



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-2016 RM'000	Preceding Year Corresponding Quarter 30-Sep-2015 RM'000	Current Year To Date 30-Sep-2016 RM'000	Preceding Year Corresponding To Date 30-Sep-2015 RM'000
Revenue	57,636	50,194	159,994	139,992
Cost of sales	(55,390)	(43,018)	(146,089)	(117,763)
Gross profit	2,246	7,176	13,905	22,229
Other operating income	597	284	1,883	2,030
Administration expenses	(2,616)	(2,435)	(7,568)	(6,978)
Other expenses	(416)	(1,815)	(1,796)	(3,846)
Finance costs	(1,186)	(842)	(3,326)	(2,496)
(Loss) / profit before taxation	(1,375)	2,368	3,098	10,939
Income tax expense	(71)	(602)	(693)	(946)
(Loss) / profit after taxation	(1,446)	1,766	2,405	9,993
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (expenses) / income for the financial period	(1,446)	1,766	2,405	9,993
<b>(Loss) / profit after taxation:</b>				
Owners of the Company	(2,491)	323	(1,633)	4,544
Non-controlling interest	1,045	1,443	4,038	5,449
	(1,446)	1,766	2,405	9,993



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-2016 RM'000	Preceding Year Corresponding Quarter 30-Sep-2015 RM'000	Current Year To Date 30-Sep-2016 RM'000	Preceding Year Corresponding To Date 30-Sep-2015 RM'000
<b>Total comprehensive (expenses) / income for the financial period attributable to:</b>				
Owners of the Company	(2,491)	323	(1,633)	4,544
Non-controlling interest	1,045	1,443	4,038	5,449
	<u>(1,446)</u>	<u>1,766</u>	<u>2,405</u>	<u>9,993</u>
<b>(Loss) / earnings per share attributable to owners of the Company:</b>				
Basic (sen) *	(0.59)	0.09	(0.41)	1.27
Diluted (sen) *	(0.58)	0.08	(0.38)	1.20

#### Notes :

\* For comparative purpose, the loss / earnings per share for the corresponding quarter and year to date ended 30 September 2015 has 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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

## Unaudited Condensed Consolidated Statements of Financial Position

	UNAUDITED As at 30-Sep-2016 RM'000	AUDITED As at 31-Dec-2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	144,212	123,021
Prepayments	484	386
Goodwill on consolidation	205	205
	<u>144,901</u>	<u>123,612</u>
<b>Current assets</b>		
Inventories	31,058	21,688
Trade receivables	10,102	10,941
Other receivables, deposits and prepayments	3,400	3,905
Amount owing by a related party	48,983	43,629
Tax refundable	219	144
Fixed deposits with licensed banks	20,539	2,399
Cash and bank balances	7,736	4,502
	<u>122,037</u>	<u>87,208</u>
<b>TOTAL ASSETS</b>	<u>266,938</u>	<u>210,820</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	48,326	37,902
Share premium	31,190	8,257
Merger deficit	(12,900)	(12,900)
Retained profits	24,522	27,362
<b>Total equity attributable to owners of the company</b>	<u>91,138</u>	<u>60,621</u>
<b>Non-controlling interest</b>	<u>27,176</u>	<u>23,138</u>
<b>Total Equity</b>	<u>118,314</u>	<u>83,759</u>



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

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

	UNAUDITED As at 30-Sep-2016 RM'000	AUDITED As at 31-Dec-2015 RM'000
<b>Non-current liabilities</b>		
Long-term borrowings	34,116	33,480
Deferred tax liabilities	-	250
	<hr/> 34,116	<hr/> 33,730
<b>Current liabilities</b>		
Trade payables	23,066	22,634
Other payables and accruals	25,764	24,094
Short-term borrowings	65,354	44,269
Amount owing to a related party	-	599
Bank overdrafts	125	1,543
Derivative liabilities	199	184
Current Tax Liabilities	-	8
	<hr/> 114,508	<hr/> 93,331
<b>Total liabilities</b>	<hr/> 148,624	<hr/> 127,061
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> 266,938	<hr/> 210,820
Net assets per share attributable to owners of the Company (sen) #	<hr/> 22.78	<hr/> 16.85

