



CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

Unaudited Quarterly Financial Report for the 2nd Quarter Ended 30 June 2016

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-2016 RM'000	Preceding Year Corresponding Quarter 30-Jun-2015 RM'000	Current Year To Date 30-Jun-2016 RM'000	Preceding Year Corresponding To Date 30-Jun-2015 RM'000
Revenue	53,305	45,197	102,358	89,798
Cost of sales	(47,493)	(37,867)	(90,699)	(74,745)
Gross profit	5,812	7,330	11,659	15,053
Other operating income	(649)	534	1,286	1,746
Administration expenses	(2,488)	(2,347)	(4,952)	(4,543)
Other expenses	407	(826)	(1,380)	(2,031)
Finance costs	(1,086)	(880)	(2,140)	(1,654)
Profit before taxation	1,996	3,811	4,473	8,571
Income tax expense	(315)	(282)	(622)	(344)
Profit after taxation	1,681	3,529	3,851	8,227
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	1,681	3,529	3,851	8,227
Profit after taxation:				
Owners of the Company	60	1,720	858	4,221
Non-controlling interest	1,621	1,809	2,993	4,006
	1,681	3,529	3,851	8,227



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-2016 RM'000	Preceding Year Corresponding Quarter 30-Jun-2015 RM'000	Current Year To Date 30-Jun-2016 RM'000	Preceding Year Corresponding To Date 30-Jun-2015 RM'000
Total comprehensive income for the financial period attributable to:				
Owners of the Company	60	1,720	858	4,221
Non-controlling interest	1,621	1,809	2,993	4,006
	<u>1,681</u>	<u>3,529</u>	<u>3,851</u>	<u>8,227</u>
Earnings per share attributable to owners of the Company:				
Basic (sen) *	0.02	0.49	0.22	1.19
Diluted (sen)	0.01	0.47	0.20	1.15

Notes :

N/A – Not applicable

* For comparative purpose, the basic earnings per share for the corresponding quarter and year to date ended 30 June 2015 had been adjusted to reflect the bonus issue of 1 for every 2 existing ordinary shares of RM0.10 each which was completed on 24 July 2015.

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 2015 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-Jun-2016 RM'000	AUDITED As at 31-Dec-2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	140,362	123,021
Prepayments	484	386
Goodwill on consolidation	205	205
	<u>141,051</u>	<u>123,612</u>
Current assets		
Inventories	27,739	21,688
Trade receivables	9,340	10,941
Other receivables, deposits and prepayments	4,428	3,905
Amount owing by a related party	42,994	43,629
Tax refundable	218	144
Fixed deposits with licensed banks	3,349	2,399
Cash and bank balances	6,040	4,502
	<u>94,108</u>	<u>87,208</u>
TOTAL ASSETS	<u>235,159</u>	<u>210,820</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,301	37,902
Share premium	13,535	8,257
Merger deficit	(12,900)	(12,900)
Retained profits	27,013	27,362
	<u>67,949</u>	<u>60,621</u>
Total equity attributable to owners of the company	<u>67,949</u>	<u>60,621</u>
Non-controlling interest	<u>26,131</u>	<u>23,138</u>
	<u>94,080</u>	<u>83,759</u>
Total Equity	<u>94,080</u>	<u>83,759</u>



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

	UNAUDITED As at 30-Jun-2016 RM'000	AUDITED As at 31-Dec-2015 RM'000
Non-current liabilities		
Long-term borrowings	33,439	33,480
Deferred tax liabilities	250	250
	<u>33,689</u>	<u>33,730</u>
Current liabilities		
Trade payables	20,425	22,634
Other payables and accruals	24,190	24,094
Short-term borrowings	62,021	44,269
Amount owing to a related party	226	599
Bank overdrafts	488	1,543
Derivative liabilities	40	184
Current Tax Liabilities	-	8
	<u>107,390</u>	<u>93,331</u>
Total liabilities	<u>141,079</u>	<u>127,061</u>
TOTAL EQUITY AND LIABILITIES	<u>235,159</u>	<u>210,820</u>
Net assets per share attributable to owners of the Company (sen) #	<u>17.59</u>	<u>16.85</u>

Notes :

* For comparative purpose, the Net assets per share attributable to owners of the Company as at 30 June 2015 had been adjusted to reflect the bonus issue of 1 for every 2 existing ordinary shares of RM0.10 each which was completed on 24 July 2015.

