



# CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

## Unaudited Quarterly Financial Report for the 4<sup>th</sup> Quarter Ended 31 December 2020

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-Dec-2020 RM'000	Preceding Period Corresponding Quarter 31-Dec-2019 RM'000	Current Period To Date 31-Dec-2020 RM'000	Preceding Period Corresponding To Date 31-Dec-2019 RM'000
Revenue	129,331	108,727	475,630	365,113
Cost of sales	(73,798)	(104,862)	(340,207)	(357,182)
Gross profit	55,533	3,865	135,423	7,931
Other operating income/(expense)	3,330	(443)	19,503	(1,191)
Administration expenses	(3,633)	(2,435)	(12,695)	(9,482)
Finance costs	(434)	(1,259)	(3,630)	(5,190)
Shares of profit in joint venture	4,733	-	9,986	-
Profit/(loss) before taxation	59,529	(272)	148,587	(7,392)
Taxation	(17,247)	274	(26,096)	114
Profit/(loss) after taxation	42,282	2	122,491	(7,818)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the financial period	42,282	2	122,491	(7,818)
<b>Profit/(Loss) after taxation:</b>				
Owners of the Company	42,297	783	122,506	(5,751)
Non-controlling interest	(15)	(781)	(15)	(2,067)
	42,282	2	122,491	(7,818)



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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-2020 RM'000	Preceding Period Corresponding Quarter 31-Dec-2019 RM'000	Current Period To Date 31-Dec-2020 RM'000	Preceding Period Corresponding To Date 31-Dec-2019 RM'000
<b>Total comprehensive Income/(loss) for the financial period attributable to:</b>				
Owners of the Company	42,297	783	122,506	(5,751)
Non-controlling interest	(15)	(781)	(15)	(2,067)
	<u>42,282</u>	<u>2</u>	<u>122,491</u>	<u>(7,818)</u>
<b>Profit/(loss) per share attributable to owners of the Company:</b>				
Basic (sen)	7.87	0.15	22.79	(1.08)

#### **Notes :**

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 2019 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-2020 RM'000	AUDITED As at 31-Dec-2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in joint venture	54,245	-
Amount owing by related party	5,300	-
Property, plant and equipment	180,313	144,608
Prepaid expenses	347	347
Goodwill on consolidation	205	205
	<u>240,410</u>	<u>145,160</u>
<b>Current assets</b>		
Inventories	53,845	45,439
Trade receivables	63,638	38,656
Other receivables, deposits and prepaid expenses	6,070	4,655
Amount owing by a related party	3,952	26,506
Current tax assets	-	678
Derivative assets	2,447	207
Fixed deposits with licensed banks	42,233	5,155
Cash and bank balances	30,090	5,697
	<u>202,275</u>	<u>126,993</u>
<b>TOTAL ASSETS</b>	<u>442,685</u>	<u>272,153</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	136,115	90,475
Merger deficit	-	(11,521)
Retained profits	125,959	17,676
	<u>262,074</u>	<u>96,630</u>
Non-controlling interest	369	-
<b>Total equity</b>	<u>262,443</u>	<u>96,630</u>



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## Unaudited Quarterly Financial Report for the 4<sup>th</sup> Quarter Ended 31 December 2020

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

	UNAUDITED As at 31-Dec-2020 RM'000	AUDITED As at 31-Dec-2019 RM'000
<b>Non-current liability</b>		
Amount owing to a related party	10,609	10,351
Long-term borrowings	11,443	18,430
Deferred tax liabilities	3,894	921
	<u>25,946</u>	<u>29,702</u>
<b>Current liabilities</b>		
Trade payables	20,191	44,847
Other payables and accrued expenses	110,076	20,656
Amount owing to related parties	2,126	11,602
Amount due to Director	3	-
Short-term borrowings	19,497	68,131
Tax payable	2,403	-
Bank overdrafts	-	585
	<u>154,296</u>	<u>145,821</u>
<b>Total liabilities</b>	<u>180,242</u>	<u>175,523</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>442,685</u>	<u>272,153</u>
Net assets per share attributable to owners of the Company (sen)	<u>48.76</u>	<u>18.19</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 2019 and the accompanying explanatory notes in this interim financial period.



