



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-Dec-2019 RM'000	Preceding Period Corresponding Quarter 31-Dec-2018 RM'000	Current Period To Date 31-Dec-2019 RM'000	Preceding Period Corresponding To Date 31-Dec-2018 RM'000
Revenue	108,727	89,979	365,113	338,711
Cost of sales	(104,862)	(85,483)	(357,182)	(317,868)
Gross profit	3,865	4,496	7,931	20,843
Other operating (expense)/income	(443)	225	(821)	431
Administration expenses	(2,435)	(2,699)	(9,852)	(9,686)
Finance costs	(1,259)	(1,621)	(5,190)	(5,496)
(Loss)/Profit before taxation	(272)	401	(7,932)	6,092
Taxation	274	(1,420)	114	(2,320)
Profit/(Loss) after taxation	2	(1,019)	(7,818)	3,772
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the financial period	2	(1,019)	(7,818)	3,772
Profit/(Loss) after taxation:				
Owners of the Company	783	(1,685)	(5,751)	(1,423)
Non-controlling interest	(781)	666	(2,067)	5,195
	2	(1,019)	(7,818)	3,772



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-Dec-2019 RM'000	Preceding Period Corresponding Quarter 31-Dec-2018 RM'000	Current Period To Date 31-Dec-2019 RM'000	Preceding Period Corresponding To Date 31-Dec-2018 RM'000
Total comprehensive Income/(loss) for the financial period attributable to:				
Owners of the Company	783	(1,685)	(5,751)	(1,423)
Non-controlling interest	(781)	666	(2,067)	5,195
	<u>2</u>	<u>(1,019)</u>	<u>(7,818)</u>	<u>3,772</u>
Profit/(Loss) per share attributable to owners of the Company:				
Basic (sen)	0.15	(0.32)	(1.08)	(0.27)

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.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

Unaudited Condensed Consolidated Statements of Financial Position

	UNAUDITED As at 31-Dec-2019 RM'000	AUDITED As at 31-Dec-2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	144,608	150,736
Prepaid expenses	347	347
Goodwill on consolidation	205	205
	<u>145,160</u>	<u>151,288</u>
Current assets		
Inventories	45,439	41,902
Trade receivables	38,650	24,817
Other receivables, deposits and prepaid expenses	4,582	6,686
Amount owing by a related party	20,660	56,722
Current tax assets	678	761
Derivative assets	207	273
Fixed deposits with licensed banks	4,149	6,555
Cash and bank balances	6,703	8,728
	<u>121,068</u>	<u>146,444</u>
TOTAL ASSETS	<u>266,228</u>	<u>297,732</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	90,475	90,475
Merger deficit	(11,521)	(11,521)
Retained profits	17,676	22,973
Total equity attributable to owners of the company	<u>96,630</u>	<u>101,927</u>
Non-controlling interest	<u>-</u>	<u>36,633</u>
Total Equity	<u>96,630</u>	<u>138,560</u>



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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

	UNAUDITED As at 31-Dec-2019 RM'000	AUDITED As at 31-Dec-2018 RM'000
Non-current liability		
Long-term accruals	10,351	-
Long-term borrowings	18,430	22,879
Deferred tax liabilities	921	1,415
	<u>29,702</u>	<u>24,294</u>
Current liabilities		
Trade payables	41,779	32,925
Other payables and accrued expenses	29,401	15,868
Short-term borrowings	68,131	85,370
Bank overdrafts	585	715
	<u>139,896</u>	<u>134,878</u>
Total liabilities	<u>169,598</u>	<u>159,172</u>
TOTAL EQUITY AND LIABILITIES	<u>266,228</u>	<u>297,732</u>
Net assets per share attributable to owners of the Company (sen)	<u>18.19</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.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

