033.00
SOCSSO	2,586.05
AUDIT FEE	4,500.00
BANK CHARGES	4,606.14
CONSULTANCY FEE	23,247.35
DONATION	3,424.80
ENTERTAINMENT	37,447.91
FOOD & REFRESHMENTS	14,490.12
LICENCE FEE	9,384.00
MEDICAL EXPENSES	11,621.29
POSTAGE & STAMPS	8,332.50
PRINTING & STATIONERY	8,361.43
MEAL & MILEAGE CLAIM	36,544.75
SECRETARIAL FEE & EXPENSES	2,448.00
SUNDRY EXPENSES	12,273.12
TRANSPORT & TRAVELLING	60,778.05
TELEPHONE & FAX CHARGES	36,811.18
UPKEEP OF OFFICE EQUIPMENT	6,088.77
LOSS ON FOREIGN EXCHANGE	1,299.53
CARRIAGE & HANDLING CHGS	18,858.04
INSURANCE	22,868.15
HIRE PURCHASE INTEREST	343.58
MARKETING FEE	50,000.00
PETROL & DIESEL	31,236.20
UPKEEP OF MOTOR VEHICLE	31,288.44
TOLL & PARKING FEES	2,919.82
RENTAL OF FACTORY	600,000.00
STAFF WELFARE	9,500.00
RENTAL OF MACHINERY & EQUIPMENT	4,400.00
DEPRECIATION OF FIXED ASSETS	32,115.00
HOUSE RENTAL	126,000.00
HOSTEL RENTAL/ EXPENSES	7,317.40
FOREIGN WORKER LEVY & PERMIT	64,671.40
WEBHOSTING & QUALITY SYSTEM FEE	60,000.00
ADVERTISEMENT	3,500.00
	<u>1,757,003.04</u>