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Unaudited Quarterly Financial Report for the 4<sup>th</sup> Quarter Ended 31 December 2020

## Unaudited Condensed Consolidated Statements of Cash Flows

	Current Year To Date 31-Dec-2020 RM'000	Preceding Year Corresponding To Date 31-Dec-2019 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	148,587	(7,932)
Adjustments for:		
Allowance for doubtful debts on trade receivables	183	61
Allowance for doubtful debts on amount owing by a related party	-	153
Gain on disposal of subsidiary	(15,445)	-
Property, plant and equipment written off	-	128
Depreciation of property, plant and equipment	15,775	20,477
Fair value (gain)/loss on derivatives	(2,283)	66
(Gain)/Loss on disposal of equipment	(4)	74
Inventories written down to net realisable value	-	4,535
Interest expenses	3,542	5,190
Interest income	(550)	(312)
Share of profit in joint venture	(9,986)	-
Unrealised gain on foreign exchange	(938)	(434)
Operating profit before working capital changes	138,881	22,005
Increase in inventories	(27,525)	(8,072)
Increase in trade and other receivables	(47,603)	(12,381)
(Decrease)/ Increase in trade and other payables	88,005	11,122
Decrease in amount owing by a related party	27,910	35,418
Increase in amount owing to Director	3	-
Cash generated from operations	179,671	48,092
Income tax paid	(20,593)	(896)
Income tax refund	492	599
<b>Net cash from operating activities</b>	159,570	47,795
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Interest received	550	312
Purchase of property, plant and equipment	(92,311)	(14,633)
Proceeds from disposal of equipment	179	83
Acquisition of non-controlling interests	(5,750)	(5,750)
Disposal of subsidiary	12,676	-
Increased capital in related Company	(7,000)	-
Acquisition of Centro Heights Sdn Bhd	(2,965)	-
Acquisition of Time Aircraft Manufacturing Sdn Bhd	(23,124)	-
<b>Net cash used in investing activities</b>	(117,745)	(19,988)
<b>Balance carried forward</b>	41,825	27,807



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## Unaudited Quarterly Financial Report for the 4<sup>th</sup> Quarter Ended 31 December 2020

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

	Current Year To Date 31-Dec-2020 RM'000	Preceding Year Corresponding To Date 31-Dec-2019 RM'000
<b>Balance brought forward</b>	41,825	27,807
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Placement in pledged fixed deposits	(4,084)	1,157
Net drawdown/(repayment) of bills payable	(21,834)	(8,788)
Drawdown of term loan	4,350	4,430
Net drawdown/(repayment) of hire purchase obligations	2,036	(9,227)
Repayment of term loans	(449)	(7,721)
Proceeds from issuance from shares of private placement	45,640	-
Dividend paid to non-controlling interest	(5,852)	(6,410)
Interest paid	(2,871)	(5,190)
<b>Net cash from/(used in) financing activities</b>	16,935	(31,749)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	58,760	(3,942)
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>	(788)	796
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	6,118	9,264
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	64,090	6,118
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Fixed deposits	42,233	5,155
Cash and bank balances	30,090	5,697
Bank overdrafts	-	(585)
Less: Fixed deposits pledged to licensed banks	(8,233)	(4,149)
	64,090	6,118

#### 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 2019 and the accompanying explanatory notes in this interim financial report



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## Unaudited Quarterly Financial Report for the 4<sup>th</sup> Quarter Ended 31 December 2020

### Unaudited Condensed Consolidated Statements of Changes in Equity

	← Non-distributable →		Distributable		Attributable	Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Merger Deficit	Retained Profits	To Owners of The Company		
	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance at 1.1.2020	90,475	-	(11,521)	17,676	96,630	-	96,630
Contributions by / distributions to owners of the Company:							
Shares issued pursuant to private placement	45,640	-	-	-	45,640	-	45,640
Acquisition of new subsidiary	-	-	-	-	-	384	384
Dividend declared on ordinary shares	-	-	-	(2,702)	(2,702)	-	(2,702)
Total transactions with the owners of the Company	45,640	-	-	(2,702)	42,938	384	43,322
Reclassification of Merger Deficit	-	-	11,521	(11,521)	-	-	-
Profit after taxation / Total comprehensive income for the financial period	-	-	-	122,506	122,506	(15)	122,491
<b>Balance at 31.12.2020</b>	<b>136,115</b>	<b>-</b>	<b>-</b>	<b>125,959</b>	<b>262,074</b>	<b>369</b>	<b>262,443</b>