Unaudited Condensed Consolidated Statements of Cash Flows

	Current Year To Date 31-Dec-2019 RM'000	Preceding Year Corresponding To Date 31-Dec-2018 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
(Loss)/Profit before tax	(7,932)	6,092
Adjustments for :		
Allowance for doubtful debts on trade receivables	312	-
Depreciation of property, plant and equipment	20,479	20,840
Fair value loss on derivatives	66	1,125
Loss/(Gain) on disposal of equipment	201	(54)
Interest expenses	5,190	5,496
Interest income	(312)	(125)
Unrealised gain on foreign exchange	(434)	(642)
Operating profit before working capital changes	17,570	32,732
Increase in inventories	(3,537)	(5,684)
Increase in trade and other receivables	(12,553)	(7,616)
Increase/(Decrease) in trade and other payables	33,002	(2,080)
Decrease/(Increase) in amount owing by a related party	29,712	(4,289)
Cash generated from operations	64,194	13,063
Income tax paid	(297)	(769)
Net cash from operating activities	63,897	12,294
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	312	125
Purchase of property, plant and equipment	(14,722)	(13,313)
Proceeds from disposal of equipment	170	1,741
Net cash used in investing activities	(14,240)	(11,447)
Balance carried forward	49,657	847



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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

	Current Year To Date 31-Dec-2019 RM'000	Preceding Year Corresponding To Date 31-Dec-2018 RM'000
Balance brought forward	49,657	847
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Withdrawal/(Placement) in pledged fixed deposits	1,157	(1,063)
Net (repayment)/drawdown of bills payable	(8,788)	10,030
Dividend paid to non-controlling interest	(6,410)	(1,432)
Net repayment of hire purchase obligations	(9,227)	(9,739)
Net (repayment)/drawdown of term loans	(3,291)	1,865
Interest paid	(5,190)	(5,496)
Proceeds from private placement exercise	-	5,375
Share purchase from non-controlling interest	(21,851)	-
Net cash used in financing activities	<u>(53,600)</u>	<u>(460)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,943)	387
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	797	19
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>6,118</u></u>	<u><u>9,264</u></u>
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	4,149	6,555
Cash and bank balances	6,703	8,732
Bank overdrafts	(585)	(718)
Less: Fixed deposits pledged to licensed banks	(4,149)	(5,305)
	<u>6,118</u>	<u>9,264</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



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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 :-							
Shares purchased from non-controlling interest	-	-	-	454	454	(22,305)	(21,851)
Dividend paid to non- controlling interest	-	-	-	-	-	(12,262)	(12,262)
Total transactions with the owners of the Company	-	-	-	454	454	(34,567)	(34,113)
Loss after taxation / Total comprehensive loss for the financial period	-	-	-	(5,751)	(5,751)	(2,067)	(7,818)
Balance at 31.12.2019	90,475	-	(11,521)	17,676	96,630	-	96,630



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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 except for the adoption of the following new MFRS/amendments and new IC Interpretation (“IC Int”) that:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Payments
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle

The adoption of the abovementioned standards did not have material impact on the financial statements of the Group.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 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.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

11. Contingent Liabilities and Contingent Assets

The Group has no outstanding contingent liabilities and contingent assets as at 25 February 2020 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 31-Dec-2019 (UNAUDITED) RM'000
<u>Authorised and contracted but not provided for:-</u>	
Construction of building	11,282
Construction of plant and machineries	7,594
	<hr/> 18,876 <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 31 December 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.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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:

	12 Months Ended 31-Dec-2019 (UNAUDITED) RM'000
Sales to a related party	180,378
Transactions with a close member of the family of a director:	
Insurance and renewal of road tax services expenses	754
Rental paid	298
Transactions with directors:	
Rental paid	204

(c) Key management personnel

	12 Months Ended 31-Dec-2019 (UNAUDITED) RM'000
Short-term employee benefits	3,638



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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 31/12/2019 (UNAUDITED)	Preceding Year Corresponding Quarter 31/12/2018 (UNAUDITED)	Changes	
	RM'000	RM'000	RM'000	%
Revenue	108,727	89,979	18,748	20.84
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	6,097	6,371	(274)	(4.30)
Profit before interest and tax ("PBIT")	987	2,022	(1,035)	(51.19)
(Loss)/Profit before taxation ("LBT)/PBT")	(272)	401	(673)	(167.83)
Profit/(Loss) after taxation ("PAT)/(LAT")	2	(1,420)	1,422	100.14
Profit/(Loss) attributable to owners of the Company	783	(1,685)	2,468	146.47

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

The Group recorded a revenue of approximately RM109 million during the quarter ended 31 December 2019, which is 20.84% higher than the revenue in the corresponding quarter last year. This was the result of a higher average selling price.

