



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 2nd Quarter Ended 30 June 2021

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30-Jun-2021 RM'000	Preceding Period Corresponding Quarter 30-Jun-2020 RM'000	Current Period To Date 30-Jun-2021 RM'000	Preceding Period Corresponding To Date 30-Jun-2020 RM'000
Revenue	249,048	118,898	490,381	223,594
Cost of sales	(120,032)	(91,610)	(218,348)	(191,045)
Gross profit	129,016	27,288	272,033	32,549
Other operating income/(expenses)	202	15,059	(1,117)	14,461
Administration expenses	(5,238)	(3,821)	(11,535)	(6,022)
Finance costs	(481)	(1,293)	(1,145)	(2,549)
Shares of profit in joint venture	10,926	886	24,105	886
Profit before taxation	134,425	38,119	282,341	39,325
Taxation	(29,342)	(1,907)	(53,715)	(1,972)
Profit after taxation	105,083	36,212	228,626	37,353
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	105,083	36,212	228,626	37,353
Profit after taxation:				
Owners of the Company	105,076	36,212	228,619	37,353
Non-controlling interest	7	-	7	-
	105,083	36,212	228,626	37,353



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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 30-Jun-2021 RM'000	Preceding Period Corresponding Quarter 30-Jun-2020 RM'000	Current Period To Date 30-Jun-2021 RM'000	Preceding Period Corresponding To Date 30-Jun-2020 RM'000
Total comprehensive Income for the financial period attributable to:				
Owners of the Company	105,076	36,212	228,619	37,353
Non-controlling interest	7	-	7	-
	<u>105,083</u>	<u>36,212</u>	<u>228,626</u>	<u>37,353</u>
Profit per share attributable to owners of the Company:				
Basic (sen)	19.53	6.70	42.49	6.91

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 2020 and the accompanying explanatory notes in this interim financial report.



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Unaudited Condensed Consolidated Statements of Financial Position

	UNAUDITED As at 30-Jun-2021 RM'000	AUDITED As at 31-Dec-2020 RM'000
ASSETS		
Non-current assets		
Investment in joint venture	78,350	54,245
Goodwill on consolidation	205	205
Property, plant and equipment	228,614	179,813
Other receivables and prepaid expenses	4,124	5,646
	<u>311,293</u>	<u>239,909</u>
Current assets		
Inventories	46,859	53,845
Trade receivables	113,082	63,638
Other receivables, deposits and prepaid expenses	12,575	6,071
Amount owing by a joint venture	10,390	3,952
Derivative assets	-	2,447
Fixed deposits with licensed banks	117,753	42,233
Cash and bank balances	60,895	30,090
	<u>361,554</u>	<u>202,276</u>
TOTAL ASSETS	<u>672,847</u>	<u>442,185</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	137,833	136,115
Retained profits	332,535	125,919
	<u>470,368</u>	<u>262,034</u>
Non-controlling interest	377	370
Total equity	<u>470,745</u>	<u>262,404</u>



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

	UNAUDITED As at 30-Jun-2021 RM'000	AUDITED As at 31-Dec-2020 RM'000
Non-current liability		
Long-term borrowings	6,249	7,084
Deferred tax liabilities	3,893	3,893
Other payables	7,300	10,610
	<u>17,442</u>	<u>21,587</u>
Current liabilities		
Trade payables	33,300	20,191
Other payables and accrued expenses	39,971	42,776
Contract liabilities	55,417	67,343
Amount owing to joint venture	40	1,626
Tax payable	46,517	2,403
Short-term borrowings	9,003	23,855
Derivative liabilities	412	-
	<u>184,660</u>	<u>158,194</u>
Total liabilities	<u>202,102</u>	<u>179,781</u>
TOTAL EQUITY AND LIABILITIES	<u>672,847</u>	<u>442,185</u>
Net assets per share attributable to owners of the Company (sen)	<u>87.49</u>	<u>48.75</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 2020 and the accompanying explanatory notes in this interim financial period.