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

	← Non-distributable →			Distributable Retained Profits RM'000	Attributable To Owners of The Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000				
	Balance at 1.1.2019	90,475	-				
Contributions by / distributions to owners of the Company:							
Shares purchased from non-controlling interest	-	-	-	454	454	(22,305)	(21,851)
Dividend paid to non- controlling interest	-	-	-	-	-	(12,262)	(12,262)
Total transactions with the owners of the Company	-	-	-	454	454	(34,567)	(34,113)
Loss after taxation / Total comprehensive loss for the financial period	-	-	-	(5,751)	(5,751)	(2,067)	(7,818)
<b>Balance at 31.12.2019</b>	<b>90,475</b>	<b>-</b>	<b>(11,521)</b>	<b>17,676</b>	<b>96,630</b>	<b>-</b>	<b>96,630</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 2019 and the accompanying explanatory notes in this interim financial report.





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## Unaudited Quarterly Financial Report for the 4<sup>th</sup> Quarter Ended 31 December 2020

### 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 2019 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 2019 except for the adoption of the following new MFRS/amendments with effect from 1 January 2020:

MFRSs	Amendments to References to the Conceptual Framework MFRS Standards
Amendments to MFRS 3	Definition of Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material

The adoption of the abovementioned standards did not have material impact on the financial statements of the Group.



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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 2019 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 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

There was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current financial quarter under review.

### 7. Dividend Paid

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

### 8. Segmental Reporting

The Group's business comprises 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. Valuation of inventories

Reviews are made monthly by management on expected selling price and economic trends when assessing the net realisable value of inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. There were no provision inventories written down for this quarter.

### 12. Contingent Liabilities and Contingent Assets

The Group has no outstanding contingent liabilities and contingent assets as at 19 February 2021 which might materially and adversely affect the position or business of the Group.

### 13. 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 31-Dec-2020 (UNAUDITED) RM'000</b>
<u>Authorised and contracted but not provided for:-</u>	
Construction of building	10,330
Construction of plant and machineries	51,933
	<u>62,263</u>
 <u>Authorised but not contracted and not provided for:-</u>	
Land and building	95,000
Construction of plant and machineries	35,000
	<u>130,000</u>

### 14. Events Subsequent to the End of the Interim Reporting Period

On 16 February 2021, the Board of Directors of Careplus announced that Careplus has entered into a conditional Share Acquisition Agreement to acquire the entire issued share capital of Shin Heung Electronics Malaysia Sdn. Bhd., comprising 20,302,450 ordinary shares for a total cash consideration of RM9.31 million.



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### 15. 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>12 Months Ended 31-Dec-2020 (UNAUDITED) RM'000</b>
Transactions with a close member of the family of a director:	
Insurance and renewal of road tax services expenses	302
Rental paid	80
Transactions with directors:	
Rental paid	155

(c) Key management personnel

	<b>12 Months Ended 31-Dec-2020 (UNAUDITED) RM'000</b>
Short-term employee benefits	6,224

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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			
	Current Year Quarter 31/12/2020 (UNAUDITED)	Preceding Year Corresponding Quarter 31/12/2019 (UNAUDITED)	Changes	
			RM'000	%
Revenue	129,331	108,727	20,604	18.95
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	55,006	6,097	48,909	802.18
Profit before interest and tax ("PBIT")	59,963	987	58,976	5,975.28
Profit/(Loss) before taxation ("PBT/(LBT)")	59,529	(272)	59,801	21,985.66
Profit after taxation ("PAT")	42,282	2	42,280	2,114,000.00
Profit attributable to owners of the Company	42,297	783	41,514	5,301.92

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

The Group recorded a revenue of approximately RM129.3 million for the quarter ended 31 December 2020, which is 18.95% higher than the revenue in the last year's corresponding quarter. The Group's revenue has increased on the back of higher selling price.

