



CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2019

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30-Sep-2019 RM'000	Preceding Period Corresponding Quarter 30-Sep-2018 RM'000	Current Period To Date 30-Sep-2019 RM'000	Preceding Period Corresponding To Date 30-Sep-2018 RM'000
Revenue	84,339	89,432	256,386	248,732
Cost of sales	(86,885)	(82,101)	(252,320)	(232,385)
Gross (loss)/profit	(2,546)	7,331	4,066	16,347
Other operating income/(expense)	7	(80)	(378)	206
Administration expenses	(2,516)	(2,314)	(7,417)	(6,987)
Finance costs	(1,239)	(1,354)	(3,931)	(3,875)
(Loss)/Profit before taxation	(6,294)	3,583	(7,660)	5,691
Taxation	(10)	(288)	(160)	(900)
(Loss)/Profit after taxation	(6,284)	3,295	(7,820)	4,791
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the financial period	(6,284)	3,295	(7,820)	4,791
(Loss)/Profit after taxation:				
Owners of the Company	(4,936)	1,171	(6,534)	262
Non-controlling interest	(1,348)	2,124	(1,286)	4,529
	(6,284)	3,295	(7,820)	4,791



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Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30-Sep-2019 RM'000	Preceding Period Corresponding Quarter 30-Sep-2018 RM'000	Current Period To Date 30-Sep-2019 RM'000	Preceding Period Corresponding To Date 30-Sep-2018 RM'000
Total comprehensive (loss)/income for the financial period attributable to:				
Owners of the Company	(4,936)	1,171	(6,534)	262
Non-controlling interest	(1,348)	2,124	(1,286)	4,529
	<u>(6,284)</u>	<u>3,295</u>	<u>(7,820)</u>	<u>4,791</u>
(Loss)/Profit per share attributable to owners of the Company:				
Basic (sen)	(0.93)	0.22	(1.23)	0.05

Notes :

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Careplus Group Berhad ("Company") for the financial year ended 31 December 2018 and the accompanying explanatory notes in this interim financial report.



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Unaudited Condensed Consolidated Statements of Financial Position

	UNAUDITED As at 30-Sep-2019 RM'000	AUDITED As at 31-Dec-2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	143,247	150,736
Prepaid expenses	347	347
Goodwill on consolidation	205	205
Right of use of assets	865	-
	<u>144,664</u>	<u>151,288</u>
Current assets		
Inventories	46,926	41,902
Trade receivables	24,151	24,817
Other receivables, deposits and prepaid expenses	4,453	6,686
Amount owing by a related party	53,063	56,722
Current tax assets	1,299	761
Derivative assets	-	273
Fixed deposits with licensed banks	4,267	6,555
Cash and bank balances	8,727	8,728
	<u>142,886</u>	<u>146,444</u>
TOTAL ASSETS	<u>287,550</u>	<u>297,732</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	90,475	90,475
Merger deficit	(11,521)	(11,521)
Retained profits	16,439	22,973
Total equity attributable to owners of the company	<u>95,393</u>	<u>101,927</u>
Non-controlling interest	<u>34,789</u>	<u>36,633</u>
Total Equity	<u>130,182</u>	<u>138,560</u>



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Unaudited Condensed Consolidated Statements of Financial Position (Cont'd)

	UNAUDITED As at 30-Sep-2019 RM'000	AUDITED As at 31-Dec-2018 RM'000
Non-current liability		
Long-term borrowings	18,156	22,879
Deferred tax liabilities	1,415	1,415
Lease liability	865	-
	<u>20,436</u>	<u>24,294</u>
Current liabilities		
Trade payables	34,889	32,925
Other payables and accrued expenses	17,239	15,868
Short-term borrowings	84,775	85,370
Derivative liabilities	29	-
Bank overdrafts	-	715
	<u>136,932</u>	<u>134,878</u>
Total liabilities	<u>157,368</u>	<u>159,172</u>
TOTAL EQUITY AND LIABILITIES	<u>287,550</u>	<u>297,732</u>
Net assets per share attributable to owners of the Company (sen)	<u>17.95</u>	<u>19.18</u>

Notes :

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2018 and the accompanying explanatory notes in this interim financial period.



