



CAREPLUS GROUP BERHAD

[Registration No. 201001011474 (896134-D)]

(Incorporated in Malaysia)

Unaudited Quarterly Financial Report for the 2nd Quarter Ended 30 June 2022

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30-Jun-2022 RM'000	Preceding Period Corresponding Quarter 30-Jun-2021 RM'000	Current Period To Date 30-Jun-2022 RM'000	Preceding Period Corresponding To Date 30-Jun-2021 RM'000
Revenue	85,454	249,048	167,711	490,381
Cost of sales	(104,353)	(120,032)	(210,113)	(218,348)
Gross (loss)/profit	(18,899)	129,016	(42,402)	272,033
Other operating (expense)/income	(1,901)	202	(1,820)	(1,117)
Administration expenses	(835)	(5,238)	(3,712)	(11,535)
Finance costs	(357)	(481)	(655)	(1,145)
Share of (loss)/profit in joint venture	(13,163)	10,926	(24,195)	24,105
(Loss)/Profit before taxation	(35,155)	134,425	(72,784)	282,341
Income tax expense	(85)	(29,342)	(174)	(53,715)
(Loss)/Profit after taxation	(35,240)	105,083	(72,958)	228,626
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the financial period	(35,240)	105,083	(72,958)	228,626
(Loss)/Profit after taxation:				
Owners of the Company	(35,278)	105,076	(72,973)	228,619
Non-controlling interest	38	7	15	7
	(35,240)	105,083	(72,958)	228,626



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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-2022 RM'000	Preceding Period Corresponding Quarter 30-Jun-2021 RM'000	Current Period To Date 30-Jun-2022 RM'000	Preceding Period Corresponding To Date 30-Jun-2021 RM'000
Total comprehensive (loss)/income for the financial period attributable to:				
Owners of the Company	(35,278)	105,076	(72,973)	228,619
Non-controlling interest	38	7	15	7
	<u>(35,240)</u>	<u>105,083</u>	<u>(72,958)</u>	<u>228,626</u>
(Loss)/Earnings per share (sen)				
- Basic	(6.21)	19.10	(12.84)	41.56
- Diluted	<u>(6.15)</u>	<u>19.02</u>	<u>(12.71)</u>	<u>41.38</u>

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 2021 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 2022

Unaudited Condensed Consolidated Statements of Financial Position

	UNAUDITED As at 30-Jun-2022 RM'000	AUDITED As at 31-Dec-2021 RM'000
ASSETS		
Non-current assets		
Investment in joint venture	44,101	68,296
Goodwill on consolidation	205	205
Property, plant and equipment	304,811	288,848
Right-of-Use Assets	1,010	708
	<u>350,127</u>	<u>358,057</u>
Current assets		
Inventories	45,068	67,237
Trade receivables	51,842	42,451
Other receivables, deposits and prepaid expenses	14,587	10,764
Amount owing by a joint venture	18,205	1,615
Tax recoverable	6,747	1,502
Derivative assets	-	284
Fixed deposits with licensed banks	39,367	87,288
Cash and bank balances	31,837	38,801
	<u>207,653</u>	<u>249,942</u>
TOTAL ASSETS	<u>557,780</u>	<u>607,999</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	173,819	171,284
Treasury shares	(188)	(188)
Share-based payment reserve	476	736
Retained profits	240,494	313,467
	<u>414,601</u>	<u>485,299</u>
Non-controlling interest	381	366
Total equity	<u>414,982</u>	<u>485,665</u>



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

	UNAUDITED As at 30-Jun-2022 RM'000	AUDITED As at 31-Dec-2021 RM'000
Non-current liabilities		
Long-term borrowings	13,442	12,314
Deferred tax liabilities	8,899	8,899
Other payables and accrued expenses	5,261	13,569
Lease liabilities	477	359
	<u>28,079</u>	<u>35,141</u>
Current liabilities		
Trade payables	32,487	24,356
Other payables and accrued expenses	36,707	32,598
Contract liabilities	17,196	20,277
Lease liabilities	466	354
Derivative liabilities	292	-
Amount owing to joint venture	-	177
Tax payable	752	1,289
Short-term borrowings	26,819	8,142
	<u>114,719</u>	<u>87,193</u>
Total liabilities	<u>142,798</u>	<u>122,334</u>
TOTAL EQUITY AND LIABILITIES	<u>557,780</u>	<u>607,999</u>
Net assets per share attributable to owners of the Company (sen)	<u>73.04</u>	<u>85.49</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 2021 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 2022

