



CAREPLUS GROUP BERHAD

(Company No. 896134-D)

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 4th Quarter Ended 31 December 2017

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-Dec-2017 RM'000	Preceding Period Corresponding Quarter 31-Dec-2016 RM'000	Current Period To Date 31-Dec-2017 RM'000	Preceding Period Corresponding To Date 31-Dec-2016 RM'000
Revenue	76,001	69,442	322,575	229,436
Cost of sales	(72,158)	(61,841)	(302,233)	(207,930)
Gross profit	3,843	7,601	20,342	21,506
Other operating income / (expenses)	1,586	(1,415)	1,521	(1,328)
Administration expenses	(2,818)	(2,751)	(10,989)	(10,319)
Finance costs	(1,286)	(1,411)	(5,114)	(4,737)
Profit before taxation	1,325	2,024	5,760	5,122
Taxation	(2,300)	2,591	(2,923)	1,898
(Loss)/profit after taxation	(975)	4,615	2,837	7,020
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the financial period	(975)	4,615	2,837	7,020
(Loss)/profit after taxation:				
Owners of the Company	(822)	1,792	(1,918)	159
Non-controlling interest	(153)	2,823	4,755	6,861
	(975)	4,615	2,837	7,020



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-Dec-2017 RM'000	Preceding Period Corresponding Quarter 31-Dec-2016 RM'000	Current Period To Date 31-Dec-2017 RM'000	Preceding Period Corresponding To Date 31-Dec-2016 RM'000
Total comprehensive (loss)/income for the financial period attributable to:				
Owners of the Company	(822)	1,792	(1,918)	159
Non-controlling interest	(153)	2,823	4,755	6,861
	<u>(975)</u>	<u>4,615</u>	<u>2,837</u>	<u>7,020</u>
(Loss)/earnings per share attributable to owners of the Company:				
Basic (sen)	(0.16)	0.42	(0.38)	0.04
Diluted (sen)	N/A	N/A	N/A	N/A

Notes :

N/A – Not applicable

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 2016 and the accompanying explanatory notes in this interim financial report.



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Unaudited Condensed Consolidated Statements of Financial Position

	UNAUDITED As at 31-Dec-2017 RM'000	AUDITED As at 31-Dec-2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	157,131	159,089
Prepaid expenses	464	657
Goodwill on consolidation	205	205
Deferred tax assets	-	2,125
	<u>157,800</u>	<u>162,076</u>
Current assets		
Inventories	38,046	33,509
Trade receivables	17,240	15,698
Other receivables, deposits and prepaid expenses	8,100	5,091
Amount owing by a related party	48,513	55,212
Current tax assets	903	833
Derivative assets	1,398	-
Fixed deposits with licensed banks	8,443	14,636
Cash and bank balances	6,409	6,764
	<u>129,052</u>	<u>131,743</u>
TOTAL ASSETS	<u>286,852</u>	<u>293,819</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	86,479	48,326
Share premium	-	31,190
Merger deficit	(12,900)	(12,900)
Retained profits	24,396	26,314
Total equity attributable to owners of the company	<u>97,975</u>	<u>92,930</u>
Non-controlling interest	<u>32,870</u>	<u>28,889</u>
Total Equity	<u>130,845</u>	<u>121,819</u>



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

	UNAUDITED As at 31-Dec-2017 RM'000	AUDITED As at 31-Dec-2016 RM'000
Non-current liability		
Long-term borrowings	32,634	41,289
Deferred tax liabilities	6	-
	<u>32,640</u>	<u>41,289</u>
Current liabilities		
Trade payables	24,686	28,770
Other payables and accrued expenses	25,785	29,886
Short-term borrowings	71,145	70,616
Amount owing to a related party	-	4
Bank overdrafts	1,751	825
Derivative liabilities	-	610
	<u>123,367</u>	<u>130,711</u>
Total liabilities	<u>156,007</u>	<u>172,000</u>
TOTAL EQUITY AND LIABILITIES	<u>286,852</u>	<u>293,819</u>
Net assets per share attributable to owners of the Company (sen)	<u>19.35</u>	<u>21.71</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 2016 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 31-Dec-2017 RM'000	Preceding Year Corresponding To Date 31-Dec-2016 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	5,760	5,122
Adjustments for :		
Allowance for impairment loss on receivables	-	320
Depreciation of property, plant and equipment	21,382	15,143
Fair value (gain)/loss on derivatives	(2,008)	426
Loss on disposal of equipment	25	11
Written off on plant and equipment	-	459
Interest expenses	5,114	4,737
Interest income	(360)	(312)
Unrealised gain on foreign exchange	(702)	(895)
Operating profit before working capital changes	29,211	25,011
Increase in inventories	(4,537)	(11,821)
Increase in trade and other receivables	(5,461)	(5,682)
(Decrease)/increase in trade and other payables	(7,392)	11,426
Decrease/(increase) in amount owing by a related party	567	(8,846)
Cash generated from operations	12,388	10,088
Interest paid	(5,114)	(4,737)
Income tax paid	(861)	(1,173)
Net cash from operating activities	6,413	4,178
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	360	312
Purchase of property, plant and equipment	(13,173)	(30,710)
Proceeds from disposal of equipment	353	22
Net cash used in investing activities	(12,460)	(30,376)
Balance carried forward	(6,047)	(26,198)



