

## CAREPLUS GROUP BERHAD (“CAREPLUS” OR “THE COMPANY”)

### - INVESTMENT AND SHAREHOLDERS AGREEMENT ENTERED INTO BETWEEN CAREPLUS, PT SINTONG ABADI, PT BIMA SAHABAT INDUSTRI AND PT SINTONG UNIGOLDEN GLOVE

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#### 1. INTRODUCTION

The Board of Directors of Careplus (“Board”) wishes to announce that Careplus had on 27 August 2024 entered into an Investment and Shareholders Agreement with PT Sintong Abadi (“SA”), PT Bima Sahabat Industri (“BSI”) and PT Sintong Unigolden Glove (“SUG”) (“Agreement”) to set out the terms and conditions of Careplus’ investment in SUG, the rights and obligations of the Parties in relation to the proposed joint venture in respect of the production of medical gloves (“Proposed Joint Venture”).

(Careplus, SA and BSI are individually referred to as “Party”, and collectively as the “Parties”).

(SA and BSI are collectively referred to as the “JV Partners”).

#### 2. INFORMATION ON SUG

SUG was incorporated in Indonesia and is principally engaged in the business of production of medical gloves (“Business”). The existing share capital of SUG is IDR 196,000,000,000 comprising 196,000 ordinary shares.

The Directors of SUG are as follows:

- (i) Sin Wei Kiet (Managing Director)
- (ii) Tariusdipoera Makmur (Vice Managing Director)
- (iii) Khoo Soon Hwa (Director)
- (iv) Ang Pei Woen (Director)
- (v) Edho Thiawan (Director)

The shareholders of SUG are as follows:

	No. of ordinary shares	%
SA	98,000	50.00
BSI	98,000	50.00
<b>Total</b>	<b>196,000</b>	<b>100.00</b>

#### 3. INFORMATION ON SA

SA was incorporated in Indonesia and is principally engaged in the business of Palm Oil industry and its derivatives. The existing share capital of SA is IDR 100,000,000,000 comprising 100,000 ordinary shares.

The Directors of SA are Sin Wei Ming, Kokimin, Hansen Mariady, Khoo Soon Hwa, Kusli.

The shareholders of SA are as follows:

	<b>No. of ordinary shares</b>	<b>%</b>
Sin Wei Ming	45,000	45.00
Hansen Mariady	12,500	12.50
Sin Wei Kiet	17,500	17.50
Mariady	20,000	20.00
Sin Wei Yeen	5,000	5.00
<b>Total</b>	<b>100,000</b>	<b>100.00</b>

#### **4. INFORMATION ON BSI**

BSI was incorporated in Indonesia and is principally engaged in the business of investment, trading. The existing share capital of BSI is IDR 98,000,000,000 comprising 98,000 ordinary shares.

The Director of BSI is Cynthia Taylor.

The shareholders of BSI are as follows:

	<b>No. of ordinary shares</b>	<b>%</b>
PT. Bima Golden Powerindo	67,620	69.00
Christie Wisanti	19,600	20.00
Nelly Julianty	8,820	9.00
Carlanina Thomas	1,960	2.00
<b>Total</b>	<b>98,000</b>	<b>100.00</b>

#### **5. SALIENT TERMS OF THE AGREEMENT**

The salient terms of the Agreement, among others, are as follows:

##### **5.1 Conditions Precedent**

The Agreements shall be conditional upon the following conditions being satisfied and/or waived by the Parties within a period of three (3) months from the date of the Agreement or within such further period as may be mutually agreed upon by the Parties in writing, namely:

- (a) Careplus having been provided with the audited accounts of SUG as at 31 December 2023 which fully complies with Indonesian laws and all relevant international accounting standards;
- (b) Careplus being satisfied that it has been provided with all management accounts, rolling budgets, forecasts, fixed assets listing and other listing and/or records or other documentation which Careplus shall require from SUG prior to the Initial Subscription as defined in section 5.3 below; and
- (c) the approval, consent or waiver of any regulatory requirement by any relevant authority (if required) having been obtained for the purpose of the Business and/or the Agreement.

##### **5.2 Effective Date**

The Agreement shall become effective on the date on which the last of the conditions precedent stipulated in section 5.1 having been duly fulfilled or waived by the Parties ("Effective Date") and shall continue in full force for a term from the Effective Date.

### 5.3 Initial share subscription by Careplus in SUG

- (a) Careplus shall pay the sum of RM3 million for the initial subscription of 19,600 new ordinary shares in SUG (“SUG Share(s)”), based on the valuation of RM153.0612 per SUG Share (“Subscription Price”), to be satisfied entirely by cash (“Initial Subscription”).
- (b) The Subscription Price is arrived at based on the agreed net tangible assets of SUG of RM30 million (“Base NTA”), divided by the existing number of issued SUG Shares.
- (c) Upon completion of the Initial Subscription, the shareholding structure of SUG shall be as follows:

	<b>No. of shares</b>	<b>%</b>
PT Sintong Abadi	98,000	45.455
PT Bima Sahabat Industri	98,000	45.455
Careplus	19,600	9.09
<b>Total</b>	<b>215,600</b>	<b>100.00</b>

### 5.4 Subsequent share issuance in SUG

- (a) Upon completion of the Initial Subscription, Careplus shall undertake the transfer of technology, equipment, machineries, expertise, network and know-how by Careplus and/or its subsidiaries to SUG in respect of the Business throughout a period of five (5) financial years after the completion (“Transfer Period”) for a value equivalent to the aggregate profit before tax of SUG for Transfer Period, up to a maximum of approximately RM30 million (to be converted into the Indonesian Rupiah equivalent based on the prevailing exchange rate at the material time) (“Transfer Value”).