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 2015 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-Jun-2016 RM'000	Preceding Year Corresponding To Date 30-Jun-2015 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	4,473	8,571
Adjustments for :		
Depreciation of investment property	-	8
Depreciation of property, plant and equipment	6,820	5,679
Fair value gain on derivatives	(144)	(1,347)
Gain on disposal of an investment property	-	(450)
(Gain)/loss on disposal of equipment	(6)	7
Interest expenses	2,140	1,654
Interest income	(12)	(83)
Unrealised (gain)/loss on foreign exchange	(503)	1,244
Operating profit before working capital changes	12,768	15,283
Increase in inventories	(6,051)	(4,241)
Decrease/(Increase) in trade and other receivables	783	(893)
Decrease in trade and other payables	(2,067)	(175)
Increase in amount owing by a related party	(270)	(6,114)
Cash from operations	5,163	3,860
Interest paid	(2,140)	(1,654)
Income tax paid	(704)	(80)
Net cash from operating activities	2,319	2,126
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	12	83
Purchase of property, plant and equipment	(13,736)	(10,242)
Proceed from disposal of an investment property	-	575
Proceeds from disposal of equipment	518	4
Net cash used in investing activities	(13,206)	(9,580)
Balance carried forward	(10,887)	(7,454)



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

	Current Year To Date 30-Jun-2016 RM'000	Preceding Year Corresponding To Date 30-Jun-2015 RM'000
Balance brought forward	(10,887)	(7,454)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of term loans	1,911	4,484
Dividend paid on ordinary shares	(1,207)	-
Repayment to a related party	(373)	-
Net repayment of hire purchase obligations	(3,155)	(2,286)
Net drawdown of bills payable	10,170	9,609
Proceeds from issuance of shares upon exercise of warrants	7,677	1,479
Repayment of term loans	(2,424)	(4,672)
Share issuance of expenses upon bonus issue exercise (Placement)/Withdrawal of fixed deposits pledged to licensed banks	-	(41)
	(950)	20
Net cash from financing activities	<u>11,649</u>	<u>8,593</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	762	1,139
EFFECTS OF FOREIGN EXCHANGE, NET	1,831	(744)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>2,959</u>	<u>3,122</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>5,552</u></u>	<u><u>3,517</u></u>
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	3,349	2,080
Cash and bank balances	6,040	5,077
Bank overdrafts	(488)	(1,560)
Less: Fixed deposits pledged to licensed banks	(3,349)	(2,080)
	<u>5,552</u>	<u>3,517</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 2015 and the accompanying explanatory notes in this interim financial report.



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Unaudited Condensed Consolidated Statements of Changes in Equity

	← Non-distributable →		Merger Deficit	Distributable Retained Profits	Attributable To Owners of The Company	Non- Controlling Interest	Total Equity
	Share Capital	Share Premium					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2016	37,902	8,257	(12,900)	27,362	60,621	23,138	83,759
Contributions by/distributions to owners of the Company:-							
Shares issued pursuant to conversion of warrant 2011/2016	2,399	5,278	-	-	7,677	-	7,677
Dividends paid on ordinary shares	-	-	-	(1,207)	(1,207)	-	(1,207)
Profit after taxation / Total comprehensive income for the financial period	-	-	-	858	858	2,993	3,851
Balance at 30.06.2016	40,301	13,535	(12,900)	27,013	67,949	26,131	94,080



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

	← Non-distributable →		Merger Deficit	Distributable Retained Profits	Attributable To Owners of The Company	Non- Controlling Interest	Total Equity
	Share Capital	Share Premium					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2015	23,500	14,218	(12,900)	21,960	46,778	18,102	64,880
Contributions by/distributions to owners of the Company:-							
Shares issued pursuant to conversion of warrant 2011/2016	2,419	6,114	-	-	8,533	-	8,533
Shares issued pursuant to bonus issue exercise	11,983	(11,983)	-	-	-	-	-
Shares issued expenses pursuant to bonus issue exercise	-	(92)	-	-	(92)	-	(92)
Dividends paid on ordinary shares	-	-	-	(595)	(595)	-	(595)
Dividends paid to non-controlling interest	-	-	-	-	-	(1,530)	(1,530)
Total transactions with the owners of the Company	14,402	(5,961)	-	(595)	7,846	(1,530)	6,316
Profit after taxation / Total comprehensive income for the financial year	-	-	-	5,997	5,997	6,566	12,563
Balance at 31.12.2015	37,902	8,257	(12,900)	27,362	60,621	23,138	83,759

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 2015 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 2015 and the accompanying explanatory notes attached to this interim financial report.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ reports for the Company and its subsidiaries for the financial period ended 31 December 2015 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 review save for the issuance of 23,989,150 new ordinary shares of RM0.10 each pursuant to the exercise of warrants 2011/2016 which is shown as follows:



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6. Details of Changes in Debts and Equity Securities (Cont'd)

(i) Details of shares issued as at 30 June 2016

	Number of Shares (‘000)	Total Issued and Paid-Up Share Capital (RM‘000)
Balance as at 1 January 2016	379,020	37,902
Ordinary shares issued pursuant to the conversion of warrants 2011/2016	23,989	2,399
Balance as at 30 June 2016	<u>403,009</u>	<u>40,301</u>

(ii) Details of conversion of warrants 2011/2016 as at 30 June 2016

	Number of Warrants (‘000)
Balance as at 1 January 2016	130,980
Converted during the year ended 30 June 2016	<u>(23,989)</u>
Balance as at 30 June 2016	<u>106,991</u>

7. Dividend Paid

The Company proposed a first and final single tier dividend of 0.30 sen per ordinary share for the financial year ended 31 December 2015 amounting to RM1,207,294 was approved by the shareholders at the 6th Annual General Meeting held on 27th May 2016, and paid on 5th July 2016.

8. Segmental Reporting

The Group's business comprise 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.



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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.

11. Contingent Liabilities

	6 Months Ended 30-Jun-2016 (UNAUDITED) RM'000
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	95,944

12. Capital Commitments

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

	As at 30-Jun-2016 (UNAUDITED) RM'000
<u>Authorised but not contracted for:-</u>	
Construction of building	8,369
Construction of plant and machineries	165
	<hr/> 8,534
<u>Contracted but not provided for:-</u>	
Construction of building	8,789
Construction of plant and machineries	3,939
	<hr/> 12,728



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

There were no other events subsequent to the current financial quarter ended 30 June 2016 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.

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:

	6 Months Ended 30-Jun-2016 (UNAUDITED) RM'000
Sales to shareholder of Careglove Global Sdn. Bhd.	70,616
Transactions with a close member of the family of a director:	
Insurance and renewal of road tax services expenses	843
Rental paid	10
Transactions with directors:	
Rental paid	77

(c) Key management personnel

	3 Months Ended 30-Jun-2016 (UNAUDITED) RM'000
Short-term employee benefits	1,781



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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE LISTING REQUIREMENTS

1. Review of Performance

Individual / Cumulative Quarter	6 Months Ended 30-Jun-2016 (UNAUDITED)	6 Months Ended 30-Jun-2015 (UNAUDITED)	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	102,358	89,798	12,560	14
Profit before taxation ("PBT")	4,473	8,571	(4,098)	(48)
Taxation	(622)	(344)	278	81
Profit after taxation ("PAT")	3,851	8,227	(4,376)	(53)
Non-controlling interest	(2,993)	(4,006)	(1,013)	25
Total comprehensive income attributable to owners of the Company	858	4,221	(3,363)	(80)

The Group recorded revenue of approximately RM102.4 million for the current quarter ended 30 June 2016 against approximately RM89.8 million in the corresponding quarter last year. The increase of approximately 14% or RM12.6 million was in line with the higher production capacity generated from the new lines.

In spite of the higher sales, the Group's PBT and comprehensive income attributable to the owners of the Company were lower by 48% and 80% respectively during the current quarter compared with the last year corresponding quarter. The cost increases in natural gas and expansion projects were among the factors which impacted the Group's performance.

Individual Quarter	3 Months Ended 30-Jun-2016 Quarter 2 (UNAUDITED)	3 Months Ended 30-Jun-2015 Quarter 2 (UNAUDITED)	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	53,305	45,197	8,108	18
Profit before taxation ("PBT")	1,996	3,811	(1,815)	(48)
Taxation	(315)	(282)	33	(12)
Profit after taxation ("PAT")	1,681	3,529	(1,848)	(52)
Non-controlling interest	(1,621)	(1,809)	(188)	10
Total comprehensive income attributable to owners of the Company	60	1,720	(1,660)	(97)

The Group recorded revenue of approximately RM53.3 million for the current quarter ended 30 June 2016 against approximately RM45.2 million in the corresponding quarter last year. The increase of approximately 18% or RM8.1 million was mainly due to higher sales from the increased capacity from the new lines.



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1. Review of Performance (Cont'd)

The group registered a PBT of RM2.0 million and a comprehensive income attributable to the owners of the Company of RM0.06 million which were lower by 48% and 97% respectively during the current quarter compared with the last year's corresponding quarter. The higher natural gas price, lower average selling price and the ongoing expansion costs impacted the Group's margin.