Unaudited Condensed Consolidated Statements of Cash Flows

	Current Year To Date 30-Jun-2022 RM'000	Preceding Year Corresponding To Date 30-Jun-2021 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(72,784)	282,341
Adjustments for:		
Depreciation of property, plant and equipment	13,044	10,171
Depreciation of right-of-use assets	250	-
Interest expense	655	1,145
Inventories written down to net realisable value	575	-
Fair value loss on derivatives	576	2,859
Loss allowance/(Reversal of loss allowance) on trade receivables	90	(28)
Unrealised (gain)/loss on foreign exchange	(452)	185
Interest income	(702)	(771)
(Gain)/Loss on disposal of property, plant and equipment	(19)	25
Share of loss/(profit) in joint venture	24,195	(24,105)
Equity-settled share-based payments	2,275	1,718
Operating (loss)/profit before working capital changes	<u>(32,297)</u>	<u>273,540</u>
Decrease in inventories	21,593	6,986
Increase in trade and other receivables	(12,802)	(52,446)
Increase in amount owing by joint venture	(16,224)	-
Increase in trade and other payables	4,014	6,745
Decrease in contract liabilities	(3,081)	(11,926)
Decrease in amount owing to joint venture	(177)	(7,976)
Cash (used in)/generated from operations	<u>(38,974)</u>	<u>214,923</u>
Income tax paid	(5,955)	(9,601)
Net cash (used in)/from operating activities	<u>(44,929)</u>	<u>205,322</u>
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		
Interest received	702	771
Proceeds from disposal of property, plant and equipment	52	(19)
Other receivables	-	(3,550)
Purchase of property, plant and equipment	(29,040)	(58,977)
Net cash used in investing activities	<u>(28,286)</u>	<u>(61,775)</u>
Balance carried forward	(73,215)	143,547



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

	Current Year To Date 30-Jun-2022 RM'000	Preceding Year Corresponding To Date 30-Jun-2021 RM'000
Balance brought forward	(73,215)	143,547
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid	-	(22,003)
Net drawdown/(repayment) of bills payable	18,184	(15,888)
Drawdown of term loans	2,013	1,370
Repayment of hire purchase obligations	(599)	(1,621)
Repayment of term loans	(242)	(60)
Interest paid	(603)	(529)
Repayment of lease liabilities	(232)	-
Changes in pledged fixed deposits	(13)	5,980
Net cash from/(used in) financing activities	<u>18,508</u>	<u>(32,751)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(54,707)	110,796
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(191)	1,509
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>123,801</u>	<u>64,090</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>68,903</u></u>	<u><u>176,395</u></u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Fixed deposits	39,367	117,753
Cash and bank balances	31,837	60,895
Less: Fixed deposits pledged to licensed banks	(2,301)	(2,253)
	<u><u>68,903</u></u>	<u><u>176,395</u></u>

Notes :

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited consolidated financial statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes in this interim financial report



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Unaudited Condensed Consolidated Statements of Changes in Equity

	← Non-Distributable →			Distributable			Total equity
	Share capital	Treasury shares	Share-based payments reserve	Retained earnings	Attributable to owners of the company	Non-controlling interest	
Period Ended 30 June 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2022	171,284	(188)	736	313,467	485,299	366	485,665
Transaction with owners: Equity-settled share-based payments	2,535	-	(260)	-	2,275	-	2,275
Total comprehensive loss for the financial period	-	-	-	(72,973)	(72,973)	15	(72,958)
Balance at 30.6.2022	173,819	(188)	476	240,494	414,601	381	414,982
Period Ended 30 June 2021							
Balance at 1.1.2021	136,115	-	-	125,919	262,034	370	262,404
Transaction with owners: Dividends declared on ordinary shares	-	-	-	(22,003)	(22,003)	-	(22,003)
Equity-settled share-based payment	1,718	-	-	-	1,718	-	1,718
Total transactions with the owners of the Company	1,718	-	-	(22,003)	(20,285)	-	(20,285)
Total comprehensive income for the financial period	-	-	-	228,619	228,619	7	228,626
Balance at 30.6.2021	137,833	-	-	332,535	470,368	377	470,745

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 2021 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 Main 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 2021 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 2021 except for the adoption of the following new MFRS/amendments:

Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 – 2020
Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant, and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Costs of fulfilling a Contract

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 2021 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

In the current year, the Company increased its issued and paid-up ordinary share capital from RM171,283,770 comprising 568,078,799 ordinary shares to RM173,818,545 comprising 573,022,299 ordinary shares by the issuance of:

- (a) Allotment and issuance of 775,500 new ordinary shares at an issue price of RM0.85 each, pursuant to the exercise of Share Grant Plan on 24 June 2022.
- (b) Allotment and issuance of 4,168,000 new ordinary shares at an issue price of RM0.45 each, pursuant to the exercise of Share Grant Plan on 24 June 2022.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

7. Dividends 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.

12. Contingent Liabilities and Contingent Assets

On 10 June 2022, Rubbercare Protection Products Sdn. Bhd. ("RPP"), a wholly-owned subsidiary of Careplus Group Berhad, filed a Statement of Claim at the High Court in Seremban, Negeri Sembilan against Petrolife Aero Sdn. Bhd. ("Petrolife") in respect to a dispute on the supply of Liquefied Natural Gas ("LNG") to RPP for its new factory upon the completion of the said new plant with the issuance of a certificate of completion and compliance. Petrolife have demanded that RPP takes delivery of the LNG commencing March 2022. RPP is seeking, among others, that Petrolife refund the deposit paid of RM1,500,000, less the allowed deduction pursuant to the appointment, and that Petrolife remove its LNG Tank Farm System from RPP's factory.

Based on legal opinion sought, the directors are of the opinion that Petrolife's demand are unjustified, hence, no provision is required at this stage, as it is not probable that a future sacrifice of economic benefits will be required, save except for the estimated allowed deduction from the deposit paid.

13. Capital Commitments

Authorised 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-2022 RM'000
<u>Authorised and contracted but not provided for:</u>	
Construction of building	25,358
Construction of plant and machineries	18,446
	<u>43,804</u>
<u>Authorised but not contracted and not provided for:-</u>	
Land and building	21,349
Construction of plant and machineries	-
	<u>21,349</u>

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

On 16 August 2022, Careplus Group Berhad had incorporated a wholly-owned subsidiary known as Care Dynamic Sdn. Bhd. under the Companies Act 2016. Care Dynamic Sdn. Bhd. has an issued and paid up capital of RM1.00 comprising 1 ordinary shares of RM1.00. Its principal activities relate to the provision of hostel accommodation services.



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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) Its joint venture
- (iii) Entities controlled by certain key management personnel, directors and/or substantial shareholders; and
- (iv) 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-2022 RM'000
<u>Transactions with joint venture:</u>	
Sales to joint venture	1,823
Purchases from joint venture	8,734
Interest income	11
Salary charged to	99
Services charged to	235
<u>Transactions with a close member of the family of a director:</u>	
Insurance and renewal of road tax services expenses	229
Renovation, electrical services and factory maintenance	465
Rental paid	83
Consultancy fee and allowance	48
Sewerage treatment project	423
Agent fees	406
<u>Transactions with directors:</u>	
Rental paid	139

(c) Key management personnel

	6 Months Ended 30-Jun-2022 RM'000
Short-term employee benefits	1,876



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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 30/6/2022	Preceding Year Corresponding Quarter 30/6/2021		
	RM'000	RM'000	RM'000	%
Revenue	85,454	249,048	(163,594)	(65.69)
(Loss)/Earnings before interest, tax, depreciation and amortization “(LBITDA)/EBITDA”	(13,774)	128,821	(142,595)	(110.69)
(Loss)/Profit before interest and tax “(LBIT)/PBIT”	(34,798)	134,906	(169,704)	(125.79)
(Loss)/Profit before taxation “(LBT)/PBT”	(35,155)	134,425	(169,580)	(126.15)
(Loss)/Profit after taxation “(LAT)/PAT”	(35,240)	105,083	(140,323)	(133.54)
(Loss)/Profit attributable to owners of the Company	(35,278)	105,076	(140,354)	(133.57)

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

In the current quarter, the Group recorded revenue of RM85.5 million, a decline of RM163.6 million (65.69%) over the same period while loss before tax is RM35.2 million compared against the preceding year's corresponding quarter profit before tax of RM134.4 million.

The decline in performance was mainly attributable to the deterioration in average selling price (“ASP”) and lower sales order from key customers in the current quarter, comparatively, in the preceding year's corresponding quarter, ASP and demand for medical gloves peaked at an all-time high. Further, costs of production were adversely impacted by the increase of minimum wage in Malaysia under the gazetted Minimum Wage Order 2022 and increase in natural gas tariffs.



