



CAREPLUS GROUP BERHAD

(Company No. 896134-D)

SUMMARY OF KEY MATTERS DISCUSSED AT THE 7TH ANNUAL GENERAL MEETING (“AGM”) OF CAREPLUS GROUP BERHAD (“CAREPLUS” OR “THE COMPANY”) HELD ON MONDAY, 29 MAY 2017 AT 10.30 A.M.

Q1. Why was there a significant increase in short term borrowings and inventories of the Group?

The reason for the rise in the Group's short term borrowings was to finance the working capital for the increased sales volume which is in parallel with the growing of the Group and this had also resulted in the higher inventories. However, in the coming years, we expect the inventory turnover would be decreased as we generate greater sales volume. We will carefully monitor and manage the Group's borrowings and inventories level.

Q2 Any late interest to be imposed on the amount owing by the related party which is past due as reported in Note 15 of the Financial Statement?

The outstanding amount owing by the related party is trade in nature with credit term of 90 days, transacted between our joint venture company (“JC Co”) and our JV partner in Brazil on normal commercial terms with no late interest imposed on the debt.

We do not foresee any collection issue as the payments are made through proper banking arrangement/facility.

Q3. Please clarify the high “Learning costs” as reported in the Management Discussion & Analysis (“MD&A”) on page 7 of the Annual Report.

The “high learning costs” consists of various operating costs associated with the running of new production line, such as, hiring and training of new engineers, technician and workers, wastage in material usage. It is unavoidable as we rely heavily on the foreign workers whom do not have the necessary skills yet and would need to be trained.