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Unaudited Condensed Consolidated Statements of Cash Flows

	Current Year To Date 30-Sep-2019 RM'000	Preceding Year Corresponding To Date 30-Sep-2018 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
(Loss)/Profit before tax	(7,660)	5,691
Adjustments for :		
Allowance for doubtful debts on trade receivables	208	-
Depreciation of property, plant and equipment	15,225	15,744
Fair value loss on derivatives	236	1,575
Loss/(Gain) on disposal of equipment	220	(53)
Interest expenses	3,931	3,875
Interest income	(102)	(98)
Unrealised gain on foreign exchange	(603)	(1,335)
Operating profit before working capital changes	<u>11,455</u>	<u>25,399</u>
Increase in inventories	(5,024)	(6,350)
Decrease/(Increase) in trade and other receivables	3,055	(4,769)
Increase/(Decrease) in trade and other payables	3,155	(406)
Decrease/(Increase) in amount owing by a related party	4,238	(9,646)
Cash generated from operations	<u>16,879</u>	<u>4,228</u>
Income tax paid	(698)	(335)
Net cash from operating activities	<u>16,181</u>	<u>3,893</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	102	98
Purchase of property, plant and equipment	(8,022)	(11,790)
Proceeds from disposal of equipment	66	1,730
Net cash used in investing activities	<u>(7,854)</u>	<u>(9,962)</u>
Balance carried forward	8,327	(6,069)



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Unaudited Condensed Consolidated Statements of Cash Flows (Cont'd)

	Current Year To Date 30-Sep-2019 RM'000	Preceding Year Corresponding To Date 30-Sep-2018 RM'000
Balance brought forward	8,327	(6,069)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Withdrawal/(Placement) in pledged fixed deposits	1,039	(4)
Net drawdown of bills payable	3,366	11,173
Dividend paid to non-controlling interest	(558)	(1,432)
Net repayment of hire purchase obligations	(6,964)	(6,574)
Net repayment of term loans	(2,374)	(3,177)
Interest paid	(3,931)	(3,875)
Proceeds from private placement exercise	-	5,375
Net cash (used in)/from financing activities	<u>(9,422)</u>	<u>1,486</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,095)	(4,583)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	558	587
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>9,264</u>	<u>8,858</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>8,727</u></u>	<u><u>4,862</u></u>
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	4,267	4,497
Cash and bank balances	8,727	5,786
Bank overdrafts	-	(1,174)
Less: Fixed deposits pledged to licensed banks	(4,267)	(4,247)
	<u><u>8,727</u></u>	<u><u>4,862</u></u>

Notes :

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2018 and the accompanying explanatory notes in this interim financial report



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Unaudited Condensed Consolidated Statements of Changes in Equity

	← Non-distributable →			Distributable Retained Profits RM'000	Attributable To Owners of The Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000				
	Balance at 1.1.2019	90,475	-				
Contributions by / distributions to owners of the Company :-							
Dividend paid to non- controlling interest	-	-	-	-	-	(558)	(558)
Total transactions with the owners of the Company	-	-	-	-	-	(558)	(558)
Profit after taxation / Total comprehensive income for the financial period	-	-	-	(6,534)	(6,534)	(1,286)	(7,820)
Balance at 30.09.2019	90,475	-	(11,521)	16,439	95,393	34,789	130,182



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Unaudited Condensed Consolidated Statements of Changes in Equity (Cont'd)

