



CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

Unaudited Quarterly Financial Report for the 1st Quarter Ended 30 April 2012

Unaudited Condensed Consolidated Statements of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Apr-2012 RM'000	Preceding Year Corresponding Quarter 30-Apr-2011 RM'000	Current Year To Date 30-Apr-2012 RM'000	Preceding Year Corresponding Period 30-Apr-2011 RM'000
Revenue	20,383	10,560	20,383	10,560
Cost of sales	(18,768)	(9,479)	(18,768)	(9,479)
Gross profit	1,615	1,081	1,615	1,081
Other operating income	345	494	345	494
Administration expenses	(1,517)	(633)	(1,517)	(633)
Other expenses	(481)	(294)	(481)	(294)
Finance costs	(192)	(75)	(192)	(75)
(Loss)/Profit before taxation	(230)	573	(230)	573
Income tax expense	(376)	(144)	(376)	(144)
(Loss)/Profit after taxation / Total comprehensive (expenses) / income for the financial period / year	(606)	429	(606)	429
Total comprehensive (expenses) / income for the financial period / year attributable to :				
Owners of the Company	246	429	246	429
Non-controlling Interest	(852)	-	(852)	-
	(606)	429	(606)	429
Weighted average number of ordinary shares in issue ('000)	227,068	210,000	227,068	210,000
Earnings per share attributable to owners of the Company:				
Basic (sen)	0.11	0.20	0.11	0.20
Diluted (sen)	N/A	N/A	N/A	N/A

Notes :

N/A – Not applicable

- (a) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Careplus Group Berhad ("Company") for the financial year ended 31 January 2012 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-Apr-2012 RM'000	AUDITED As at 31-Jan-2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	49,244	48,807
Investment property	220	228
Goodwill on consolidation	205	205
	<u>49,669</u>	<u>49,240</u>
Current assets		
Inventories	9,347	9,313
Trade receivables	11,225	7,620
Other receivables, deposits and prepayments	2,711	747
Tax refundable	179	461
Amount owing by a related party	23	763
Derivative assets	193	223
Fixed deposits with licensed banks	7,900	-
Cash and bank balances	1,653	1,180
	<u>33,231</u>	<u>20,307</u>
TOTAL ASSETS	<u>82,900</u>	<u>69,547</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	23,500	22,000
Share premium	14,313	11,013
Merger deficit	(12,900)	(12,900)
Retained profits	15,384	15,138
Total equity attributable to owners of the Company	<u>40,297</u>	<u>35,251</u>
Non-controlling interest	7,674	8,526
Total Equity	<u>47,971</u>	<u>43,777</u>



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

	UNAUDITED As at 30-Apr-2012 RM'000	AUDITED As at 31-Jan-2012 RM'000
Non-current liabilities		
Long-term borrowings	17,534	10,695
Deferred tax liabilities	54	32
	<u>17,588</u>	<u>10,727</u>
Current liabilities		
Trade payables	7,139	4,288
Other payables and accruals	4,189	4,817
Amount owing to a related party	1,833	-
Short-term borrowings	3,408	3,615
Bank overdrafts	772	2,323
	<u>17,341</u>	<u>15,043</u>
Total liabilities	<u>34,929</u>	<u>25,770</u>
TOTAL EQUITY AND LIABILITIES	<u>82,900</u>	<u>69,547</u>
Net assets per share attributable to owners of the Company (Sen) #	17.1	16.0

Notes :

The net assets per share as at 30 April 2012 is computed based on 235,000,000 ordinary shares of RM0.10 each, whilst as at 31 January 2012, the net assets per share is computed based on 220,000,000 ordinary shares of RM0.10 each.

(a) 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 January 2012 and the accompanying explanatory notes in this interim financial report.