#### Notes :

# For comparative purpose, the net assets per share attributable to owners of the Company as at 30 September 2015 has 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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### Unaudited Condensed Consolidated Statements of Cash Flows

	Current Year To Date 30-Sep-2016 RM'000	Preceding Year Corresponding To Date 30-Sep-2015 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	3,098	10,939
Adjustments for :		
Depreciation of investment property	-	8
Depreciation of property, plant and equipment	10,848	8,584
Fair value loss on derivatives	15	406
Gain on disposal of an investment property	-	(450)
(Gain) / loss on disposal of equipment	(6)	3
Interest expenses	3,326	2,496
Interest income	(94)	(84)
Unrealised gain on foreign exchange	(930)	(380)
Operating profit before working capital changes	<u>16,257</u>	<u>21,522</u>
Increase in inventories	(9,370)	(8,004)
Decrease / (increase) in trade and other receivables	1,416	(7,473)
Increase in trade and other payables	1,858	8,903
Increase in amount owing by a related party	(5,359)	(2,761)
Cash from operations	<u>4,802</u>	<u>12,187</u>
Interest paid	(3,326)	(2,496)
Income tax paid	(1,026)	(136)
<b>Net cash from operating activities</b>	<u>450</u>	<u>9,555</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Interest received	94	84
Purchase of property, plant and equipment	(19,034)	(18,210)
Proceed from disposal of an investment property	-	575
Proceeds from disposal of equipment	10	10
<b>Net cash used in investing activities</b>	<u>(18,930)</u>	<u>(17,541)</u>
<b>Balance carried forward</b>	(18,480)	(7,986)



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

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

	Current Year To Date 30-Sep-2016 RM'000	Preceding Year Corresponding To Date 30-Sep-2015 RM'000
<b>Balance brought forward</b>	(18,480)	(7,986)
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Drawdown of term loans	1,911	4,484
Dividend paid on ordinary shares	(1,207)	(595)
Dividend paid to non-controlling interest	-	(1,530)
Net repayment of hire purchase obligations	(5,020)	(3,635)
Net drawdown of bills payable	14,787	11,390
Proceeds from issuance of shares upon exercise of warrants	30,704	3,036
Proceeds from special bumiputera issue	2,653	-
Repayment of term loans	(3,641)	(6,753)
Repayment to a related party	(599)	-
Share issuance of expenses upon bonus issue exercise	-	(59)
Changes in pledged fixed deposits	(1,140)	(80)
<b>Net cash from financing activities</b>	38,448	6,258
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	19,968	(1,728)
<b>EFFECTS OF FOREIGN EXCHANGE, NET</b>	1,684	(1,526)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	2,959	3,122
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	24,611	(132)
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Fixed deposits	20,539	2,180
Cash and bank balances	7,736	1,137
Bank overdrafts	(125)	(1,269)
Less: Fixed deposits pledged to licensed banks	(3,539)	(2,180)
	24,611	(132)

#### 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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### Unaudited Condensed Consolidated Statements of Changes in Equity

	← Non-distributable →		→	Distributable	Attributable	Non-	Total Equity
	Share Capital	Share Premium	Merger Deficit	Retained Profits	To Owners of The Company	Controlling Interest	
	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	9,595	21,109	-	-	30,704	-	30,704
Shares issued pursuant to special bumiputera issue	829	1,824	-	-	2,653	-	2,653
Dividends paid on ordinary shares	-	-	-	(1,207)	(1,207)	-	(1,207)
Total transaction with the owners of the Company	10,424	22,933	-	(1,207)	32,150	-	32,150
Profit after taxation / Total comprehensive income for the financial period	-	-	-	(1,633)	(1,633)	4,038	2,405
<b>Balance at 30.09.2016</b>	<b>48,326</b>	<b>31,190</b>	<b>(12,900)</b>	<b>24,522</b>	<b>91,138</b>	<b>27,176</b>	<b>118,314</b>