2. Material Changes to the Results of the Preceding Quarter

Individual Quarter	3 Months Ended 30-Jun-2016 Quarter 2 (UNAUDITED)	3 Months Ended 30-Mar-2016 Quarter 1 (UNAUDITED)	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	53,305	49,053	4,252	9
Profit before taxation ("PBT")	1,996	2,477	(481)	(19)
Taxation	(315)	(307)	8	(3)
Profit after taxation ("PAT")	1,681	2,170	(489)	(23)
Non-controlling interest	(1,621)	(1,372)	249	(18)
Total comprehensive income attributable to owners of the Company	60	798	(738)	(92)

The Group sales revenue in the current quarter has increased by RM4.3 million to RM53.3 million over the preceding quarter. The increase was mainly due higher sales from increased capacity of the new lines.

There was a decrease in the Group's PBT by RM0.5 million or 19% from the previous quarter and a decrease of RM0.7 million or 92% in income attributed to owners of the Company. The lower capacity utilization, higher start-up cost, and selling price pressure were the main factors which impacted the Group's performance.



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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.

Careglove Global Sdn. Bhd. ("Careglove")

The existing Factory 3 consists of Plant 1 with nine (9) lines and Plant 2 with two (2) new double former lines with an annual capacity of approximately 1.9 billion gloves. These lines are currently producing latex examination and surgical gloves. The Company has recently started the installation of another (1) double former line which is expected to be completed in the 4th Quarter.

Careplus (M) Sdn. Bhd. ("Careplus M")

Block E

The Company has installed five (5) new single former lines in year 2015. In 2016, one (1) new double former lines has been successfully commissioned and the company has also started the installation of another two (2) double former lines which are expected to be completed in the 4th Quarter.

Block D

Reconstruction of Block D (Phase 1) has recently commenced and is expected to be completed in 2017. This new building will house the supporting services for Block E and Block D (Phase 2).

Careplus Group Berhad

The Group has achieved an annual capacity of 3.2 billion pieces gloves from the twenty (23) lines in the Group's three (3) factories. With an additional three (3) lines under construction, the total capacity will increase further to 3.8 billion gloves. In line with the current market conditions the Group will review the expansion plan for 2017.

We are optimistic in achieving higher sales in the coming years. Barring any unforeseen circumstances, the Group expects to further improve its financial performance for the year.



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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. Income Tax Expense

The Group's taxation figures are as follows:

	3 Months Ended 30-Jun-2016 (UNAUDITED) RM'000	6 Months Ended 30-Jun-2016 (UNAUDITED) RM'000
Current tax expense	315	622

The Group's effective tax rate is lower than 25% due to claimable capital allowances, unabsorbed export allowance and unutilised tax losses brought forward from previous year by subsidiaries.

6. Realised and Unrealised Retained Profits of the Group

	As at 30-Jun-2016 (UNAUDITED) RM'000	As at 31-Dec-2015 (AUDITED) RM'000
Total retained profits, net of consolidation adjustments:		
Realised	43,484	43,251
Unrealised	213	(2,199)
	<u>43,697</u>	<u>41,052</u>
Less: Consolidation adjustments	(16,684)	(13,690)
As at 30.6.2016 / 31.12.2015	<u>27,013</u>	<u>27,362</u>



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7. Profit Before Taxation

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

	3 Months Ended 30-Jun-2016 (UNAUDITED) RM'000	3 Months Ended 30-Jun-2015 (UNAUDITED) RM'000	6 Months Ended 30-Jun-2016 (UNAUDITED) RM'000	6 Months Ended 30-Jun-2015 (UNAUDITED) RM'000
Depreciation of investment property	-	-	-	8
Depreciation of property, plant and equipment	3,454	2,862	6,820	5,679
Fair value loss/(gain) on derivatives	1,328	(370)	(144)	(1,347)
Gain on disposal of equipment	(7)	(445)	(6)	(443)
Interest expenses	1,086	880	2,140	1,654
Interest income	(9)	(3)	(12)	(83)
Rental expenses	74	54	149	107
Realised (gain)/loss on foreign exchange	(492)	(283)	14	(447)
Rental income	(9)	(6)	(18)	(30)
Unrealised (gain)/loss on foreign exchange	(1,029)	767	(503)	1,244

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.



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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:-

On 10 July 2015, RHB Investment Bank Berhad (“RHBIB”) had, on behalf of the Board, announced that the Company proposes a special bumiputera issue of up to 51,000,000 new ordinary shares of RM0.10 each in the Company to bumiputera investors to be identified and approved by the Ministry of International Trade and Industry of Malaysia (“MITI”) (“Proposed Special Bumiputera Issue”).