In the event that there is a disagreement between the Parties on the Transfer Value, the Parties shall jointly appoint an independent appraiser to determine the Transfer Value, whose decision shall be final. The costs and expenses for the independent appraiser shall be borne by SUG.

- (b) The Transfer Value shall be fully satisfied via the issuance during the Transfer Period, of such number of SUG Shares from time to time, subject always to positive cashflow and availability of retained earnings, up to a maximum of 50% equity in SUG (“Issue Shares”).
- (c) The issue price for the Issue Shares shall be derived using the Base NTA.
- (d) In the event that the aggregate number of Issue Shares issued to Careplus as at the expiry of the Transfer Period fall short of 50% equity in SUG, Careplus shall have the right to subscribe for such remaining number of SUG Shares up to 50% equity in SUG (“Call Shares”).

### 5.5 Call Shares

SUG shall grant Careplus, the rights to subscribe for the Call Shares on the following terms:

- (a) Careplus may exercise the right to subscribe for the Call Shares within a period of one (1) year from the date of expiry of the Transfer Period or such further period as may be mutually agreed upon by the Parties in writing (“Exercise Period”).

- (b) The exercise price for the Call Shares shall be derived using the Base NTA.

## **5.6 Proposed Joint Venture**

### **5.6.1 Roles and obligations of the Parties**

SA and BSI shall be responsible for the following roles and obligations:

- (a) Procure the execution of a rental agreement between SUG and the landlord for the rental of the land and buildings to be used for the Business, at such rental satisfactory to Careplus;
- (b) Procure the supply of utilities such as electricity and water to SUG for the Business, at such rates satisfactory to Careplus;
- (c) Procure the required production lines, supporting equipment and other necessary fixed assets for the Business;
- (e) Continue to manage and run the Business, with support from Careplus.

Careplus shall be responsible for the following roles and obligations:

- (a) Provide technical expertise in respect of the production of examination gloves (NBR and NR);
- (b) Provide QMS and worldwide regulatory registration know-how, wherever required;
- (c) Market SUG's products to local and international markets;
- (d) Support SA and BSI in the management of SUG.

### **5.7 Composition of the Board of Directors and Board of Commissioners of SUG**

- (a) The Board of Directors and Board of Commissioners of SUG shall comprise nominees of each Party in such number as shall be reflective of the respective Party's shareholdings in SUG from time to time, PROVIDED ALWAYS that Careplus shall at all times for the duration of the Term be entitled to nominate at least one (1) nominee to the Board of Directors and Board of Commissioners of SUG.
- (b) The nominee Director/Commissioner of a Party may only be removed or replaced by the Party nominating such Director/Commissioner.

## **6. RATIONALE OF THE PROPOSED JOINT VENTURE**

The Proposed Joint Venture represents the Company's long-term strategic efforts in navigating through the glove business as it provides Careplus with the opportunity to explore and enter into the untapped market, i.e. the Indonesia's glove industry. By leveraging the lower labour and production costs in Indonesia, the Company expects to achieve cost savings and hence, improving the Company's overall competitiveness in the market.

In addition, with the JV Partners' local market knowledge, regulatory understanding and established networks in the Indonesian market, therefore facilitating smoother market entry and operations.

#### **7. SOURCE OF FUNDING**

The Subscription Price will be funded entirely through internally generated funds.

#### **8. EFFECTS OF THE PROPOSED JOINT VENTURE**

The Proposed Joint Venture will not have any effect on the share capital and substantial shareholders' shareholdings of Careplus. The Agreement is not expected to have any material effect on the earnings per share, net assets per share and gearing of Careplus for the financial year ending 30 June 2025.

#### **9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the directors and/or major shareholders of Careplus and/or persons connected with them have any interest, whether directly or indirectly, in the Proposed Joint Venture.

#### **10. DIRECTORS' STATEMENT**

The Board, after considering all aspects of the Agreement, is of the opinion that the Proposed Joint Venture is in the best interest of Careplus.

#### **11. APPROVALS REQUIRED**

The Proposed Joint Venture is not subject to the approval of the Company's shareholders or any other relevant regulatory authorities.

#### **12. PERCENTAGE RATIO**

The highest percentage ratio applicable to the Agreement pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 1.12%, based on the audited financial statements of Careplus for the financial period ended 30 June 2023.

#### **13. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the Agreement is available for inspection at the registered office of Careplus at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan from Monday to Friday (except public holidays) for a period of three (3) months commencing from the date of this announcement.

This announcement is dated 27 August 2024.