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Unaudited Quarterly Financial Report for the 2nd Quarter Ended 30 June 2021

Unaudited Condensed Consolidated Statements of Cash Flows

	Current Year To Date 30-Jun-2021 RM'000	Preceding Year Corresponding To Date 31-Dec-2020 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	282,341	148,547
Adjustments for:		
Depreciation of property, plant and equipment	10,171	15,747
Interest expense	1,145	3,630
Inventories written down	-	4,018
Fair value loss/(gain) on derivatives	2,859	(2,283)
(Reversal of)/Allowance for doubtful debts on trade receivables	(28)	164
Unrealised loss/(gain) on foreign exchange	185	(822)
Interest income	(771)	(550)
Gain on disposal of subsidiary	-	(15,445)
Loss/ (Gain) on disposal of property, plant and equipment	25	(4)
Share of profit in joint venture	(24,105)	(9,986)
Share-based payment	1,718	-
Operating profit before working capital changes	273,540	143,016
Decrease/ (Increase) in inventories	6,986	(31,543)
Increase in trade and other receivables	(52,446)	(21,194)
Increase in trade and other payables	6,745	9,927
(Decrease)/ Increase in contract liabilities	(11,926)	67,343
(Decrease)/ Increase in amount owing to joint venture	(7,976)	1,626
Cash generated from operations	214,923	169,175
Income tax paid	(9,601)	(20,593)
Income tax refund	-	492
Net cash from operating activities	205,322	149,074
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	771	339
Proceeds from disposal of equipment	(19)	93
Disposal of subsidiary	-	12,685
Acquisition of non-controlling interests	-	(5,750)
Additional subscription of shares in joint venture	-	(7,000)
Other receivable	(3,550)	-
Purchase of property, plant and equipment	(58,977)	(99,031)
Repayment of advance to joint venture	-	4,401
Net cash used in investing activities	(61,775)	(94,263)
Balance carried forward	143,547	54,811



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

	Current Year To Date 30-Jun-2021 RM'000	Preceding Year Corresponding To Date 31-Dec-2020 RM'000
Balance brought forward	143,547	54,811
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid	(22,003)	(2,702)
Dividend paid to non-controlling interest by subsidiary	-	(5,852)
Net repayment of bills payable	(15,888)	(21,834)
Net proceeds from issuance of shares from private placement	-	45,640
Drawdown of term loans	1,370	-
Repayment of hire purchase obligations	(1,621)	(3,899)
Repayment of term loans	(60)	(449)
Interest paid	(529)	(2,871)
Changes in pledged fixed deposits	5,980	(4,084)
Net cash (used in)/from financing activities	<u>(32,751)</u>	<u>3,949</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	110,796	58,760
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	1,509	(788)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>64,090</u>	<u>6,118</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>176,395</u></u>	<u><u>64,090</u></u>
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	117,753	42,233
Cash and bank balances	60,895	30,090
Less: Fixed deposits pledged to licensed banks	(2,253)	(8,233)
	<u><u>176,395</u></u>	<u><u>64,090</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 2020 and the accompanying explanatory notes in this interim financial report



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Unaudited Quarterly Financial Report for the 2nd Quarter Ended 30 June 2021

Unaudited Condensed Consolidated Statements of Changes in Equity

	Non-Distributable	Distributable	← Attributable →		Total Equity RM'000
	Share Capital	Retained Profits	To Owners of The Company	Non- Controlling Interest	
	RM'000	RM'000	RM'000	RM'000	
Balance at 1.1.2021	136,115	125,919	262,034	370	262,404
Contributions by / distributions to owners of the Company:					
Dividend declared on ordinary shares	-	(22,003)	(22,003)	-	(22,003)
Issuance of ordinary shares pursuant to employees Share Grant Plan	1,718	-	1,718	-	1,718
Total transactions with the owners of the Company	1,718	(22,003)	(20,285)	-	(20,285)
Profit after taxation / Total comprehensive income for the financial period	-	228,619	228,619	7	228,626
Balance at 30.06.2021	137,833	332,535	470,368	377	470,745



