

**HEXTAR HEALTHCARE BERHAD (199601000297) (372642-U)**

(Formerly known as Rubberex Corporation (M) Berhad)

Condensed Consolidated Statements of Comprehensive Income for the financial period ended 31 December 2022

These figures have not been audited

	2022 Current Quarter ended 31 December RM'000	2022 Year-to-Date ended 31 December RM'000	2021 Current Quarter ended 31 December RM'000	2021 Year-to-Date ended 31 December RM'000
Revenue	40,070	174,966	63,202	509,954
Cost of sales	(79,794)	(209,462)	(51,778)	(271,523)
Gross profit/(loss)	(39,724)	(34,496)	11,424	238,431
Other gains and losses	(18,599)	(13,503)	1,599	12,851
Operating expenses	(5,329)	(15,569)	(3,383)	(14,396)
Profit/(Loss) from operations	(63,652)	(63,568)	9,640	236,886
Finance costs	(45)	(50)	8	(103)
Profit/(Loss) before tax	(63,697)	(63,618)	9,648	236,783
Income tax (expense)/credit	7,318	7,478	(355)	(51,042)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(56,379)	(56,140)	9,293	185,741
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	753	(436)	(1,140)	(1,794)
Total comprehensive income for the period attributable to Equity holders of the Company	(55,626)	(56,576)	8,153	183,947
Earnings per share:				
Basic (sen)	(6.30)	(6.27)	1.07	21.79
Weighted average number of shares ^	895,031,217	895,031,217	851,781,226	851,781,226

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements.

**HEXTAR HEALTHCARE BERHAD (199601000297) (372642-U)**

(Formerly known as Rubberex Corporation (M) Berhad)

Condensed Consolidated Statements of Financial Position as at 31 December 2022
These figures have not been audited

	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	209,368	208,020
Prepaid lease payments	16,308	16,642
Other investments	143,502	-
Right-of-use assets	5,138	1,785
	<u>374,316</u>	<u>226,447</u>
Current Assets		
Inventories	82,121	112,071
Trade and other receivables	105,569	30,338
Amount due by related parties	10	-
Cash and bank balances	92,791	298,386
	<u>280,491</u>	<u>440,795</u>
TOTAL ASSETS	<u>654,807</u>	<u>667,242</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	341,308	257,794
Treasury shares	(48,191)	(24,203)
Other reserves	139	575
Retained earnings	310,832	366,827
TOTAL EQUITY	<u>604,088</u>	<u>600,993</u>
Non-current Liabilities		
Borrowings	1,638	-
Lease liabilities	3,291	1,023
Deferred tax liabilities	13,864	17,179
	<u>18,793</u>	<u>18,202</u>
Current Liabilities		
Trade and other payables	29,943	47,205
Amount due to related parties	60	-
Lease liabilities	908	819
Borrowings	1,015	23
	<u>31,926</u>	<u>48,047</u>
TOTAL LIABILITIES	50,719	66,249
TOTAL EQUITY AND LIABILITIES	<u>654,807</u>	<u>667,242</u>
Net asset per share (RM)	0.60	0.69

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements.

**HEXTAR HEALTHCARE BERHAD (199601000297) (372642-U)**

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Condensed Consolidated Statements of Changes in Equity for the financial period ended 31 December 2022

These figures have not been audited

	Attributable to Equity Holders of the Company				Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Translation Reserves RM'000	Retained Earnings RM'000	
As at 01 January 2021	191,212	(1,612)	8,318	179,751	377,669
Issuance of new shares	66,582	-	-	-	66,582
Total comprehensive income for the period	-	-	(5,949)	185,741	179,792
Resale/(Purchase) of treasury shares	-	(22,591)	-	1,481	(21,110)
Effects of foreign exchange differences	-	-	(1,794)	-	(1,794)
As at 31 December 2021	257,794	(24,203)	575	366,973	601,139
As at 01 January 2022	257,794	(24,203)	575	366,972	601,138
Issuance of new shares	83,514	-	-	-	83,514
Total comprehensive income for the period	-	-	-	(56,140)	(56,140)
Resale/(Purchase) of treasury shares	-	(23,988)	-	-	(23,988)
Effects of foreign exchange differences	-	-	(436)	-	(436)
As at 31 December 2022	341,308	(48,191)	139	310,832	604,088

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements.