The Group's PBT and profit attributable to owners of the Company has improved significantly which were contributed by:

1. Higher glove sales, higher utilisation rate and higher selling prices as a result of surge in demand due to the COVID-19 pandemic.
2. Profit attributable to owners include the 50% sharing of profit earned from the Joint Venture between Careplus M and Ansell but revenue recorded from joint venture Company is not consolidated. Please refer to note 9, in pages 20 and 21 for details.



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### 1. Financial review for current quarter and financial year to date (cont'd)

	CUMULATIVE PERIOD			
	Current Year-to-Date 31/12/2020 (UNAUDITED)	Preceding Year Corresponding Period 31/12/2019 (UNAUDITED)	Changes	
			RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	475,630	365,113	110,517	30.27
EBITDA	136,836	16,375	120,461	735.64
PBIT/(Loss) before interest and tax ("LBIT")	152,217	(2,742)	154,959	5,651.31
PBT/(LBT)	148,587	(7,932)	156,519	1,973.26
PAT/(LAT)	122,491	(7,818)	130,309	1,666.78
Profit/(Loss) attributable to owners of the Company	122,506	(5,751)	128,257	2,230.17

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

The Group recorded a revenue increase of approximately RM110.5 million during the quarter ended 31 December 2020, an increase of 30.27% against the revenue in the corresponding quarter last year. This is mainly due to increase in selling prices arising from the surge in demand due to the Covid-19 pandemic and higher selling price.

The cumulative profits have increased significantly as a result of higher sales volume, average selling price and better production efficiency. It included a one-off gain of RM15.4 million from the disposal of 50% equity interest in Careplus M for the Joint Venture with Ansell in Quarter 2.

A larger tax provision of RM26.10 million provided in year 2020 as compared with tax income of RM0.1 million recorded in year 2019 shows an increase of RM26.21 million. This were as result of higher profits as well as higher provision of deferred tax liabilities.



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

	Current Quarter 31/12/2020 (UNAUDITED)	Immediate Preceding Quarter 30/9/2020 (UNAUDITED)	Changes	
	RM'000	RM'000	RM'000	%
Revenue	129,331	122,705	6,626	5.40
EBITDA	55,006	47,106	7,900	16.77
PBIT	59,963	50,380	9,583	19.02
PBT	59,529	49,733	9,796	19.70
PAT	42,282	42,856	(574)	(1.34)
Profit attributable to owners of the Company	42,297	42,856	(559)	(1.30)

The Group recorded an increase in revenue of RM6.63 million or 5.4% from the immediate preceding quarter. The Group's PBT only increased by RM9.80 million or 19.70%.

Higher cost for the Group of companies was incurred in quarter 4 mainly due to:

1. Higher staff costs of RM4.63 million in the form of additional bonuses and incentives.
2. Provision of RM6.66 million towards Migrant Labour Relief Fund. RM3.33 million were paid out to the foreign workers in January 2021 while the balance will be paid in April/May 2021.
3. Covid-19 Mitigation and Preventive Measures undertaken in November 2020 arising from the detection of the virus among some of our employees. The total costs of RM3.05 million in quarter 4 has been spent for disinfection and sanitization of the factory buildings and workers quarters, Covid-19 screening for all employees and arrangements for temporary accommodation for the affected workers.
4. A provision of RM7.30 million for ongoing regulatory compliance matters which are sales tax in nature. The Company is making an appeal on this matter.
5. Profit attributable to the owners of the Company decreased by 1.30% mainly due to various provisions made in the current quarter.



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### 3. Prospects

We are now running 30 lines with an annual capacity of 4.86 billion pieces of gloves. By mid of June 2021, we shall complete installation of 10 lines and another 8 lines by the end of 2021, with an addition of 9 lines in planning stage to be completed by end of 2022.