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

	Current Year To Date 31-Dec-2017 RM'000	Preceding Year Corresponding To Date 31-Dec-2016 RM'000
Balance brought forward	(6,047)	(26,198)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Changes in pledged fixed deposits	(608)	(1,235)
Drawdown of term loans	-	1,911
Dividend paid on ordinary shares	-	(1,207)
Net drawdown of bills payable	4,247	20,309
Dividend paid to non-controlling interest	(774)	(1,111)
Net repayment of hire purchase obligations	(9,431)	(7,061)
Proceeds from issuance of shares upon exercise of warrants	-	30,703
Proceeds from special bumiputera issue	-	2,653
Repayment of term loans	(5,012)	(4,871)
Repayment to a related party	(4)	(595)
Share issuance of expenses upon private placement exercise	(82)	-
Proceeds from private placement exercise	7,045	-
Net cash (used in)/from financing activities	<u>(4,619)</u>	<u>39,496</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(10,666)	13,298
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	2,584	684
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>16,940</u>	<u>2,958</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>8,858</u></u>	<u><u>16,940</u></u>
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	8,443	14,636
Cash and bank balances	6,409	6,764
Bank overdrafts	(1,751)	(825)
Less: Fixed deposits pledged to licensed banks	(4,243)	(3,635)
	<u><u>8,858</u></u>	<u><u>16,940</u></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 2016 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 1.1.2017	48,326	31,190	(12,900)	26,314	92,930	28,889	121,819
Contributions by / distributions to owners of the Company :-							
Shares issued pursuant to Private Placement	7,045	-	-	-	7,045	-	7,045
Shares issued expenses pursuant to Private Placement	-	(82)	-	-	(82)	-	(82)
Dividend paid to non- controlling interest	-	-	-	-	-	(774)	(774)
Total transactions with the owners of the Company	7,045	(82)	-	-	6,963	(774)	6,189
Loss after taxation / Total comprehensive loss for the financial period	-	-	-	(1,918)	(1,918)	4,755	2,837
Transfer in accordance with Section 618(2) of the Companies Act 2016	31,108	(31,108)	-	-	-	-	-
Balance at 31.12.2017	86,479	-	(12,900)	24,396	97,975	32,870	130,845



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

	← Non-distributable →						
	Share Capital	Share Premium	Merger Deficit	Distributable Retained Profits	Attributable To Owners of The Company	Non-Controlling Interest	Total Equity
	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)
Dividends paid to non-controlling interest	-	-	-	-	-	(1,110)	(1,110)
Total transactions with the owners of the Company	10,424	22,933	-	(1,207)	32,150	(1,110)	31,040
Profit after taxation / Total comprehensive income for the financial year	-	-	-	159	159	6,861	7,020
Balance at 31.12.2016	48,326	31,190	(12,900)	26,314	92,930	28,889	121,819

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 2016 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 2016 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 2016. The Group has not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) that have been issued, but yet to be effective:

MFRS 9	Financial Instruments ¹
MFRS 15	Revenue from Contracts with Customers (and the related clarifications) ¹
MFRS 16	Leases ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle ¹
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹
IC Interpretation 23	Uncertainty over Income Tax Payments ²
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective date deferred to date to be determined and announced by MASB

The adoption of the abovementioned standards when they become effective, are not expected to have material impact on the financial statements of the Group in the period of initial application.



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2. Auditors' Report on Preceding Annual Financial Statements

The auditors' reports for the Company and its subsidiaries for the financial year ended 31 December 2016 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 23,100,000 new ordinary shares of RM0.3050 each pursuant to the private placement which given rise to a total consideration of RM7,045,500

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.



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11. Contingent Liabilities and Contingent Assets

The Group has no outstanding contingent liabilities and contingent assets as at 26 February 2018 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-2017 (UNAUDITED) RM'000
<u>Authorised and contracted but not provided for:-</u>	
Construction of building	17,090
Construction of plant and machineries	10,351
	<hr/> 27,441 <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 2017 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.