	← Non-distributable →			Distributable Retained Profits	Attributable To Owners of The Company	Non- Controlling Interest	Total Equity
	Share Capital	Share Premium	Merger Deficit				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2018	85,100	-	(11,521)	24,395	97,974	32,870	130,844
Contributions by / distributions to owners of the Company :-							
Shares issued pursuant to Private Placement	5,375	-	-	-	5,375	-	5,375
Dividend paid to non- controlling interest	-	-	-	-	-	(1,432)	(1,432)
Total transactions with the owners of the Company	5,375	-	-	-	5,375	(1,432)	3,943
Profit after taxation / Total comprehensive income for the financial period	-	-	-	(1,422)	(1,422)	5,195	3,773
Balance at 31.12.2018	90,475	-	(11,521)	22,973	101,927	36,633	138,560

Notes :

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2018 and the accompanying explanatory notes in this interim financial report.



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A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The interim financial report should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies and presentation adopted by the Group for the interim financial statements are consistent with those of the Group’s consolidated audited financial statements for the financial year ended 31 December 2018. The Group has not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) that have been issued, but yet to be effective:

MFRS 16	Leases ¹
Amendments to MFRS 128	Long term interests in Associate and Joint Venture ¹
IC Interpretation 23	Uncertainty over Income Tax Payments ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle ¹
Amendments to MFRS 3	Definition of a Business ²
Amendments to MFRS 101 and MFRS 108	Definition of Material ²
Amendments to References to the conceptual framework in MFRS standards ²	

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2020

The adoption of the abovementioned standards when they become effective, are not expected to have material impact on the financial statements of the Group in the period of initial application.



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Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2019

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' reports for the Company and its subsidiaries for the financial year ended 31 December 2018 were not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any major seasonal or cyclical factors.

4. Significant Unusual Items

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

5. Material Changes in Estimates

There was no material changes in estimates of amounts reported that have a material effect on the current quarter under review.

6. Details of Changes in Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current financial quarter under.

7. Dividend Paid

There was no dividend paid during the current quarter under review.

8. Segmental Reporting

The Group's business comprise mainly of manufacturing and sales of latex and nitrile gloves. The Group's manufacturing activities are operated solely in Malaysia. On this basis, no reportable operating segment is presented as all information required are disclosed in this report.

9. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The carrying amounts of property, plant and equipment are reviewed at each reporting period to determine whether there is any indication of impairment.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.



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11. Contingent Liabilities and Contingent Assets

The Group has no outstanding contingent liabilities and contingent assets as at 05 November 2019 which might materially and adversely affect the position or business of the Group.

12. Capital Commitments

Authorized capital expenditure not provided for in the interim financial report as at the end of the current quarter were as follows:

	As at 30-Sep-2019 (UNAUDITED) RM'000
<u>Authorised and contracted but not provided for:-</u>	
Construction of building	14,200
Construction of plant and machineries	8,500
	<hr/> 22,700 <hr/>
 <u>Authorised but not contracted and not provided for:-</u>	
Construction of plant and machineries	<hr/> 25,500 <hr/>

13. Events Subsequent to the End of the Interim Reporting Period

There were no other events subsequent to the current financial quarter ended 30 September 2019 up to the date of this interim financial report that have not been reflected in this interim financial report, which may substantially affect the results of the operations of the Group.



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14. Related Party Disclosures

(a) Identities of related parties

The Company has controlling related party relationships with:-

- (i) Its subsidiaries;
- (ii) Entities controlled by certain key management personnel, directors and/or substantial shareholders; and
- (iii) The directors who are the key management personnel.