The Group recorded a LBT of RM0.3 million against a PBT of RM0.4 million in the corresponding quarter last year, a decline of 167.83%. The major contributing factors are higher raw material costs, manpower cost, utilities and overhead costs in the current quarter.

Profit attributable to the owners of the Company improved by 146.47% which arose mainly from an approximately RM0.5 million reversal of deferred tax expense in year 2019 as compared with RM1.4 million deferred tax expense recognised in year 2018.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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

	CUMULATIVE PERIOD			
	Current Year-To-Date 31/12/2019 (UNAUDITED)	Preceding Year Corresponding Period 31/12/2018 (UNAUDITED)	Changes	
			RM'000	RM'000
Revenue	365,113	338,711	26,402	7.79
EBITDA	16,375	29,932	(13,557)	(45.29)
(LBIT)/PBIT	(2,742)	11,588	(14,330)	(123.66)
(LBT)/PBT	(7,932)	6,092	(14,024)	(230.20)
(LAT)/PAT	(7,818)	3,772	(11,590)	(307.26)
Loss attributable to owners of the Company	(5,751)	(1,423)	(4,328)	(304.15)

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

The Group recorded a 7.79% or RM26 million revenue increase during the quarter ended 31 December 2019, as compared to that in the corresponding quarter last year. This was contributed mainly by higher average selling price for the current quarter.

However, in the current year, despite the increase in sales revenue, the Group's LBT for the year 2019 is RM7.9 million against PBT of RM6.1 million in the corresponding year, due mainly to higher cost.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

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

	Current Quarter 31/12/2019 (UNAUDITED)	Immediate Preceding Quarter 30/9/2019 (UNAUDITED)	Changes	
	RM'000	RM'000	RM'000	%
Revenue	108,727	84,339	24,388	28.92
EBITDA	6,097	(557)	6,654	1,194.61
PBIT/(LBIT)	987	(5,055)	6,042	119.53
LBT	(272)	(6,294)	6,022	95.68
PAT/(LAT)	2	(6,284)	6,286	100.03
Profit/(Loss) attributable to owners of the Company	783	(4,936)	5,719	115.86

The Group recorded an increase in revenue of RM24 million or 28.92% from the preceding quarter due mainly to the 19% increase in sales volume for the current quarter as well as higher average selling price.

The Group's LBT and profit attributable to owners of the Company has improved significantly, with increased by 95.68% and 115.86% respectively. Higher sales volume and higher average selling price in the current quarter contributed to a lower loss compared to the previous quarter.

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 after the completion of shares buyback of Careglove from AJJ and the recent proposed JV of Careplus (M) Sdn Bhd with Ansell Services (Asia) Sdn Bhd subject to shareholders approval at an EGM to be announced.

Although Careglove made a loss in FY 2019, with the 100% ownership after the buyback, it is now on a stronger footing to explore new business opportunities outside of Brazil. As for Careplus (M), the partnership with Ansell will enable us to produce higher value products and increase our surgical gloves market share.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

3. Prospects (cont'd)

We do not anticipate an immediate positive outcome but the improvement to the long term values of both subsidiaries and their profitability and earning potentials are confidently realizable.

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 31-Dec-2019 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2019 (UNAUDITED) RM'000
Income tax - Current period	<u>(274)</u>	<u>(114)</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 31-Dec-2019 (UNAUDITED) RM'000	As at 31-Dec-2018 (UNAUDITED) RM'000
Total retained profits, net of consolidation adjustments:		
Realised	30,284	50,589
Unrealised	<u>(280)</u>	<u>(499)</u>
	30,005	50,089
Less: Consolidation adjustments	(12,329)	(27,116)
As at 31.12.2019 / 31.12.2018	<u>17,676</u>	<u>22,973</u>



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

7. Profit/(Loss) Before Tax

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

	3 Months Ended 31-Dec-2019 (UNAUDITED) RM'000	3 Months Ended 31-Dec-2018 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2019 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2018 (UNAUDITED) RM'000
Depreciation of property, plant and equipment	5,254	5,096	20,479	20,840
Fair value (gain)/loss on derivatives	(236)	(450)	66	1,124
(Gain)/Loss on disposal of equipment	(19)	5	201	(48)
Interest expenses	1,259	1,621	5,190	5,496
Interest income	(210)	(27)	(312)	(125)
Rental expenses	171	137	547	463
Realised gain on foreign exchange	(171)	(820)	(707)	(2,345)
Rental income	(11)	(31)	(42)	(50)
Unrealised loss/(gain) on foreign exchange	241	693	(433)	(642)