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

	Non-distributable		Distributable	Attributable	Non-Controlling Interest	Total Equity
	Share Capital	Merger Deficit	Retained Profits	To Owners of The Company		
	RM'000	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
Shares for Non-Controlling Interest	-	-	-	-	385	385
Disposal of subsidiary	-	11,521	(11,521)	-	-	-
Dividend declared on ordinary shares	-	-	(2,702)	(2,702)	-	(2,702)
Total transactions with the owners of the Company	45,640	11,521	(14,223)	42,938	385	43,323
Profit after taxation / Total comprehensive income for the financial period	-	-	122,466	122,466	(15)	122,451
Balance at 31.12.2020	136,115	-	125,919	262,034	370	262,404

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 2020 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 2020 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 2020 except for the adoption of the following new MFRS/amendments with effect from 1 January 2021:

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform – Phase 2

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 2020 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

During the quarter under review, the Company increased its issued and paid-up ordinary share capital from RM136,114,571, comprising 550,079,799 ordinary shares to RM137,832,851, comprising 551,078,799 ordinary shares by way of:

- (a) allotment and issuance of 999,000 new ordinary shares at an issue price of RM1.72 each, pursuant to the exercise of Share Grant Plan.

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current financial quarter under.

7. Dividend Paid

During the quarter under review, the Board of Directors has declared a special dividend of 2.0 sen per ordinary share amounting to RM11,001,595.98 in respect of the financial year ended 31 December 2021. The dividend has been paid to shareholders of the Company on 16 June 2021.

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.



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10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

11. 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 13 August 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:

	As at 30-Jun-2021 (UNAUDITED) RM'000
<u>Authorised and contracted but not provided for:-</u>	
Construction of building	37,641
Construction of plant and machineries	86,593
Land and Building	31,950
	<u>156,184</u>
 <u>Authorised but not contracted and not provided for:-</u>	
Land and building	22,903
Construction of plant and machineries	11,667
	<u>34,570</u>

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

- (a) On 23 April 2021, UOBKH had, on behalf of our Board, announced that Careplus proposed to undertake the proposed transfer of the listing of and quotation for the entire issued share capital of Careplus from the ACE Market to the Main Market of Bursa Securities ("Proposed Transfer").

On 29 July 2021, UOBKH had, on behalf of the Board, announced that the application in relation to the Proposed Transfer had been submitted to the SC. The Proposed Transfer is pending approval from the regulatory authorities.



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- (b) On 24 June 2021, 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 had on even date entered into a share subscription agreement (“**Subscription Agreement**”) with Macquarie Bank Limited (“**Macquarie Bank**” or the “**Investor**”) in relation to the issuance and allotment of up to 20,000,000 Placement Shares to be issued pursuant to the Private Placement to Macquarie Bank.

On 21 July 2021, AmlInvestment Bank had, on behalf of the Board, announced that the Company received a Subscription Notice from Macquarie Bank for the subscription of 1,000,000 Careplus Shares at a subscription price of RM2.00. This subscription price represents a premium of approximately RM0.0748 or 3.89% to the 5D-VWAP of Careplus Shares up to and including 19 July 2021 of RM1.9252.

On 22 July 2021, AmlInvestment Bank had, on behalf of the Board, announced that the Company received a Subscription Notice from Macquarie Bank for the subscription of 4,000,000 Careplus Shares at a subscription price of RM2.00. This subscription price represents a premium of approximately RM0.017 or 0.86% to the 5D-VWAP of Careplus Shares up to and including 21 July 2021 of RM1.983.

On 23 July 2021, AmlInvestment Bank had, on behalf of the Board, announced that the Company received a Subscription Notice from Macquarie Bank for the subscription of 8,000,000 Careplus Shares at a subscription price of RM2.00. This subscription price represents a discount of approximately RM0.0199 or 0.99% to the 5D-VWAP of Careplus Shares up to and including 22 July 2021 of RM2.0199.

On 26 July 2021, AmlInvestment Bank had, on behalf of the Board, announced that the Company received a Subscription Notice from Macquarie Bank for the subscription of 4,000,000 Careplus Shares at a subscription price of RM2.00. This subscription price represents a discount of approximately RM0.0879 or 4.21% to the 5D-VWAP of Careplus Shares up to and including 23 July 2021 of RM2.0879.

As at 13 August 2021, the Company had successfully placed out 17,000,000 Placement Shares on the ACE Market of Bursa Securities pursuant to the Private Placement to Macquarie Bank, which raised cumulative proceeds of RM34.00 million.