(b) In addition to balances detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the period under review:

	9 Months Ended 30-Sep-2019 (UNAUDITED) RM'000
Sales to a related party	145,192
Transactions with a close member of the family of a director:	
Insurance and renewal of road tax services expenses	421
Rental paid	223
Transactions with directors:	
Rental paid	153

(c) Key management personnel

	9 Months Ended 30-Sep-2019 (UNAUDITED) RM'000
Short-term employee benefits	2,876



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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE LISTING REQUIREMENTS

1. Financial review for current quarter and financial year to date

	INDIVIDUAL PERIOD			
	Current Year Quarter 30/9/2019 (UNAUDITED)	Preceding Year Corresponding Quarter 30/9/2018 (UNAUDITED)	Changes	
	RM'000	RM'000	RM'000	%
Revenue	84,339	89,432	(5,093)	(5.69)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	(557)	9,644	(10,201)	(105.78)
(Loss)/Profit before interest and tax ("LPBIT)/PBIT")	(5,055)	4,937	(9,992)	(202.39)
(Loss)/Profit before taxation ("LBT)/PBT")	(6,294)	3,583	(9,877)	(275.66)
(Loss)/Profit after taxation ("LAT)/PAT")	(6,284)	3,295	(9,579)	(290.71)
(Loss)/Profit attributable to owners of the Company	(4,936)	1,171	(6,107)	(521.52)

Performance Review (current quarter vs preceding year's corresponding quarter)

The Group recorded a revenue of approximately RM84 million during the quarter ended 30 September 2019, a decrease of 5.69% against the revenue in the corresponding quarter last year. The lower sales revenue was mainly due to the decrease in sales volume for the quarter.

The Group's recorded LBT and Loss attributable to owners of the Company of RM6.29 million and RM4.94 million respectively. These were mainly due to higher cost from increases in natural gas, labour and overhead cost.



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1. Financial review for current quarter and financial year to date (cont'd)

	CUMULATIVE PERIOD			
	Current Year-To-Date 30/9/2019 (UNAUDITED)	Preceding Year Corresponding Period 30/9/2018 (UNAUDITED)	Changes	
			RM'000	%
Revenue	256,386	248,732	7,654	3.08
EBITDA	10,278	23,561	(13,283)	(56.38)
(LBIT)/PBIT	(3,729)	9,566	(13,295)	(138.98)
(LBT)/PBT	(7,660)	5,691	(13,351)	(234.60)
(LAT)/PAT	(7,820)	4,791	(12,611)	(263.22)
(Loss)/Profit attributable to owners of the Company	(6,534)	262	(6,796)	(2,593.89)

Performance Review (cumulative period vs preceding year's corresponding period)

The Group recorded a revenue increase of approximately RM7.65 million during the quarter ended 30 September 2019, an increase of 3.08% against the revenue in the corresponding quarter last year. This was mainly due to higher average selling price for the quarter.

Despite the increase in sales revenue, the Group's PBT for the year 2019 decreased by RM13.35 million or 234.60% mainly due to higher cost due to major material cost increase such as natural gas, labour and overhead cost. As a result of the higher cost and lower sales, the Group is making losses as compares to the corresponding quarter last year.



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2. Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30/9/2019 (UNAUDITED)	Immediate Preceding Quarter 30/6/2019 (UNAUDITED)	Changes	
	RM'000	RM'000	RM'000	%
Revenue	84,339	86,898	(2,559)	(2.94)
EBITDA	(557)	3,758	(4,315)	(114.82)
(LBIT)/PBIT	(5,055)	(869)	(4,186)	(481.70)
(LBT)/ PBT	(6,294)	(2,161)	(4,133)	(191.25)
(LAT)/ PAT	(6,284)	(2,054)	(4,230)	(205.94)
Loss attributable to owners of the Company	(4,936)	(1,961)	(2,975)	(151.71)

The Group recorded a decreased in revenue of RM2.56 million or 2.94% from the preceding quarter mainly due to decrease in sales volume and sales margin.

The Group's PBT and profit attributable to owners of the Company has decreased by 191.25% and 151.71% respectively.

3. Prospects

The Group's financial performance and prospects are subject to the global demand for gloves, price of latex and the movement in foreign exchange rates. The Group adopts prudent foreign currency management procedures by hedging against foreign currency rate fluctuations through the locking in of foreign currency rates at or around the time of order placement.