As a result, the Group will have 57 production lines with an annual capacity of 10.5 billion pieces of medical and surgical gloves by end 2022. The Group has also put in place to increase surgical gloves packing facilities from 72 million pairs to 288 million pairs annually by end 2021.

Barring any unforeseen circumstances, we are confident we will be able to commission and run all the production as planned.

### 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 were as follows:

	<b>3 Months Ended 31-Dec-2020 (UNAUDITED) RM'000</b>	<b>12 Months Ended 31-Dec-2020 (UNAUDITED) RM'000</b>
Current tax		
- Current period	14,274	23,123
Deferred tax		
- Current period	2,973	2,973
	<u>17,247</u>	<u>26,096</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.





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

	As at 31-Dec-2020 (UNAUDITED) RM'000	As at 31-Dec-2019 (UNAUDITED) RM'000
Total retained profits, net of consolidation adjustments:		
Realised	128,797	30,284
Unrealised	(1,044)	(280)
	127,753	30,005
Less: Consolidation adjustments	(1,794)	(12,329)
As at 31.12.2020 / 31.12.2019	125,959	17,676

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

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

	3 Months Ended 31-Dec-2020 (UNAUDITED) RM'000	3 Months Ended 31-Dec-2019 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2020 (UNAUDITED) RM'000	12 Months Ended 31-Dec-2019 (UNAUDITED) RM'000
Depreciation of property, plant and equipment	3,459	5,254	15,775	20,840
Fair value (gain)/loss on derivatives	(1,337)	(236)	(2,250)	1,124
(Gain)/Loss on disposal of equipment	(12)	(19)	(4)	(48)
Interest expenses	434	1,259	3,630	5,496
Interest income	(351)	(210)	(550)	(125)
Rental expenses	323	171	986	463
Realised (gain)/loss on foreign exchange	(1,436)	(171)	(2,285)	(2,345)
Rental income	(11)	(11)	(54)	(50)
Unrealised loss/(gain) on foreign exchange	(465)	241	(605)	(642)

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: -

- (a) On 5 February 2020, UOBKH had, on behalf of our Board of Director of the Company (“Board”) announced that Careplus had, on February 2020 entered into a joint venture arrangement with Ansell Services (Asia) Sdn Bhd (“Ansell”) (“Joint Venture”) comprising, amongst others, the disposal by Careplus of 50% equity interest in Careplus (M) Sdn Bhd (“Careplus M”), consisting of 14,550,000 ordinary shares in Careplus M (“Careplus M Share(s)”) for a disposal consideration of approximately RM26.81 million, subject to adjustments, to be satisfied entirely by cash (“Disposal Consideration”) (“Disposal”), via a conditional share purchase agreement (“SPA”) entered into between Careplus and Ansell on even date.

The Disposal had become unconditional and was completed on 14 May 2020, following which, Careplus M ceased to be a wholly-owned subsidiary of Careplus and became a 50% of joint venture of Careplus.

The status of utilisation of the Disposal Consideration are set out as follows: -

Details of Utilisation	Timeframe for utilisation	Initial Consideration RM'000	Retained Consideration RM'000	Total Disposal Consideration RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Careplus M Subscription	Upon Completion	10,500	-	10,500	10,500	-
Capital expenditure	Within 6 months upon receipt of the proceeds	10,000	-	10,000	10,000	-
Working capital	Within 30 months upon receipt of the proceeds	815	5,394	6,209	815	5,394
Estimated expenses for the Joint Venture	Upon Completion	260	-	260	260	-
<b>Total</b>		<b>21,575</b>	<b>5,394</b>	<b>26,969</b>	<b>11,575</b>	<b>5,394</b>

- (b) On 5 June 2020, UOBKH had, on behalf of our Board, announced that Careplus proposed to undertake the establishment of a share grant plan (“SGP”) of up to 10% of the total number of issued shares in Careplus (excluding treasury shares, if any) at any point in time during the duration of the SGP for the eligible Executive Directors and employees of Careplus Group. The SGP was approved by the shareholders of Careplus at the Extraordinary General Meeting held on 8 July 2020 and is pending implementation by the Board. On 11 December 2020, Careplus obtained approval from Bursa Securities for an extension of time of 6 months, from 12 December 2020 until 11 June 2021, for Careplus to implement the SGP.