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

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

	← Non-distributable		→	Distributable	Attributable	Non-	Total Equity
	Share Capital	Share Premium	Merger Deficit	Retained Profits	To Owners of The Company	Controlling Interest	
	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
<b>Balance at 31.12.2015</b>	<b>37,902</b>	<b>8,257</b>	<b>(12,900)</b>	<b>27,362</b>	<b>60,621</b>	<b>23,138</b>	<b>83,759</b>

#### 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.





# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 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 year 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 95,948,175 new ordinary shares of RM0.10 each pursuant to the exercise of warrants 2011/2016 and 8,291,500 pursuant to the special bumiputera issues which is shown as follows:



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

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

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

	<b>Number of Shares (‘000)</b>	<b>Total Issued and Paid-Up Share Capital (RM‘000)</b>
Balance as at 1 January 2016	379,020	37,902
Ordinary shares issued pursuant to the conversion of warrants 2011/2016	95,948	9,595
Ordinary shares issued pursuant to the special bumiputera issue	8,292	829
Balance as at 30 Sep 2016	<u>483,260</u>	<u>48,326</u>

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

	<b>Number of Warrants (‘000)</b>
Balance as at 1 January 2016	130,980
Converted during the period ended 30 September 2016	(95,948)
Unexercised warrants 2011/2016 which expired on 9 August 2016	(35,032)
Balance as at 30 Sep 2016	<u>-</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 6<sup>th</sup> Annual General Meeting held on 27 May 2016, and paid on 5 July 2016.

### 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

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 11. Contingent Liabilities

	<b>9 Months Ended 30-Sep-2016 (UNAUDITED) RM'000</b>
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	99,595

### 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:

	<b>As at 30-Sep-2016 (UNAUDITED) RM'000</b>
<u>Authorised but not contracted for:-</u>	
Construction of building	25
Construction of plant and machineries	4,571
	<u>4,596</u>
<u>Contracted but not provided for:-</u>	
Construction of building	8,071

### 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 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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 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:

	<b>9 Months Ended 30-Sep-2016 (UNAUDITED) RM'000</b>
Sales to shareholder of Careglove Global Sdn. Bhd.	111,966
Transactions with a close member of the family of a director:	
Insurance and renewal of road tax services expenses	327
Rental paid	15
Transactions with directors:	
Rental paid	130

(c) Key management personnel

	<b>3 Months Ended 30-Sep-2016 (UNAUDITED) RM'000</b>
Short-term employee benefits	2,638

---



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE LISTING REQUIREMENTS

#### 1. Review of Performance

Cumulative Quarter	9 Months Ended 30-Sep-2016 (UNAUDITED)	9 Months Ended 30-Sep-2015 (UNAUDITED)	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	159,994	139,992	20,002	14
Profit before taxation ("PBT")	3,098	10,939	(7,841)	(72)
Taxation	(693)	(946)	(253)	(27)
Profit after taxation ("PAT")	2,405	9,993	(7,588)	(76)
Non-controlling interest	(4,038)	(5,449)	(1,411)	(26)
Total comprehensive (expenses) / income attributable to owners of the Company	(1,633)	4,544	(6,177)	(136)

The Group recorded revenue of approximately RM160 million for the current quarter ended 30 September 2016 against approximately RM140 million in the corresponding quarter last year. The increase of approximately 14% or RM20 million was in line with the higher production capacity generated from the new lines.

In spite of the higher sales and lower latex price, the Group's PBT and comprehensive (expenses) / income attributable to the owners of the Company were lowered by 72% and 136% respectively during the current quarter compared with the last year corresponding quarter. The cost increases in natural gas, depreciation, wages and the ongoing expansion projects were among the factors which impacted the Group's performance.