The Group has improved its performance and the business prospects remain good. Managing the dynamic risks of production/sales balancing, enhancing our production capability and cost efficiency, forex movements and contracting raw material prices remain our top priorities. To date, we have achieved an annual capacity of 4.14 billion pieces of gloves from the twenty-seven (27) lines in the Group's three (3) factories. We are optimistic that the Group will perform better in the coming quarters.



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4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

5. Taxation

The Group's taxation figures was as follows:

	3 Months Ended 30-Sep-2019 (UNAUDITED) RM'000	9 Months Ended 30-Sep-2019 (UNAUDITED) RM'000
Income tax		
- Current period	<u>10</u>	<u>160</u>

The Group's effective tax rate is lower than the statutory tax rate due to claimable capital allowances, reinvestment allowance and unabsorbed export allowance brought forward from previous year by subsidiaries.

6. Realised and Unrealised Retained Profits of the Group

	As at 30-Sep-2019 (UNAUDITED) RM'000	As at 30-Sep-2018 (UNAUDITED) RM'000
Total retained profits, net of consolidation adjustments:		
Realised	43,365	49,957
Unrealised	<u>(1,654)</u>	<u>1,152</u>
	41,711	51,109
Less: Consolidation adjustments	(25,272)	(26,451)
As at 30.09.2019 / 30.09.2018	<u>16,439</u>	<u>24,658</u>



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7. Profit/(Loss) Before Tax

Profit/(Loss) before tax was arrived at after charging / (crediting): -

	3 Months Ended 30-Sep-2019 (UNAUDITED) RM'000	3 Months Ended 30-Sep-2018 (UNAUDITED) RM'000	9 Months Ended 30-Sep-2019 (UNAUDITED) RM'000	9 Months Ended 30-Sep-2018 (UNAUDITED) RM'000
Depreciation of property, plant and equipment	5,037	5,141	15,225	15,744
Fair value (gain)/loss on derivatives	51	(236)	236	1,575
Loss/(gain) on disposal of equipment	177	(51)	220	(53)
Interest expenses	1,239	1,354	3,931	3,875
Interest income	(27)	(32)	(102)	(98)
Rental expenses	131	113	376	339
Realised loss/(gain) on foreign exchange	(719)	(411)	(536)	(1,525)
Rental income	(11)	(11)	(32)	(32)
Unrealised gain on foreign exchange	210	392	(603)	(1,335)

There were no gain or loss on disposal of unquoted investment or properties, write off of receivables, provision for and write off of inventories, impairment of assets and exceptional items during the current quarter under review.

8. Status of Corporate Proposal

Save as disclosed below, there were no other corporate proposals announced but not completed at the latest practicable date which is not earlier than seven (7) days from the date of issue of this interim financial report:-

- 1) On 20 July 2017 & 25 July 2017, on behalf of the Board of Director of the Company ("Board"), RHB Investment Bank Berhad ("RHBIB") had announced that the Company proposed to undertake a private placement of up to 48,325,979 new ordinary shares ("Careplus Shares"), representing up to 10% of the total number of issued shares of Careplus (excluding treasury shares) to third party investors to be identified later ("Private Placement").

The listing application for the Private Placement had been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 27 July 2017 in which the approval was obtained on 31 July 2017.

On 28 September 2017, the Company had allotted and issued 23,100,000 Careplus Shares (Tranche 1) at an issue price of RM0.305 per Careplus Share under the Private Placement, amounting of RM7,045,500.



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8. Status of Corporate Proposal (Cont'd)

On 12 January 2018, on behalf of the Board, RHBIB had announced that an application had been submitted to Bursa Securities to seek for its approval for an extension of time up to 30 July 2018 for the implementation of the Private Placement ("Extension Application") in which the approval was obtained on 17 January 2018.

On 3 July 2018 and 27 July 2018, the Company had allotted and issued the remaining new Careplus Shares of 10,000,000 (Tranche 2) and 15,000,000 (Tranche 3) respectively under the Private Placement at an issue price of RM0.215 per Careplus Share, amounting to a total of RM5,375,000.