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Unaudited Quarterly Financial Report for the 1st Quarter Ended 30 April 2012

Unaudited Condensed Consolidated Statements of Cash Flows

	Current Year To Date 30-Apr-2012 RM'000	Current Year To Date 30-Apr-2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(230)	573
Adjustments for :		
Depreciation of investment property	8	8
Depreciation of property, plant and equipment	955	232
Interest expenses	191	75
Unrealised loss / (gain) on foreign exchange	38	(32)
Fair value loss / (gain) on derivatives	30	(169)
Interest income	(49)	(31)
Operating profit before working capital changes	943	656
(Increase) in inventories	(34)	(1,096)
(Increase) / decrease in trade and other receivables	(5,607)	677
Decrease/ (increase) in amount owing by related parties	-	(12)
Increase in trade and other payables	2,223	3,433
Increase in amount owing to related parties	2,573	-
Cash from operations	98	3,658
Interest paid	(191)	(75)
Income tax paid	(71)	(170)
Net cash (for) / from operating activities	(164)	3,413
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	49	31
Purchase of property, plant and equipment	(1,282)	(7,137)
Net cash for investing activities	(1,233)	(7,106)



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

	Current Year To Date 30-Apr-2012 RM'000	Current Year To Date 30-Apr-2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / Drawdown of bill payables, net	(958)	692
Drawdown of term loan	8,152	497
Repayment of hire purchase obligations	(291)	(37)
Proceed from issuance of shares	4,800	-
Repayment of term loans	(382)	(69)
Net cash from financing activities	11,321	1,083
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	9,924	(2,610)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	(1,143)	5,934
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR/PERIOD	8,781	3,324
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	7,900	2,000
Cash and bank balances	1,653	1,788
Bank overdrafts	(772)	(464)
	8,781	3,324

Note :

- (a) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 January 2012 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	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 31/01/2012	22,000	11,013	(12,900)	15,138	35,251	8,526	43,777
Issuance of share during the year	1,500	3,300	-	-	4,800	-	4,800
Total comprehensive income for the financial period	-	-	-	246	246	(852)	(606)
Balance at 30/04/2012	23,500	14,313	(12,900)	15,384	40,297	7,674	47,971



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

	←	Non-distributable	→	Distributable	
	Share	Share	Merger	Retained	Total Equity
	Capital	Premium	Deficit	Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 31/01/2011	21,000	9,107	(12,900)	13,160	30,367
Total comprehensive income for the financial period	-	-	-	429	429
Balance at 30/04/2011	21,000	9,107	(12,900)	13,589	30,796

Note:

- (a) 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 January 2012 and the accompanying explanatory notes in this interim financial report.



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Unaudited Quarterly Financial Report for the 1st Quarter Ended 30 April 2012

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 accounting policies and methods of computation adopted by the Company and its subsidiaries (“Group”) for this interim financial report are in compliance with the first MFRS framework annual financial statements and MFRS1: First Time Adoption of Malaysia Financial Reporting Standards has been applied.

The transition to MFRS framework does not have any material financial impact to these interim financial statements except for the initial election upon first time adoption of MFRS as disclosed below :-

Exemption for business combinations

MFRS 1 provides the option to apply MFRS 3 “Business Combinations” prospectively for business combination that occurred from the transition date or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 February 2011. Business combinations that occurred prior to 1 February 2011 have not been restated. In addition, the Group has also applied MFRS 127 “Consolidated and Separate Financial Statements” from the same date.

The interim financial report should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 January 2012 and the accompanying explanatory notes attached to this interim financial report. For the periods up to and including the year ended 31 January 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ reports for the Company and its subsidiaries for the financial year ended 31 January 2012 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.



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5. Material Changes in Estimates

There were 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

The Company had placed out its second tranche of the private placement, consisting of 15,000,000 ordinary shares of RM0.10 each ("Placement Shares") at an issue price of RM0.32 per Placement Share on 9 February 2012.

The balance of 17 million shares available under the private placement were yet to be placed out as at 12 May 2012, being the date to complete the implementation of the private placement. No extension of time has been sought.

Save as disclosed above, there was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current quarter under review.