The SGP, when implemented, shall be in force for an initial period of 5 years, and may be extended for an aggregate duration of up to 10 years.



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- (c) On 12 June 2020, AmlInvestment Bank Berhad (“**AmlInvestment Bank**”) had, on behalf of the Board of Directors of Careplus Group Berhad (“**Careplus**” or the “**Company**”) (“**Board**”), announced that the Company proposed to undertake a private placement of up to 53,135,900 new ordinary shares in Careplus (“**Careplus Shares**”) (“**Placement Shares**”), representing up to 10% of the total number of issued shares in Careplus of 531,359,799 Careplus Shares as at 11 June 2020 (“**Private Placement**”).

On 23 June 2020, AmlInvestment Bank had, on behalf of the Board, announced that Bursa Malaysia Securities Berhad (“**Bursa Securities**”) had, vide its letter dated 23 June 2020, approved the listing and quotation of up to 53,135,900 Placement Shares on the ACE Market of Bursa Securities (“**Bursa Securities’ Approval**”).

On 17 December 2020, AmlInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 17 December 2020, approved the Company’s application for an extension of time until 22 June 2021 to complete the implementation of the Private Placement.

As at 19 February 2021, the Company had successfully placed out 18,720,000 Placement Shares on the ACE Market of Bursa Securities pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM46.42 million.

The table below sets out the status of utilisation of proceeds raised from the Private Placement as mentioned above amounting to RM46.42 million:

Descriptions	Proposed Utilisation* RM'000	Actual Proceeds Raised RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated timeframe for the utilisation of proceeds from the date of listing of the Placement Shares
Capital Expenditure	76,511	45,638	34,820	10,818	Within 12 months
Working Capital	5,000	-	-	-	Within 12 months
Estimated expenses in relation to the Private Placement	1,450	784	784	-	Within 1 month
<b>Total Proceeds</b>	<b>82,961</b>	<b>46,422</b>	<b>35,604</b>	<b>10,818</b>	

*Note:*

\* As per announcement dated 12 June 2020



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- (d) On 22 July 2020, the Board of Directors of Careplus (“Board”) had announced that the Company and Tang Kin San (“TKS”) (collectively, “the Purchasers”) entered into a conditional Share Acquisition Agreement (“SAA”) with Chang Keng Chiang, Chang Sze Wei and Chang Kai Ping (collectively, “the Vendors”) to collectively acquire the entire enlarged issued share capital of Centro Heights Sdn. Bhd. (“Centro”), which will comprise 3,800,000 ordinary shares in Centro (“Sale Shares”) for a total purchase price of RM3.8 million, payable in the following proportions by the Purchasers: Careplus (90%) and TKS (10%) (“Proposed Acquisition”). Upon completion of the Proposed Acquisition, Careplus will own 90% equity interest in Centro, while the remaining 10% equity interest will be held by TKS. The intended business for Centro is to manage its properties (comprising a hotel in Seremban) as workers’ hostels for Careplus’ workers and would enable Careplus to consolidate its workers’ hostels in a central location to enable efficient management and ease of administrative purposes.

Separately, the Company had also on 22 July 2020 entered into a Commitment and Option Agreement (“Option Agreement”) with TKS. Both the parties agreed that upon successful completion of the Proposed Acquisition, TKS will be appointed to spearhead the management of Centro. Additionally, Careplus has agreed to grant an option for TKS to purchase from Careplus an aggregate of up to 760,000 ordinary shares in Centro, representing up to 20% equity interest in Centro at the time of completion of the Proposed Acquisition in a single or multiple tranches within 5 years (“Option Shares”), at a call option exercise price of RM1.00 per Option Share, upon the terms and conditions as set out in the Option Agreement (“Call Option”).

For information, TKS is brother in-law of Mr. Loo Teck Looi, a Non-Independent Executive Director of Careplus. Accordingly, Mr. Loo Teck Looi, being the interested director in the Call Option, has abstained from all Board deliberations and voting on the Call Option.

The SAA has become unconditional on 25 November 2020 and subsequently the Proposed Acquisition has been completed on 2 December 2020.