**HEXTAR HEALTHCARE BERHAD (199601000297) (372642-U)**

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Condensed Consolidated Statements of Cashflows for the financial period ended 31 December 2022

These figures have not been audited

	2022 Year-to-Date ended 31 December RM'000	2021 Year ended 31 December RM'000
Net cash (used in)/generated from operating activities	(19,716)	134,310
Net cash (used in)/generated from investing activities	(191,256)	18,741
Net cash (used in)/generated from financing activities	<u>(618)</u>	<u>40,373</u>
Net increase/(decrease) in cash and cash equivalents	(211,590)	193,424
Effects of foreign exchange differences	(494)	(132)
Cash and cash equivalents at beginning of financial period	<u>304,407</u>	<u>105,071</u>
Cash and cash equivalents at end of financial period	<u>92,323</u>	<u>298,363</u>

Cash and cash equivalents at end of financial period comprise the following:

Cash and bank balances	92,323	298,386
Short term borrowings - bank overdrafts	<u>-</u>	<u>(23)</u>
	<u>92,323</u>	<u>298,363</u>

The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation of the Financial Statements and Adoption of New and Revised Financial Reporting Standards (“FRSs”)

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

The accounting policies and methods of computation adopted for the interim financial statements were consistent with those adopted for the annual audited financial statements for the year ended 31 December 2021.

2. Auditor’s Report on Preceding Annual Financial Statements

The auditor’s report on the financial statements of the Group and the Company for the previous year ended 31 December 2021 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group’s products are not materially impacted by any seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting the Group’s assets, liabilities, equity, net income or cash flows in the financial statements ended 31 December 2022.

5. Changes in Material Estimates

There were no changes in the nature and computation of estimates reported in prior financial year(s) that have a material effect in the financial statements ended 31 December 2022.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

The Company did not carry out any Share Buy-back in the current quarter. As of 31 December 2022, a total of 91,273,100 shares were held as Treasury Shares by the Company.

As of 31 December 2022, the Company’s total number of issued share capital net of treasury shares was 1,001,918,781 shares.



7. Dividends Paid

No dividends have been declared by the Company in respect of the current financial year.

8. Segmental Information

Segmental information is presented in accordance to the Group's business and geographical segments by location of assets, which is the primary reporting format.

	Current Quarter ended 31 December 2022 RM'000	Cumulative year- to-date RM'000
Segment Revenue:		
Malaysia	37,343	162,038
Europe	10,073	59,010
	<hr/>	<hr/>
	47,416	221,048
Group adjustments	(7,346)	(46,082)
Total	<hr/>	<hr/>
	40,070	174,966
	<hr/>	<hr/>
Segment Results:		
Malaysia	(51,913)	(48,361)
Europe	(11,669)	(20,139)
	<hr/>	<hr/>
	(63,582)	(68,500)
Group adjustments	(71)	4,932
Total	<hr/>	<hr/>
	(63,652)	(63,568)
	<hr/>	<hr/>

9. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluations on its property, plant and equipment in the current quarter and financial year ended 31 December 2022.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2021.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial period ended 31 December 2022.

11. Changes in the Composition of the Group

Since the Company's last announcement on the completion of the acquisition of medical test kit manufacturer, Reszon Diagnostics International Sdn Bhd, on 31 October 2022, there were no changes to the composition of the Group including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations since the last audited financial year ended 31 December 2021.

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or assets since the last audited annual balance sheet date of 31 December 2021.



13. Capital Commitments

The commitment for the purchase of property, plant and equipment not provided for in the financial statements as of 31 December 2022 was as follows: -

	RM'000
Capital expenditure approved and contracted for	895

B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The Group achieved a sales turnover of RM40.1 million in the current quarter compared to RM63.2 million in the corresponding quarter ended 31 December 2021, a decrease of 36.6%. Revenue from the Group's newly acquired subsidiary accounted for 12.8% of sales turnover in the current quarter. The Group recorded a loss after tax of RM56.4 million in the current quarter, a decrease from profits of RM9.3 million in the previous year owing to provisions for inventory write-down to net realizable values and certain impairment to property, plant and equipment taken up.