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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-2017 (UNAUDITED) RM'000
Sales to a related party	213,982
Transactions with a close member of the family of a director:	
Insurance and renewal of road tax services expenses	757
Rental paid	62
Transactions with directors:	
Rental paid	109

(c) Key management personnel

	12 Months Ended 31-Dec-2017 (UNAUDITED) RM'000
Short-term employee benefits	3,460



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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE LISTING REQUIREMENTS

1. Financial review for current quarter and financial year to date

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	Current Year Quarter 31/12/2017 (UNAUDITED)	Preceding Year Corresponding Quarter 31/12/2016 (UNAUDITED)	Changes		Current Year To-Date 31/12/2017 (UNAUDITED)	Preceding Year Corresponding Period 31/12/2016 (UNAUDITED)	Changes	
			RM'000	%			RM'000	%
Revenue	76,001	69,442	6,559	9.4	322,575	229,436	93,139	40.6
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	6,007	8,662	(2,655)	(30.6)	28,690	24,531	4,159	17.0
Profit before interest and tax ("PBIT")	2,611	3,435	(824)	(24.0)	10,874	9,859	1,015	10.3
Profit before taxation ("PBT")	1,325	2,024	(699)	(34.5)	5,760	5,122	638	12.5
(Loss)/profit after taxation ("PAT")	(975)	4,615	(5,590)	(121.1)	2,837	7,020	(4,183)	(59.6)
(Loss)/profit attributable to owners of the Company	(822)	1,792	(2,614)	(145.9)	(1,918)	159	(2,077)	(1,306.3)

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

The Group recorded a revenue of approximately RM76 million during the quarter ended 31 December 2017, an increase of RM6.6 million or 9% against approximately RM69 million in the corresponding quarter last year. This increase was due to higher sales from the newly installed lines fully commissioned near the end of financial year 2016 and higher average selling prices.

Despite the higher sales revenue, the Group's PBT has decreased by 35% which was contributed by higher depreciation cost and other operating cost incurred for the newly installed lines. Profit attributable to the owners of the Company decreased was mainly due to an approximately RM2.1 million of deferred tax credit recognised in year 2016 and RM2.1 million of deferred tax expenses recognised in year 2017.

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

In the cumulative period ended 31 December 2017, the Group recorded a revenue of approximately RM323 million, an increase of RM93 million or 41% against approximately RM229 million in the preceding year corresponding period. Overall, the Group's PBT has improved by 13% which was mainly contributed by the higher sales and better capacity utilization. Profit attributable to the owners of the Company decreased was mainly due to an approximately RM2.1 million of deferred tax credit recognised in year 2016 and RM2.1 million of deferred tax expenses recognised in year 2017.



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

	Current Quarter 31/12/2017 (UNAUDITED)	Immediate Preceding Quarter 30/9/2017 (UNAUDITED)	Changes	
	RM'000	RM'000	RM'000	%
Revenue	76,001	78,982	(2,981)	(3.8)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	6,007	6,784	(777)	(11.4)
Profit before interest and tax ("PBIT")	2,611	1,947	664	34.1
Profit before tax ("PBT")	1,325	690	635	92.0
(Loss)/profit after tax ("PAT")	(975)	485	(1,460)	(301.0)
Loss attributable to owners of the Company	(822)	(1,442)	620	43.0

The Group has recorded a decrease in revenue by RM3 million or 4% from the preceding quarter which was mainly due to the decrease of sales volume by 1% as a result of pricing pressure.

However, the Group's PBT and profit attributable to owners of the Company has managed to show an improvement with an increase of 92% and 43% respectively from the previous quarter due primarily to better efficiency.

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 over the last quarter 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 3.9 billion pieces of gloves from the twenty-six (26) lines in the Group's three (3) factories. In the coming quarters we are optimistic in achieving higher capacity utilization and sales.