### 9. Investment in joint venture

	As at 31-Dec-2020 (UNAUDITED) RM'000	As at 31-Dec-2019 (UNAUDITED) RM'000
Reconciliation to carrying amount		
Beginning of investment	26,759	-
Additional share capital	17,500	-
Share of profits in joint venture	9,986	-
Net assets at 31 December 2020	54,245	-



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### 9. Investment in joint venture (cont'd)

The details of the joint venture are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest	
			30 June 2020 %	30 June 2019 %
Careplus (M) Sdn Bhd	Manufacturing gloves and provision for quality control services for outsourced gloves	Malaysia	50	-

The following table summarises the financial information of the Group's material joint venture:

	As at 30 September 2020 (UNAUDITED) RM'000	As at 31 December 2020 (UNAUDITED) RM'000
Non-current assets	72,961	85,150
Current assets	66,727	108,131
Non-current liabilities	(12,033)	(12,454)
Current liabilities	(44,076)	(87,782)
Equity attributable to owners of the Company	(83,579)	(93,045)
Revenue	74,855	130,860
Expenses	(64,349)	(110,888)
Profit for the year	10,506	19,972
Shares of profit in joint venture	5,253	9,986

The shares of profit in the joint venture of RM9,986,000 was derived from the profit for the period from 15 May 2020 until 31 December 2020.



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### 10. Group Borrowings and Debt Securities

(a) The Group's borrowings as at 31 December 2020 and 31 December 2019 were as follows:

	<u>As at 31 December 2020</u>		<b>Total RM'000</b>
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	
Secured:			
Hire purchase	4,222	2,573	6,795
Term loans	7,221	460	7,681
Bills payable	-	16,464	16,464
	<u>11,443</u>	<u>19,497</u>	<u>30,940</u>
	<u>As at 31 December 2019</u>		<b>Total RM'000</b>
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	
Secured:			
Bank overdrafts	-	585	585
Hire purchase	4,083	6,850	10,933
Term loans	14,347	2,421	16,768
Bills payable	-	58,860	58,860
	<u>18,430</u>	<u>68,716</u>	<u>87,146</u>

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

(c) Included in bill payables, there is a total amount of RM16.2 million (31.12.2019: RM40.2 million) denominated in USD.

### 11. Derivatives Financial Instruments

As at 31 December 2020, 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	111,206	2,447

The Group entered 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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### 12. Material Litigation

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

### 13. Dividends Declared / Proposed

Details of the dividend under single-tier tax system approved and declared by the Board are as follows:

	<b>As at 31 December 2020</b>
<b>Special dividend per share</b>	<b>2.0 sen</b>
For the financial year ended	31 December 2020
Approved and declared on	19 February 2021
Entitlement to dividend based on record of depositors as at	8 March 2021
Date payable	24 March 2021

With this, the total dividend for the current financial year declared is 2.5 sen per share which the Company had paid the dividend of 0.5 sen per share in the 1<sup>st</sup> Quarter 2020 ended 31 March 2020.

### 14. Earnings Per Share

The computation of basic and diluted earnings per share for the financial period ended 31 December 2020 and 31 December 2019 was as follows: -

#### (a) Basic

	<b>3 Months Ended 31-Dec-2020 (UNAUDITED)</b>	<b>3 Months Ended 31-Dec-2019 (UNAUDITED)</b>	<b>12 Months Ended 31-Dec-2020 (UNAUDITED)</b>	<b>12 Months Ended 31-Dec-2019 (UNAUDITED)</b>
Profit/(Loss) attributable to owners of the Company (RM'000)	42,297	783	122,506	(5,751)
Weighted average number of ordinary shares as at 1 January/31 December ('000)	<u>537,517</u>	<u>531,360</u>	<u>537,517</u>	<u>531,360</u>
Basic earnings/(loss) per share (sen)	<u>7.87</u>	<u>0.15</u>	<u>22.79</u>	<u>(1.08)</u>

#### (b) Diluted

Diluted earnings per share is not applicable for the financial period ended 31 December 2020 and 31 December 2019 as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.