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(a) Related Party Disclosures

(a) Identities of related parties

The Company has controlling related party relationships with:

- (i) Its subsidiaries
- (ii) Entities controlled by certain key management personnel, directors and/or substantial shareholders; and
- (iii) The directors who are the key management personnel.

(b) In addition to balances detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the period under review:

	6 Months Ended 30-Jun-2021 (UNAUDITED) RM'000
<u>Transactions with joint venture:</u>	
Sales to joint venture	15,742
Purchases from joint venture	6,528
Interest income	35
<u>Transactions with a close member of the family of a director:</u>	
Insurance and renewal of road tax services expenses	306
Renovation and electrical services	356
Rental paid	35
<u>Transactions with directors:</u>	
Rental paid	57

(c) Key management personnel

	6 Months Ended 30-Jun-2021 (UNAUDITED) RM'000
Short-term employee benefits*	2,562

* Excluded remuneration received from Careplus (M) after 14 May 2020, being the date Careplus (M) ceased to be a wholly-owned subsidiary of Careplus.



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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 30/6/2021 (UNAUDITED)	Preceding Year Corresponding Quarter 30/6/2020 (UNAUDITED)	Changes	
			RM'000	%
Revenue	249,048	118,898	130,150	109.46
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	128,821	27,075	101,746	375.79
Profit before interest and tax ("PBIT")	134,906	39,412	95,494	242.30
Profit before taxation ("PBT")	134,425	38,119	96,306	252.65
Profit after taxation ("PAT")	105,083	36,212	68,871	190.19
Profit attributable to owners of the Company	105,076	36,212	68,864	190.17

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

The Group recorded a revenue of approximately RM249.05 million for the quarter ended 30 June 2021, which is 109.46% higher than the revenue in the last year's corresponding quarter. The Group's revenue has increased on the back of higher selling price and higher capacity output. To date, a total of three (3) new lines in Careglove Global Sdn. Bhd. ("Careglove") have been commissioned as of 30 June 2021.

The Group's PBT and profit attributable to owners of the Company has improved by 252.65% and 190.17% respectively which were contributed by higher glove sales and higher selling prices as a result of surge in demand due to the COVID-19 pandemic.



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

	CUMULATIVE PERIOD			
	Current Year Quarter 30/6/2021 (UNAUDITED)	Preceding Year Corresponding Quarter 30/6/2020 (UNAUDITED)	Changes	
			RM'000	RM'000
Revenue	490,381	223,594	266,787	119.32
EBITDA	269,724	34,724	235,000	676.77
PBIT	283,486	41,874	241,612	577.00
PBT	282,341	39,325	243,016	617.97
PAT	228,626	37,353	191,273	512.07
Profit attributable to owners of the Company	228,619	37,353	191,266	512.05

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

During the quarter ended 30 June 2021, the Group recorded an increase of 119.32% or RM266.79 million in revenue as compared to the last year's corresponding quarter. The increase of the Group's revenue was mainly contributed by the increasing gloves demand due to the COVID-19 spike.

Based on the financial review above, the Group's PBT and profit attributable to owners of the Company has improved by 617.97% and 512.05% respectively on the back of higher glove sales and higher selling prices as a result of the surge in global gloves demand due to the COVID-19 pandemic.



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

	Current Quarter 30/6/2021 (UNAUDITED)	Immediate Preceding Quarter 31/3/2021 (UNAUDITED)	Changes	
	RM'000	RM'000	RM'000	%
Revenue	249,048	241,333	7,715	3.20
EBITDA	128,821	140,903	(12,082)	(8.57)
PBIT	134,906	148,580	(13,674)	(9.20)
PBT	134,425	147,916	(13,491)	(9.12)
PAT	105,083	123,543	(18,460)	(14.94)
Profit attributable to owners of the Company	105,076	123,543	(18,467)	(14.95)

The Group's PBT and Profit attributable to owners of the Company had shown a slight decrease of 9.12% and 14.95% respectively for the current quarter under review even though there was an increase of RM7.72 million or 3.20% in revenue from the immediate preceding quarter. This was mainly due to decline in average selling price in the current quarter and higher cost due to the pandemic.