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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. Taxation

The Group's taxation figures was as follows:

	3 Months Ended 31-Dec-2017 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2017 (UNAUDITED) RM'000
Income tax		
- Current period	168	791
Deferred taxation		
- Current period	2,132	2,132
	<u>2,300</u>	<u>2,923</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-2017 (UNAUDITED) RM'000	As at 31-Dec-2016 (UNAUDITED) RM'000
Total retained profits, net of consolidation adjustments:		
Realised	45,477	43,347
Unrealised	2,265	2,411
	<u>47,742</u>	<u>45,758</u>
Less: Consolidation adjustments	(23,346)	(19,444)
As at 31.12.2017 / 31.12.2016	<u>24,396</u>	<u>26,314</u>



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7. Profit/(Loss) Before Tax

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

	3 Months Ended 31-Dec-2017 (UNAUDITED) RM'000	3 Months Ended 31-Dec-2016 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2017 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2016 (UNAUDITED) RM'000
Allowance for doubtful debts	-	320	-	320
Depreciation of property, plant and equipment	5,498	4,295	21,382	15,143
Fair value (gain)/loss on derivatives	(1,112)	411	(2,008)	426
Loss on disposal of equipment	23	17	25	11
Witten off on plant and equipment	-	459	-	459
Interest expenses	1,286	1,411	5,114	4,737
Interest income	(185)	(218)	(360)	(312)
Rental expenses	105	85	372	313
Realised loss/(gain) on foreign exchange	328	(1)	924	(284)
Rental income	(11)	(10)	(41)	(39)
Unrealised (gain)/loss on foreign exchange	(379)	35	(702)	(895)

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:-

On 20 July 2017 & 25 July 2017, on behalf of the Board of Director of the Company ("Board"), RHB Investment Bank Berhad ("RHBIB") had announced that the Company proposed to undertake a private placement of up to 48,325,979 new ordinary shares ("Careplus Shares"), representing up to 10% of the total number of issued shares of Careplus (excluding treasury shares) to third party investors to be identified later ("Private Placement").

The listing application for the Private Placement had been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 27 July 2017 in which the approval was obtained on 31 July 2017.



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8. Status of Corporate Proposal (Cont'd)

On 28 September 2017, the Company had allotted and issued 23,100,000 Careplus Shares under the Private Placement and there will be 25,225,979 remaining new Careplus Shares allowable to be allotted and issued under the Private Placement.

On 12 January 2018, on behalf of the Board, RHBIB had announced that an application had been submitted to Bursa Securities to seek for its approval for an extension of time up to 30 July 2018 for the implementation of the Private Placement ("Extension Application") in which the approval was obtained on 17 January 2018.

9. Group Borrowings and Debt Securities

(a) The Group's borrowings as at 31 December 2017 and 31 December 2016 were as follows:

	<u>As at 31 December 2017</u>		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Bank overdrafts	-	1,751	1,751
Hire purchase	19,227	9,680	28,907
Term loans	13,407	4,788	18,195
Bills payable	-	56,677	56,677
	<u>32,634</u>	<u>72,896</u>	<u>105,530</u>

	<u>As at 31 December 2016</u>		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Bank overdrafts	-	825	825
Hire purchase	23,125	8,585	31,710
Term loans	18,164	5,041	23,205
Bills payable	-	56,989	56,989
	<u>41,289</u>	<u>71,440</u>	<u>112,729</u>

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

(c) As at 31 December 2017, the weighted average interest rate of borrowings was ranging from 2.83% to 5.90% (31.12.2016: 2.73% to 6.04%).

(d) Included in bill payables, there is a total amount of RM39.2 million (31.12.2016: RM42.6 million) denominated in USD.



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10. Derivatives Financial Instruments

As at 31 December 2017, 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	48,653	1,398

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.



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13. Earnings Per Share

The computation of basic and diluted earnings per share for the financial period ended 31 December 2017 and 31 December 2016 was as follows:-

(a) Basic

	3 Months Ended 31-Dec-2017 (UNAUDITED)	3 Months Ended 31-Dec-2016 (UNAUDITED)	12 Months Ended 31-Dec-2017 (UNAUDITED)	12 Months Ended 31-Dec-2016 (UNAUDITED)
(Loss)/profit attributable to owners of the Company (RM'000)	(822)	1,792	(1,918)	159
Weighted average number of ordinary shares ('000)				
- Issued ordinary shares at 1 January	483,260	379,020	483,260	379,020
- Effect of warrant 2011/2016 exercise in exchange of new ordinary shares ('000)	-	45,475	-	45,475
- Effect of special bumiputera issue	-	3,579	-	3,579
- Effect of private placement exercise	23,100	-	23,100	-
Weighted average number of ordinary shares as at 31 December ('000)	506,360	428,074	506,360	428,074
Basic (loss)/earnings per share (sen)	<u>(0.16)</u>	<u>0.42</u>	<u>(0.38)</u>	<u>0.04</u>



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13. Earnings Per Share (Cont'd)

(b) Diluted

Diluted earnings per share is not applicable for the financial period ended 31 December 2017 & 31 December 2016 as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.

14. Authorization for Issue

The quarterly unaudited financial statements were authorised for issue by the Board in accordance with a resolution dated 26 February 2018.