7. Dividend

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

8. Segmental Reporting

	3-month ended 30-April-2012				
	Manufacturing	Trading	Others	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	15,490	5,415	-	-	20,905
Inter-segment sales	3,824	-	-	(4,346)	(522)
Total	19,314	5,415	-	(4,346)	20,383
Results					
Segment results	(38)	92	(141)	-	(87)
Interest income					49
Finance costs					(192)
Profit before taxation					(230)
Income tax expense					(376)
Non-controlling interest					852
Profit after taxation					246



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8. Segmental Reporting (Cont'd)

	3-month ended 30-Apr-2011				Group RM'000
	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	
Revenue					
External sales	5,766	4,794	-	-	10,560
Inter-segment sales	4,724	-	-	(4,724)	-
Total	10,490	4,794	-	(4,724)	10,560
Results					
Segment results	362	325	(70)	-	617
Interest income					31
Finance costs					(75)
Profit before taxation					573
Income tax income					(144)
Non-controlling interest					-
Profit after taxation					429

Geographical Segments for Revenue

	Current Quarter/ Current Year To Date 30-Apr-2012 RM'000
Local	542
Export	19,841
	20,383

9. Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment during the current quarter under review.

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

The Group does not have any contingent liabilities as at the end of the current quarter.

12. Capital Commitments

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

	Current Quarter / Year To Date 30-Apr-2012 RM'000
<u>Approved and contracted for</u>	
-Additional investment *	8,500
<u>Contracted but not provided for</u>	
-Installation of four (4) new double-former production lines	10,000
-construction of a three (3)-storey warehouse building and office	1,950
-renovation of an office block	450
	<hr/> 12,400 <hr/>

* Amount contracted for the additional paid-up capital in one of the company's subsidiaries, Careglove Global Sdn. Bhd. ("Careglove") pursuant to the joint venture arrangement with Descarpack Descartaveirs do Brasil Ltda. Part of this investment will be used for capital expenditure i.e increase the number of production lines and a warehouse building.

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

There were no other events subsequent to the current financial quarter ended 30 April 2012 up to the date of 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
- (i) Entities controlled by certain key management personnel, directors and/or substantial shareholders; and
 - (ii) 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:

	Current Quarter / Year To Date 30-Apr-2012 RM'000
Sales to a company related to a director and shareholder of Careglove	5,899
Transactions with a member of the family of a director, Lim Kwee Shyan:	
Sales	50
Quality control and packing services expenses	11
Insurance and renewal of road tax services expenses	28
Rental paid	29

- (c) Key management personnel

	Current Quarter / Year To Date 30-Apr-2012 RM'000
Short-term employee benefits	211

15. Cash and Cash Equivalents

	Current Year To Date 30-Apr-2012 RM'000
Cash and bank balances	1,653
Fixed deposits with licensed banks	7,900
Bank overdrafts	(772)
	<hr/> 8,781 <hr/>



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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE LISTING REQUIREMENTS

1. Review of Performance

Individual/ Cumulative Quarter	Q1 2013	Q1 2012	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	20,383	10,560	9,823	93.02
(Loss) / Profit before taxation ("LBT") / ("PBT")	(230)	573	(803)	>100
(Loss) / Profit after taxation ("LAT") / ("PAT")	(606)	429	(1,035)	>100
non-controlling interest	852	-	852	>100
Total comprehensive income/(expense) attributable to owners of the Company	246	429	(183)	42.66

The Group recorded revenue of approximately RM20.4 million for the current quarter ended 30 April 2012 as compared to approximately RM10.5 million in the previous year corresponding quarter, showing an increase of approximately 93%. The increase in revenue for the current quarter compared to the corresponding quarter last year was largely contributed by the four (4) new production lines which were recently commissioned.

Based on total comprehensive income attributable to owners of the Company, the Group has reverted to a profit of approximately RM 246,000, compared to approximately RM 429,000 in the corresponding quarter last year. This drop in profits is due to the higher overheads and startup costs for the new plant.