Continuous easing of ASPs and low-capacity utilization due to oversupply of nitrile disposable gloves in the market have adversely impacted the Group's Glove operation. Similarly, the global transitioning of the COVID-19 pandemic to endemicity have also affected demand and sales of medical self-test kits by the Group.

2. Material change in profits of the current quarter compared with preceding quarter

The Group recorded a loss after tax in the current quarter of RM56.4 million, a significant increase from losses of RM4.4 million in the third quarter. Owing to the persistently soft demand for the Group's products and low-capacity utilization in the current quarter, the Group provided for impairment losses to its inventories and certain machineries amounting to RM32.0 million and RM20.0 million respectively in the current quarter.

3. Current Year Prospects

The Management foresees performance of the glove division especially nitrile disposable gloves, to remain challenging for the next few financial quarters as headwinds such as excess supply, high energy and labour costs, foreign exchange fluctuations and uncertainty in the global economy are expected to prevail in the short to medium term.



As demand for COVID-19 self-test kits is gradually easing, the Group will focus on the manufacture and sales of other diagnostics test kits for the detection of various infectious diseases such as malaria, typhoid, HIV and other drug-of-abuse test kits in the current year. Overall, the Management is continually mindful of weak ASPs, rising costs and competition that could impact on the Group's financial performance.

4. Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee has been issued for the current quarter.

5. Taxation

	Current quarter ended 31 December 2022 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	1,017	18,218
Current year – Foreign income tax	(2,932)	(5,050)
Deferred tax liability	(5,404)	(5,690)
Total income tax expense/(credit)	<u>(7,319)</u>	<u>(7,478)</u>

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 31 December 2022.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 31 December 2022.

8. (a) Status of Corporate Proposals

There were no corporate proposals not announced or outstanding as at 31 December 2022.

(b) Status of Utilisation of Proceeds

Details of the proceeds raised from the Private Placement exercise amounting to RM66.6 million as of 31 December 2022 were utilized as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation	Explanation (if the deviation is 5% or more)
Acquisition of double-formers nitrile disposable glove production lines	66,024	-	Within 24 months from completion i.e., August 2021	-	-
Estimated expenses	558	558	Immediate	-	-



9. Group Borrowings and Debt Securities

	As at 31 December 2022		
	Secured RM'000	Unsecured RM'000	Total RM'000
Current	-	1,015	1,015
Non-current	-	1,638	1,638
	-	2,653	2,653

10. Financial Instruments Risks

As of 31 December 2022, the Group has the following foreign currency contracts outstanding: -

Currency	Contracted Amounts '000	Ringgit Equivalent RM'000	Fair Values RM'000	Expiry Periods
U.S. Dollar (USD)	215	951	947	January 2023
Euro (EUR)	255	1,195	1,197	January 2023
		2,146	2,144	

The above foreign currency contracts were entered into with local licensed banks to hedge the Group's receivables and payables in foreign currencies. The contracted rates will be used to translate the underlying foreign currencies into Ringgit Malaysia.

These foreign currency contracts are of a short-term nature. The accounting policy adopted with regards to off balance sheet financial instruments was consistent with those applied in the last audited financial statements as at 31 December 2021.

11. Changes in Material Litigation

There was no outstanding material litigation as of 31 December 2022.

12. Dividend Payable

No dividend is proposed for the current quarter ended 31 December 2022.

13. Earnings per Share ("EPS")

		Cumulative Year-to-Date ended 31 December 2022	Cumulative Year-to-Date ended 31 December 2021
Continuing Operations			
Profit/(Loss) for the period attributable to equity holders of the Company	RM'000	(56,140)	185,741
Weighted average number of ordinary shares in issue	Shares	895,031,217	851,781,226
Basic EPS	sen	(6.27)	21.79



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14. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 28 February 2023.