Individual Quarter	3 Months Ended 30-Sep-2016 Quarter 3 (UNAUDITED)	3 Months Ended 30-Sep-2015 Quarter 3 (UNAUDITED)	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	57,636	50,194	7,442	15
(Loss) / profit before taxation ("PBT")	(1,375)	2,368	(3,743)	(158)
Taxation	(71)	(602)	(531)	(88)
(Loss) / profit after taxation ("PAT")	(1,446)	1,766	(3,212)	(182)
Non-controlling interest	(1,045)	(1,443)	(398)	(28)
Total comprehensive (expenses) / income attributable to owners of the Company	(2,491)	323	(2,814)	(871)

The Group recorded revenue of approximately RM57.6 million for the current quarter ended 30 September 2016 against approximately RM50.2 million in the corresponding quarter last year. The increase of approximately 15% or RM7.4 million was mainly due to higher production capacity generated from the new lines.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 1. Review of Performance (Cont'd)

There was a decrease of RM3.7 million in the Group's PBT and a decrease of RM2.8 million in comprehensive income attributable to the owners of the Company which were 158% and 871% respectively during the current quarter compared with the last year corresponding quarter. The cost increases in natural gas, depreciation, wages and the ongoing expansion projects were among the factors which impacted the Group's performance.

### 2. Material Changes to the Results of the Preceding Quarter

Individual Quarter	3 Months Ended 30-Sep-2016 Quarter 3 (UNAUDITED)	3 Months Ended 30-Jun-2016 Quarter 2 (UNAUDITED)	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue	57,636	53,305	4,331	8
(Loss) / profit before taxation ("PBT")	(1,375)	1,996	(3,371)	(169)
Taxation	(71)	(315)	(244)	(77)
(Loss) / profit after taxation ("PAT")	(1,446)	1,681	(3,127)	(186)
Non-controlling interest	(1,045)	(1,621)	(576)	(36)
Total comprehensive (expenses) / income attributable to owners of the Company	(2,491)	60	(2,551)	(4,252)

The Group sales revenue in the current quarter has increased slightly by RM4.3 million to RM57.6 million over the preceding quarter. The increase was mainly due to higher production capacity generated from the new lines.

In spite of the higher sales, the group has recorded a decrease in PBT by RM3.4 million or 169% from the previous quarter and a decrease of RM2.6 million or 4,252% in income attributed to owners of the Company as a result of higher natural gas cost and expansion cost from the ongoing projects.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 3. Prospects

The Group's financial performance and prospects are subjected 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. These lines are currently producing latex examination and surgical gloves. The installation of another (1) double former line will be completed in the 4<sup>th</sup> Quarter.

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

##### Block E

In addition to the five (5) single former lines installed in 2015, two (2) new double former lines were installed this year. The company is in the process of installing another one (1) double former line which will be completed in the 4<sup>th</sup> Quarter.

##### Block D

Reconstruction of Block D (Phase 1) has recently commenced and is expected to be completed in the 2<sup>nd</sup> quarter of 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 3.4 billion pieces gloves from the twenty four (24) lines in the Group's three (3) factories. With an additional two (2) lines under construction, the total capacity will be increased 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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 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 was as follows:

	<b>3 Months Ended 30-Sep-2016 (UNAUDITED) RM'000</b>	<b>9 Months Ended 30-Sep-2016 (UNAUDITED) RM'000</b>
Income tax expense		
- Current year	(321)	(943)
Deferred taxation		
- Overprovision in previous year	250	250
	<u>(71)</u>	<u>(693)</u>

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

### 6. Realised and Unrealised Retained Profits of the Group

	<b>As at 30-Sep-2016 (UNAUDITED) RM'000</b>	<b>As at 31-Dec-2015 (AUDITED) RM'000</b>
Total retained profits, net of consolidation adjustments:		
Realised	41,520	43,251
Unrealised	731	(2,199)
	<u>42,251</u>	<u>41,052</u>
Less: Consolidation adjustments	(17,729)	(13,690)
As at 30.9.2016 / 31.12.2015	<u>24,522</u>	<u>27,362</u>





# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 7. (Loss) / Profit Before Taxation