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

	CUMULATIVE PERIOD			
	Current Year to-date 30/6/2022	Preceding Year Corresponding Period 30/6/2021		
			RM'000	%
			RM'000	
Revenue	167,711	490,381	(322,670)	(65.80)
(LBITDA)/EBITDA	(34,290)	269,724	(304,014)	(112.71)
(LBIT)/PBIT	(72,129)	283,486	(355,615)	(125.44)
(LBT)/PBT	(72,784)	282,341	(355,125)	(125.78)
(LAT)/PAT	(72,958)	228,626	(301,584)	(131.91)
(Loss)/Profit attributable to owners of the Company	(72,973)	228,619	(301,592)	(131.92)

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

The Group's revenue and profit after taxation recorded a decline of RM322.7 million and RM301.6 million or 65.80% and 131.91% respectively for the cumulative period ended 30 June 2022.

The decline in performance was mainly attributable to the deterioration in ASP and lower sales order from key customers in the current cumulative period, comparatively, in the preceding year's corresponding cumulative period, ASP and demand for medical gloves peaked at an all-time high. Further, costs of production were adversely impacted by the increase of minimum wage in Malaysia under the gazetted Minimum Wage Order 2022 and increase in natural gas tariffs.



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

	Current Quarter 30/6/2022	Immediate Preceding Quarter 31/3/2022		
	RM'000	RM'000	RM'000	%
Revenue	85,454	82,257	3,197	3.89
LBITDA	(13,774)	(20,516)	6,742	(32.86)
LBIT	(34,798)	(37,331)	2,533	(6.79)
LBT	(35,155)	(37,629)	2,474	(6.57)
LAT	(35,240)	(37,718)	2,478	(6.57)
Loss attributable to owners of the Company	(35,278)	(37,695)	2,417	(6.41)

In the current quarter, the Group recorded revenue of RM85.5 million, an increase of RM3.2 million (3.89%) over the immediate preceding quarter. Loss before tax is lower at RM35.2 million, a decrease of RM2.5 million compared against the immediate preceding quarter.

The marginal improvement in performance was driven by the slight increase in revenue by RM3.2 million.

3. Prospects

The Group's business outlook is challenging as it navigates through the uncertainty of gloves ASP, rising cost structure and geopolitical tensions. Current ASP is depressed by overhang stock hold by most buyers. Production will have to be put on hold till these stocks are depleted. The Group shall focus its efforts on securing new orders to improve utilisation rates of production lines and place greater emphasis on cost management to ensure that the Group's performance is on the trajectory of improvement.

In the current quarter, the Group has 43 production lines with an annual capacity of 7.62 billion pieces of gloves. The Group is working closely with regulators to ensure the gradual recruitment of new foreign workers by end of 2022 to fulfill existing shortages. The Group will proceed to complete the installation of 4 additional production lines as committed.

The Group remains optimistic of the longer-term prospects of the gloves sector underpinned by growing demand for gloves post pandemic as gloves has been proven to be a critical medical device for contagious disease control. Barring any unforeseen circumstances, the Group expects to have 47 production lines in operation with an annual capacity of 8.46 billion pieces of medical and surgical gloves by year end.



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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 were as follows:

	3-Months Ended 30-Jun-2022 RM'000	6-Months Ended 30-Jun-2022 RM'000
Current tax	<u>85</u>	<u>174</u>

The applicable Malaysian income tax rate for the financial year ending 31 December 2022 is 24% (2021: 24%)

6. Realised and Unrealised Retained Profits of the Group

	As at 30-Jun-2022 RM'000	As at 30-Jun-2021 RM'000
Total retained profits, net of consolidation adjustments:		
Realised	267,446	314,841
Unrealised	<u>(9,643)</u>	<u>(4,316)</u>
	257,803	310,525
Less: Consolidation adjustments	(17,309)	22,010
As at 30.6.2022 / 30.6.2021	<u><u>240,494</u></u>	<u><u>332,535</u></u>



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7. (Loss)/Profit Before Tax

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

	3 Months Ended 30-Jun- 2022 RM'000	3 Months Ended 30-Jun- 2021 RM'000	6 Months Ended 30-Jun- 2022 RM'000	6 Months Ended 30-Jun- 2021 RM'000
Depreciation of right-of-use assets	131	-	250	-
Depreciation of property, plant and equipment	6,578	5,536	13,044	10,171
Fair value loss/(gain) on derivatives	285	(2,048)	576	2,859
(Gain)/Loss on disposal of property, plant and equipment	(1)	26	(19)	25
Interest expenses	357	481	655	1,145
Interest income	(333)	(512)	(702)	(771)
Rental expenses	1,883	925	2,961	1,384
Realised gain on foreign exchange	(918)	(434)	(1,063)	(2,771)
Rental income	(13)	(13)	(26)	(25)
Unrealised loss/(gain) on foreign exchange	63	1,425	(452)	185
(Reversal)/Inventories written down to net realisable value	(2,266)	-	575	-

There were no gain or loss on disposal of unquoted investment or properties, write-off of receivables, 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, the Group entered into a joint venture arrangement with Ansell Services (Asia) Sdn. Bhd. for the disposal of 50% of its 100% equity interest of Careplus (M) Sdn. Bhd. ("CPM") comprising 14,550,000 ordinary shares in CPM for a consideration of RM26,968,969. The transaction was completed on 14 May 2020.