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3. Prospects

We are now running 36 lines with an annual capacity of 6.18 billion pieces of gloves. Due to the EMCO and recent factories shut down, installation of nine (9) lines was delayed to the end of 2021, with another two (2) lines to be installed by early 2022.

Another eight (8) lines (new factory 5) are in the planning stage to be completed by end 2022. Barring any unforeseen circumstances, the Group will have 55 production lines with an annual capacity of 10.06 billion pieces of medical and surgical gloves by end 2022.

Due to the EMCO and uncertainty on MCO lifting, couple with high infection daily cases, impact to the Group for the next half year performance will be big and cannot be quantified as yet.

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:

	3-Months Ended 30-Jun-2021 (UNAUDITED) RM'000	6 Months Ended 30-Jun-2021 (UNAUDITED) RM'000
Income tax		
- Current period	29,342	53,715

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 30-Jun-2021 (UNAUDITED) RM'000	As at 30-Jun-2020 (UNAUDITED) RM'000
Total retained profits, net of consolidation adjustments:		
Realised	314,841	53,669
Unrealised	(4,316)	(1,416)
	310,525	52,253
Less: Consolidation adjustments	22,010	74
As at 30.6.2021 / 30.6.2020	332,535	52,327



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7. Profit Before Tax

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

	3 Months Ended 30-Jun-2021 (UNAUDITED) RM'000	3 Months Ended 30-Jun-2020 (UNAUDITED) RM'000	6 Months Ended 30-Jun-2021 (UNAUDITED) RM'000	6 Months Ended 30-Jun-2020 (UNAUDITED) RM'000
Depreciation of property, plant and equipment	5,536	4,042	10,171	9,172
Fair value (Gain)/ loss on derivatives	(2,048)	(303)	2,859	(14)
Loss on disposal of equipment	26	7	25	17
Interest expenses	481	1,293	1,145	2,549
Interest income	(512)	(45)	(771)	(60)
Rental expenses	925	(98)	1,384	107
Realised gain on foreign exchange	(434)	(994)	(2,771)	(749)
Rental income	(13)	(20)	(25)	(31)
Unrealised loss/(gain) on foreign exchange	1,425	1,171	(10)	677

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: -

- (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.



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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	2,218	3,991
Estimated expenses for the Joint Venture	Upon Completion	260	-	260	260	-
Total		21,575	5,394	26,969	22,978	3,991

Note:

*Ansell had, on 28 May 2021, paid RM1.403 million of the Retained Consideration, while the balance of RM3.991million is expected to be paid within 5 Business Days after the expiry of 24 months from the completion date.

- (b) 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 11 June 2021, AmlInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 11 June 2021, approved the Company’s application for a further extension of time until 22 December 2021 to complete the implementation of the Private Placement.

As at 13 August 2021, the Company had successfully placed out 35,720,000 Placement Shares on the ACE Market of Bursa Securities pursuant to the Private Placement, which raised cumulative gross proceeds of approximately RM80.42 million.



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The table below sets out the status of utilisation of proceeds raised from the Private Placement as mentioned above amounting to RM80.42 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	76,511	38,220	38,291	Within 12 months
Working Capital	5,000	2,582		2,582	Within 12 months
Estimated expenses in relation to the Private Placement	1,450	1,329	784	545	Within 1 month
Total Proceeds	82,961	80,422	39,004	41,418	

Note:

*As per announcement dated 12 June 2020

- (c) 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.

On 4 June 2021, UOBKH had, on behalf of our Board, announced that pursuant to Rule 6.44(1) of the Listing Requirements, the effective date for the implementation of the SGP had been fixed on 4 June 2021, being the date of full compliance of the SGP. Subsequently, on 22 June 2021, we had announced the allocation and granting of 3,433,000 new Careplus Shares pursuant to the SGP to the eligible Executive Directors and employees of Careplus Group, out of which, 999,000 new Careplus Shares were vested and issued on 28 June 2021.

- (d) On 23 April 2021, UOBKH had, on behalf of our Board, announced that Careplus proposed to undertake the proposed transfer of the listing of and quotation for the entire issued share capital of Careplus from the ACE Market to the Main Market of Bursa Securities (“Proposed Transfer”).