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:-



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

8. Status of Corporate Proposal (Cont'd)

- 1) 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 the “Vendor” in relation to the Acquisition) and Descarpack 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. (“Acquisition”)

UOBKH announced that the Parties in relation to the Acquisition had, on 12 February 2020, mutually agreed that the last instalment of the First Tranche amounting to RM2.88 million will be payable by Careplus to the Vendor on a deferred payment basis within 36 months from the Closing Date.

Pursuant thereto, the Vendor has delivered the share transfer documents of the last batch of the Sale Shares to Careplus, thus marking the completion of the Acquisition on 12 February 2020.

- 2) On 5 February 2020, UOBKH had, on behalf of our Board, announced that Careplus had, on 5 February 2020 entered into a joint venture arrangement with Ansell Services (Asia) Sdn Bhd (“Ansell”) via the following:-
 - (i) the proposed disposal, via a conditional share purchase agreement (“SPA”) entered into between Careplus and Ansell, of 50% equity interest in Careplus (M) Sdn Bhd (“CMSB”), consisting of 14,550,000 ordinary shares in CMSB (“CMSB Share(s)”) for a Disposal Consideration of approximately RM26.81 million, subject to adjustments, to be satisfied entirely by cash (“Proposed Disposal”);
 - (ii) a proposed Shareholders’ Agreement to be entered into between Careplus, Ansell and CMSB to given the rights, duties, liabilities and obligations to each other as shareholders in relation to the operation of CMSB as a joint venture between Careplus and Ansell upon completion of the Proposed Disposal, which includes, amongst others, a further subscription of new CMSB Shares by Careplus and Ansell in equal proportions (“Shareholders’ Agreement”); and
 - (iii) in conjunction with the SPA, an Options Agreement entered into between Careplus and Ansell, whereby Careplus agrees to grant the Call Option and Put Option to Ansell in respect of the CMSB Shares held by Careplus and Ansell after the completion of the Proposed Disposal.

Upon completion of the Proposed Disposal and in accordance to the terms of the Shareholders’ Agreement, CMSB would cease to be a wholly-owned subsidiary of Careplus and become a 50% of joint venture of Careplus.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

9. Group Borrowings and Debt Securities

(a) The Group's borrowings as at 31 December 2019 and 31 December 2018 were as follows:

	As at 31 December 2019		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Bank overdrafts	-	585	585
Hire purchase	4,083	6,850	10,933
Term loans	14,347	2,421	16,768
Bills payable	-	58,860	58,860
	<u>18,430</u>	<u>68,131</u>	<u>87,146</u>

	As at 31 December 2018		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Bank overdrafts	-	718	718
Hire purchase	10,707	9,453	20,160
Term loans	12,161	7,898	20,059
Bills payable	-	68,030	68,030
	<u>22,868</u>	<u>86,099</u>	<u>108,967</u>

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

(c) Included in bill payables, there is a total amount of RM40.2 million (31.12.2018: RM56.8 million) denominated in USD.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

10. Derivatives Financial Instruments

As at 31 December 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	12,404	207

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.



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2019

13. Earnings Per Share

The computation of basic and diluted earnings per share for the financial period ended 31 December 2019 and 31 December 2018 was as follows:-

(a) Basic

	3 Months Ended 31-Dec-2019 (UNAUDITED)	3 Months Ended 31-Dec-2018 (UNAUDITED)	12 Months Ended 31-Dec-2019 (UNAUDITED)	12 Months Ended 31-Dec-2018 (UNAUDITED)
Profit/(Loss) attributable to owners of the Company (RM'000)	783	(1,685)	(5,751)	(1,423)
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>0.15</u>	<u>(0.32)</u>	<u>(1.08)</u>	<u>(0.27)</u>

(b) Diluted

Diluted earnings per share is not applicable for the financial period ended 31 December 2019 and 31 December 2018 as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.