The listing application in relation to the Proposed Special Bumiputera Issue had been submitted to Bursa Malaysia Securities Berhad (“BURSA”), the approval of which was obtained on 11 August 2015. The application in relation to the Proposed Special Bumiputera Issue and the proposed placement of shares from the existing substantial shareholders had also been submitted to the MITI, the approval of which was obtained on 30 September 2015.

In addition, the application for an extension of time for the Company to comply with the Bumiputera Equity Condition imposed pursuant to the listing of the Company on the ACE Market of BURSA had been submitted to the Securities Commission Malaysia (“SC”) and the extension of time up to 7 August 2016 was approved on 17 December 2015.

Further, an application had been submitted to BURSA to seek its approval for an extension of time for the Company to implement the Proposed Special Bumiputera Issue and the extension of time up to 7 August 2016 was granted on 29 January 2016.

Subsequently, RHBIB, on behalf of the Company, had on 13 July 2016 announced that the Board has resolved to fix the issue price for the Special Bumiputera Issue at RM0.32 per new Careplus Shares. The issue price represents a discount of approximately 3.03% to the five (5)-days volume weighted average market price of Careplus Shares up to and including 12 July 2016 of RM0.33.

On 29 July 2016, RHBIB, on behalf of the Company, announced that a total of 8,291,500 new Careplus Shares were listed and quoted on the ACE Market of Bursa with effect from 29 July 2016 pursuant to the Special Bumiputera Issue, marking the completion of the Special Bumiputera Issue. The Company had raised approximately RM2.7 million for its working capital requirements pursuant to the Special Bumiputera Issue.



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9. Borrowing

The Group's borrowings as at 30 June 2016 are as follows:

	Secured RM'000
Bank overdrafts	488
Short-term borrowings	62,021
Long-term borrowings	33,439
Total	<u>95,948</u>

During the current quarter under review, there were no unsecured debts and no bank balances being denominated in foreign currencies.

10. Derivatives Financial Instruments

As at 30 June 2016, 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	20,383	(40)

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 in the current quarter and financial period ended 30 June 2016.



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13. Earning per Share

The computation of basic and diluted earnings per share for the financial period ended 30 June 2016 and 30 June 2015 are as follows:-

(a) Basic

	3 Months Ended 30-Jun-2016 (UNAUDITED)	3 Months Ended 30-Jun-2015 (UNAUDITED)	6 Months Ended 30-Jun-2016 (UNAUDITED)	6 Months Ended 30-Jun-2015 (UNAUDITED)
Profit attributable to owners of the Company (RM'000)	60	1,720	858	4,221
Weighted average number of ordinary shares ('000):				
- Issued ordinary shares at 1 January	359,863	235,000	359,863	235,000
- Effect of warrants exercise	26,438	376	26,438	376
- Effect of bonus issue	-	119,009*	-	119,009*
Weighted average number of ordinary shares as at 30 June ('000)	386,301	354,385*	386,301	354,385*
Basic earning per share (sen)	0.02	0.49	0.22	1.19

* For comparative purpose, the number of ordinary shares issued as at 30 June 2015 had been adjusted to reflect the bonus issue of 1 for every 2 existing ordinary shares of RM 0.10 each which was completed on 24 July 2015.



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13. Earning per Share (Cont'd)

(b) Diluted

	3 Months Ended 30-Jun-2016 (UNAUDITED)	3 Months Ended 30-Jun-2015 (UNAUDITED)	6 Months Ended 30-Jun-2016 (UNAUDITED)	6 Months Ended 30-Jun-2015 (UNAUDITED)
Profit attributable to owners of the Company (RM'000)	60	1,720	858	4,221
Weighted average number of ordinary shares for basic earnings per share ('000)	386,301	354,385*	386,301	354,385*
Effect of dilution: - Warrant 2011/2016 exercise in exchange of new ordinary shares ('000)	33,928	12,058	33,928	12,058
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	420,229	366,443*	420,229	366,443*
Diluted earnings per share (sen)	0.01	0.47	0.20	1.15

* For comparative purpose, the number of ordinary shares issued as at 30 June 2015 had been adjusted to reflect the bonus issue of 1 for every 2 existing ordinary shares of RM 0.10 each which was completed on 24 July 2015.

14. Authorization for Issue

The quarterly unaudited financial statements were authorized for issue by the Board in accordance with a resolution dated 25 August 2016.