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
CPM 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 RM3.991 million is expected to be paid by 31 December 2022.



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9. Investment in joint venture

The details of the joint venture are as follows:

	As at 30-Jun-2022 RM'000	As at 30-Jun-2021 RM'000
Reconciliation to carrying amount		
Beginning balance as at 1 January 2022/1 January 2021	68,296	54,245
Share of (loss)/profits in joint venture	(24,195)	24,105
	44,101	78,350

Name of company	Principal activities	Country of incorporation	Group's effective interest	
			30 Jun 2022 %	30 Jun 2021 %
Careplus (M) Sdn. Bhd.	Manufacturing gloves and provision for quality control services for outsourced gloves	Malaysia	50	50

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

	As at 30-Jun-2022 RM'000	As at 30-Jun-2021 RM'000
Non-current assets	152,339	105,057
Current assets	126,436	171,347
Non-current liabilities	(20,419)	(11,129)
Current liabilities	(185,599)	(124,020)
Equity attributable to owners of the Company	72,757	141,255
Revenue	93,042	174,582
(Loss)/Profit for the year	(48,391)	48,210
Share of (loss)/profit in joint venture	(24,195)	24,105



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9. Investment in joint venture (cont'd)

The shares of loss in the joint venture of RM24.2 million was derived from the loss for the period from 1 January 2022 until 30 June 2022.

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-Jun-2022 RM'000	As at 30-Jun-2021 RM'000
Net assets of the joint venture	72,757	141,255
Proportion of the Group's interest in the joint venture	50%	50%
	36,379	70,628
Goodwill	7,722	7,722
Carrying amount of the Group's interest in the joint venture	44,101	78,350

10. Group Borrowings and Debt Securities

(a) The Group's borrowings as at 30 June 2022 and 30 June 2021 were as follows:

	<u>As at 30 June 2022</u>		Total RM'000
	Long term RM'000	Short term RM'000	
Secured:			
Hire purchase	2,392	1,231	3,623
Term loans	11,050	502	11,552
Bills payable	-	25,086	25,086
	<u>13,442</u>	<u>26,819</u>	<u>40,261</u>

	<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
	<u>6,249</u>	<u>9,003</u>	<u>15,252</u>

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

(b) Included in bills payable, there is a total amount of RM23.6 million (30.6.2021: RM0.6 million) denominated in USD.



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(b) Derivatives Financial Instruments

As at 30 June 2022, the Group's outstanding derivatives were as follows:

Type of Derivatives	Contract/Notional Value RM'000	Liabilities RM'000
Currency forwards - Less than 1 year	19,542	292

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.

(c) Material Litigation

As at the date of this report, there are no material litigation against the Group or taken by the Group except for the ongoing legal case disclosed in the "Contingent Liabilities and Contingent Assets" section of this report.



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(d) (Loss)/Earnings Per Share

The computation of basic and diluted (loss)/earnings per share for the financial period ended 30 June 2022 and 30 June 2021 was as follows: -

	3 Months Ended 30-Jun-2022	3 Months Ended 30-Jun-2021	6 Months Ended 30-Jun-2022	6 Months Ended 30-Jun-2021
(Loss)/Profit attributable to owners of the Company (RM'000)	(35,278)	105,076	(72,973)	228,619
Weighted average number of ordinary shares:				
Number of shares issued at beginning of year ('000)	568,079	550,080	568,079	550,080
Effect of weighted average number of ordinary shares in respect of shares issuance pursuant to SGP ('000)	95	19	95	19
	<u>568,174</u>	<u>550,099</u>	<u>568,174</u>	<u>550,099</u>
Basic (loss)/earnings per share (sen)	<u>(6.21)</u>	<u>19.10</u>	<u>(12.84)</u>	<u>41.56</u>
Weighted average number of shares used in calculation of basic earnings per share ('000)	568,174	550,099	568,174	550,099
Effect of dilutive potential ordinary shares – SGP ('000)	5,801	2,434	5,801	2,434
	<u>573,975</u>	<u>552,533</u>	<u>573,975</u>	<u>552,533</u>
Diluted (loss)/earnings per share (sen)	<u>(6.15)</u>	<u>19.02</u>	<u>(12.71)</u>	<u>41.38</u>