The Private Placement had been completed on 30 July 2018.

The status of utilization of the gross proceeds of RM12,420,500 from the Private Placement by the Company as at 30 September 2019 are as follows:-

Purposes	Timeframe for utilisation	Amount of Proceed RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Deviation
Construction of new building	Within 12 months	5,257	5,257	-	-
New production lines and supporting & automation equipment	Within 24 months	7,063	7,063	-	-
Expenses in relation to the Proposed Private Placement	Upon completion	100	100	-	-
Total		12,420	12,420	-	-

- On 10 October 2019, UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") had, on behalf of our Board, announced that Careplus had entered into a conditional share purchase agreement ("**SPA**") with AJJ Holding Inc (as a vendor in relation to the Proposed Acquisition) and Descartaveis Do Brasil Ltda (as a party having certain rights and obligations in relation to the Proposed Acquisition) for the acquisition of the remaining 49.9998% equity interest in Careglove Global Sdn Bhd ("**Careglove**") ("**Careglove Share(s)**") not already held by Careplus, consisting of 317,122 Careglove Shares held by AJJ, for a cash consideration of approximately RM24.0 million. ("**Proposed Acquisition**")

Subject to all relevant approvals being obtained, the Proposed Acquisition is expected to be completed by the first quarter of 2020.



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9. Group Borrowings and Debt Securities

(a) The Group's borrowings as at 30 September 2019 and 30 September 2018 were as follows:

	As at 30 September 2019		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Bank overdrafts	-	-	-
Hire purchase	3,689	9,507	13,196
Term loans	14,467	3,218	17,685
Bills payable	-	72,050	72,050
	<u>18,156</u>	<u>84,775</u>	<u>102,931</u>

	As at 30 September 2018		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Bank overdrafts	-	1,174	1,174
Hire purchase	11,039	11,295	22,334
Term loans	10,760	4,257	15,017
Bills payable	-	71,209	71,209
	<u>21,799</u>	<u>87,935</u>	<u>109,734</u>

(b) There were no unsecured debts during the current quarter under review.

(c) Included in bill payables, there is a total amount of RM51.9 million (30.9.2018: RM62.6 million) denominated in USD.



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10. Derivatives Financial Instruments

As at 30 September 2019, the Group's outstanding derivatives were as follows:

Type of Derivatives	Contract/Notional Value RM'000	Assets/(Liabilities) RM'000
Currency forwards - Less than 1 year	9,104	(29)

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currencies, which are expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

11. Material Litigation

There were no material litigations involving the Group as at the date of this report.

12. Dividends Declared / Proposed

There were no dividends declared during the current financial period.



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13. Earnings Per Share

The computation of basic and diluted earnings per share for the financial period ended 30 September 2019 and 30 September 2018 was as follows:-

(a) Basic

	3 Months Ended 30-Sep-2019 (UNAUDITED)	3 Months Ended 30-Sep-2018 (UNAUDITED)	9 Months Ended 30-Sep-2019 (UNAUDITED)	9 Months Ended 30-Sep-2018 (UNAUDITED)
(Loss)/Profit attributable to owners of the Company (RM'000)	(4,936)	1,171	(6,534)	262
Weighted average number of ordinary shares ('000)				
- Issued ordinary shares at 1 January	531,360	506,360	531,360	506,360
- Effect of private placement exercise	-	25,000	-	25,000
Weighted average number of ordinary shares as at 30 September ('000)	<u>531,360</u>	<u>531,360</u>	<u>531,360</u>	<u>531,360</u>
Basic (loss)/earnings per share (sen)	<u>(0.93)</u>	<u>0.22</u>	<u>(1.23)</u>	<u>0.05</u>

(b) Diluted

Diluted earnings per share is not applicable for the financial period ended 30 September 2019 and 30 September 2018 as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.