2. Material Changes to the Results of the preceding quarter

Individual Quarter	Q1 2013	Q4 2012	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	20,383	19,063	1,320	6.92
(LBT) / PBT	(230)	(1,565)	1,335	85.53
(LAT) / PAT	(606)	(1,455)	849	58.35
non-controlling interest	852	792	60	7.58
Total comprehensive income / (expense) attributable to owners of the Company	246	(663)	909	>100

The Group recorded total revenue of approximately RM20.3 million and LBT of approximately RM0.2 million for the current quarter ended 30 April 2012. The Group's revenue has increased slightly by approximately RM1.32 million (or 6.9%) as compared to the preceding financial quarter. The increase in revenue was due to higher quantity of gloves sold.

Based on total comprehensive income attributable to owners of the Company, the Group has reverted to a profit of approximately RM 246,000, compared to a loss of approximately RM 663,000 in the immediate preceding quarter. This return to profitability is due to the increase in revenues and production levels, enabling improved economies of scale, hence providing better cost efficiency. The increased revenues and production levels enable the higher overheads to be better absorbed by the Group, resulting in the return to profitability.



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3. Prospects

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

Careglove continues on its expansion plan, in anticipation of increased exports to the joint venture partner of Careplus in Brazil, Descarpack. We have commenced construction of four (4) additional double-former lines which are expected to be commissioned by September 2012. With the increased capacity and the impending certification for our rubber gloves being received from the Brazilian health authorities, the Group expects to improve its financial performance this financial year.

4. Profit Forecast and Profit Guarantee

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

5. Income Tax Expense

The taxation figures are as follows:

	Current Quarter/ Year To Date 30-Apr-2012 RM'000
Current tax	<u>(376)</u>

For the current year to date, tax is still payable despite the loss position for the Group, as certain subsidiaries were profitable.

6. Realised and Unrealised Retained Profits of the Group

	Current Quarter/ Year To Date 30-Apr-2012 RM'000
Total retained profits:	
Realised profits	15,283
Unrealised profits	101
	<u>15,384</u>



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7. (Loss) / Profit before taxation

(Loss) / Profit before taxation is arrived at after charging / (crediting): -

	Current Quarter /Year To Date 30-Apr-2012 RM'000
Depreciation for investment property	8
Depreciation for property, plant and equipment	955
Interest expenses	191
Rental expense	10
Unrealised loss on foreign exchange	38
Loss on fair value exchange	30
Interest income	(49)
Realised gain on foreign exchange	(19)
Rental income	(22)

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

8. Status of Corporate Proposal

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.



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9. Borrowings

The Group's borrowings as at 30 April 2012 are as follows:

	Secured RM'000
Short-term borrowings	
Hire purchase	925
Term loans	1,364
Export Credit Refinancing (ECR)	1,119
	<hr/> 3,408
Bank overdraft	772
Long-term borrowings	
Hire purchase	2,797
Term loans	14,737
	<hr/> 17,534
Total	<hr/> 21,714

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

The Group does not have any foreign borrowings or debt securities as at the date of this report.

10. Derivatives Financial Instruments

As at 30 April 2012, the Group's outstanding derivatives were as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
Currency forwards - Less than 1 year	<hr/> 13,220	<hr/> 193

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.



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11. Material Litigation

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

12. Dividend

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

13. Earnings per share

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding	Current Year	Preceding
	Quarter	Year	To Date	Year
	30-Apr-2012	30-Apr-2011	30-Apr-2012	30-Apr-2011
Profit attributable to the owners of the Company (RM'000)	246	429	246	429
Weighted average number of ordinary shares in issue ('000)	227,068	210,000	227,068	210,000
Basic earnings per share (sen)	0.11	0.20	0.11	0.20

(b) Diluted

The Company have convertible warrants in issue for the current quarter under review. However, the diluted earnings per share for the Group was not presented as the assumed conversion from the exercise of the warrants would be anti-dilutive.

14. Authorisation for issue

The quarterly unaudited financial statements were authorised for issue by the Board in accordance with a resolution dated 25 June 2012.