On 29 July 2021, UOBKH had, on behalf of the Board, announced that the application in relation to the Proposed Transfer had been submitted to the SC. The Proposed Transfer is pending approval from the regulatory authorities.



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9. Investment in joint venture

	As at 30-Jun-2021 (UNAUDITED) RM'000	As at 31-Dec-2020 (AUDITED) RM'000
Reconciliation to carrying amount		
Beginning balance as at 1 January 2021/1 January 2020	54,245	-
Retained interest of the joint venture upon change in ownership interest	-	26,759
Additional subscription of shares	-	17,500
Share of profits in joint venture	24,105	9,986
Ending balance as at 30 June 2021/31 December 2020	78,350	54,245

The details of the joint venture are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest	
			30 June 2021 %	31 Dec 2020 %
Careplus (M) Sdn Bhd	Manufacturing gloves and provision for quality control services for outsourced gloves	Malaysia	50	50



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

	As at 30 June 2021 (UNAUDITED) RM'000	As at 31 December 2020 (AUDITED) RM'000
Non-current assets	105,057	85,150
Current assets	171,347	108,131
Non-current liabilities	(11,129)	(12,454)
Current liabilities	(124,020)	(87,782)
Equity attributable to owners of the Company	(141,255)	(93,045)
<hr/>		
Revenue	174,582	130,860
Profit for the year	48,210	19,972
<hr/>		
Shares of profit in joint venture	24,105	9,986

The shares of profit in the joint venture of RM24,105,000 was derived from the profit for the period from 1 January 2021 until 30 June 2021.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	As at 30 June 2021 (UNAUDITED) RM'000	As at 31 December 2020 (AUDITED) RM'000
Net assets of the joint venture	141,255	93,045
Proportion of the Group's interest in the joint venture	50%	50%
	70,628	46,523
Goodwill	7,722	7,722
Carrying amount of the Group's interest in the joint venture	78,350	54,245



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10. Group Borrowings and Debt Securities

(a) The Group's borrowings as at 30 June 2021 and 30 June 2020 were as follows:

	<u>As at 30 June 2021</u>		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Hire purchase	3,622	1,551	5,173
Term loans	2,627	6,190	8,817
Bills payable	-	1,262	1,262
	6,249	9,003	15,252

	<u>As at 30 June 2020</u>		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Bank overdrafts	-	42	42
Hire purchase	5,174	3,750	8,924
Term loans	3,092	1,546	4,638
Bills payable	-	39,040	39,040
	8,266	44,378	52,644

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

(c) Included in bill payables, there is a total amount of RM0.6 million (30.6.2020: RM28.6 million) denominated in USD.

11. Derivatives Financial Instruments

As at 30 June 2021, 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	75,700	(412)

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:

Interim dividend per share	2.0 sen
For the financial year ending	31 December 2021
Approved and declared on	13 August 2021
Entitlement to dividend based on record of depositors as at	1 September 2021
Date payable	15 September 2021

14. Earnings Per Share

The computation of basic and diluted earnings per share for the financial period ended 30 June 2021 and 30 June 2020 was as follows: -

(a) Basic

	3 Months Ended 30-Jun-2021 (UNAUDITED)	3 Months Ended 30-Jun-2020 (UNAUDITED)	6 Months Ended 30-Jun-2021 (UNAUDITED)	6 Months Ended 30-Jun-2020 (UNAUDITED)
Profit attributable to owners of the Company (RM'000)	105,075	36,212	228,618	37,353
Weighted average number of ordinary shares ('000)				
- Issued ordinary shares at 1 January	537,517	531,360	537,517	531,360
Issuance of shares:				
- Private Placement	-	9,000	-	9,000
- Share Grant Plan	512	-	512	-
Weighted average number of ordinary shares as at 30 June ('000)	<u>538,029</u>	<u>540,360</u>	<u>538,029</u>	<u>540,360</u>
Basic earnings per share (sen)	<u>19.53</u>	<u>6.70</u>	<u>42.49</u>	<u>6.91</u>

(b) Diluted

Diluted earnings per share is not applicable for the financial period ended 30 June 2021 and 30 June 2020 as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.