(Loss) / profit before taxation was arrived at after charging / (crediting): -

	3 Months Ended 30-Sep-2016 (UNAUDITED) RM'000	3 Months Ended 30-Sep-2015 (UNAUDITED) RM'000	9 Months Ended 30-Sep-2015 (UNAUDITED) RM'000	9 Months Ended 30-Sep-2015 (UNAUDITED) RM'000
Depreciation of investment property	-	-	-	8
Depreciation of property, plant and equipment	4,028	2,905	10,848	8,584
Fair value loss on derivatives	159	1,753	15	406
(Gain) / loss on disposal of equipment	-	(4)	(6)	3
Gain on disposal of an investment property	-	-	-	(450)
Interest expenses	1,186	842	3,326	2,496
Interest income	(82)	(1)	(94)	(84)
Rental expenses	79	58	228	165
Realised (gain) / loss on foreign exchange	(297)	1,112	(283)	665
Rental income	(11)	(12)	(29)	(42)
Unrealised gain on foreign exchange	(427)	(1,624)	(930)	(380)

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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 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.

### 9. Borrowing

The Group's borrowings as at 30 September 2016 was as follows:

	<b>Secured RM'000</b>
Bank overdrafts	125
Short-term borrowings	65,354
Long-term borrowings	34,116
Total	<u>99,595</u>

Currency exposure profile of borrowings is as follows:

	<b>Secured RM'000</b>
Ringgit Malaysia	64,067
United States Dollar	35,528
Total	<u>99,595</u>

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

### 10. Derivatives Financial Instruments

As at 30 September 2016, the Group's outstanding derivatives were as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Assets/(Liabilities) RM'000</b>
Currency forwards - Less than 1 year	13,925	(199)

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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 12. Dividends Declared / Proposed

There were no dividends declared in the current quarter and financial period ended 30 September 2016.

### 13. Loss / Earnings Per Share

The computation of basic and diluted loss/earnings per share for the financial period ended 30 September 2016 and 30 September 2015 was as follows:-

(a) Basic

	3 Months Ended 30-Sep-2016 (UNAUDITED)	3 Months Ended 30-Sep-2015 (UNAUDITED)	9 Months Ended 30-Sep-2016 (UNAUDITED)	9 Months Ended 30-Sep-2015 (UNAUDITED)
(Loss) / profit attributable to owners of the Company (RM'000)	(2,491)	323	(1,633)	4,544
Weighted average number of ordinary shares ('000):				
- Issued ordinary shares at 1 January	359,863	235,000	359,863	235,000
- Effect of warrant 2011/2016 exercise in exchange of new ordinary shares ('000)	56,710	5,976	31,892	2,176
- Effect of bonus issue	-	119,834 *	-	119,834 *
- Effect of special bumiputera issue	8,292	-	8,292	-
Weighted average number of ordinary shares as at 30 September ('000)	424,865	360,810 *	400,047	357,010 *
Basic (loss) / earnings per share (sen)	(0.59)	0.09	(0.41)	1.27

\* For comparative purpose, the number of ordinary shares issued as at 30 September 2015 has 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.



# CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia under the Companies Act, 1965)

## Unaudited Quarterly Financial Report for the 3rd Quarter Ended 30 September 2016

### 13. (Loss) / Earnings Per Share (Cont'd)

(b) Diluted

	<b>3 Months Ended 30-Sep-2016 (UNAUDITED)</b>	<b>3 Months Ended 30-Sep-2015 (UNAUDITED)</b>	<b>9 Months Ended 30-Sep-2016 (UNAUDITED)</b>	<b>9 Months Ended 30-Sep-2015 (UNAUDITED)</b>
(Loss) / profit attributable to owners of the Company (RM'000)	(2,491)	323	(1,633)	4,544
Weighted average number of ordinary shares for basic loss / earnings per share ('000)	424,865	360,810 *	400,047	357,010 *
Effect of dilution: - Warrant 2011/2016 exercise in exchange of new ordinary shares ('000)	<u>2,396</u>	<u>42,950</u>	<u>28,242</u>	<u>22,000</u>
Weighted average number of ordinary shares for diluted loss / earnings per share computation ('000)	<u>427,261</u>	<u>403,760 *</u>	<u>428,289</u>	<u>379,010 *</u>
Diluted (loss) / earnings per share (sen)	<u>(0.58)</u>	<u>0.08</u>	<u>(0.38)</u>	<u>1.20</u>

\* For comparative purpose, the number of ordinary shares issued as at 30 September 2015 has 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 22 November 2016.