

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

Condensed Consolidated Statements of Comprehensive Income for the first quarter ended 31 March 2024
These figures have not been audited

	Individual Period		Cumulative Period	
	2024 Current Year Quarter ended 31 March RM'000	2023 Preceding Year Quarter ended 31 March RM'000	2024 Current Year to-Date ended 31 March RM'000	2023 Preceding Year to-Date ended 31 March RM'000
Revenue	40,324	32,417	40,324	32,417
Cost of sales	(36,755)	(30,856)	(36,755)	(30,856)
Gross Profit/(Loss)	3,569	1,561	3,569	1,561
Other gains and losses	740	819	740	819
Operating expenses	(3,913)	(4,579)	(3,913)	(4,579)
Profit/(Loss) from operations	396	(2,199)	396	(2,199)
Finance costs	(53)	(118)	(53)	(118)
Profit/(Loss) before tax	343	(2,317)	343	(2,317)
Income tax (expense)/credit	289	(328)	289	(328)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	632	(2,645)	632	(2,645)
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	59	606	59	606
Total comprehensive income for the period attributable to Equity holders of the Company	691	(2,039)	691	(2,039)
Earnings/(Loss) per share:				
Basic (sen)	0.06	(0.26)	0.06	(0.26)
Weighted average number of shares	1,001,919,781	1,001,919,781	1,001,919,781	1,001,919,781

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements.

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

Condensed Consolidated Statements of Financial Position as at 31 March 2024
These figures have not been audited

	As at 31 March 2024 RM'000	As at 31 December 2023 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	182,691	186,154
Prepaid lease payments	15,890	15,974
Deferred tax asset	6,473	4,939
Other investments	180,626	180,968
Right-of-use assets	4,156	4,113
	<u>389,836</u>	<u>392,148</u>
Current Assets		
Inventories	60,850	57,294
Trade and other receivables	101,779	101,148
Cash and bank balances	24,789	26,057
	<u>187,418</u>	<u>184,499</u>
TOTAL ASSETS	<u><u>577,254</u></u>	<u><u>576,647</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	341,308	341,308
Treasury shares	(48,191)	(48,191)
Other reserves	2,461	2,402
Retained earnings	247,542	246,910
TOTAL EQUITY	<u>543,120</u>	<u>542,429</u>
Non-current Liabilities		
Borrowings	991	626
Lease liabilities	630	2,944
Deferred tax liabilities	-	-
	<u>1,621</u>	<u>3,570</u>
Current Liabilities		
Trade and other payables	28,573	28,530
Amount due to related party	49	50
Lease liabilities	3,722	1,371
Borrowings	169	697
	<u>32,513</u>	<u>30,648</u>
TOTAL LIABILITIES	34,134	34,218
TOTAL EQUITY AND LIABILITIES	<u><u>577,254</u></u>	<u><u>576,647</u></u>
Net asset per share (RM)	0.54	0.54

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements.

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

Condensed Consolidated Statements of Changes in Equity for the first quarter ended 31 March 2024
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 Revaluation Reserves RM'000	Translation Reserves RM'000	Retained Earnings RM'000	
As at 01 January 2023	341,308	(48,191)	-	139	311,286	604,542
Total comprehensive income for the period	-	-	-	-	(2,645)	(2,645)
Effects of foreign exchange differences	-	-	-	606	-	606
As at 31 March 2023	<u>341,308</u>	<u>(48,191)</u>	<u>-</u>	<u>745</u>	<u>308,641</u>	<u>602,503</u>
As at 01 January 2024	341,308	(48,191)	413	1,989	246,910	542,429
Total comprehensive income for the period	-	-	-	-	632	632
Effects of foreign exchange differences	-	-	-	59	-	59
As at 31 March 2024	<u>341,308</u>	<u>(48,191)</u>	<u>413</u>	<u>2,048</u>	<u>247,542</u>	<u>543,120</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements.

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

Condensed Consolidated Statements of Cashflows for the first quarter ended 31 March 2024
These figures have not been audited

	2024 Year-to-Date ended 31 March RM'000	2023 Year ended 31 December RM'000
Net cash used in operating activities	(671)	(23,305)
Net cash from/(used in) investing activities	105	(39,469)
Net cash used in financing activities	<u>(744)</u>	<u>(4,111)</u>
Net decrease in cash and cash equivalents	(1,310)	(66,885)
Effects of foreign exchange differences	42	207
Cash and cash equivalents at beginning of financial period	<u>25,650</u>	<u>92,328</u>
Cash and cash equivalents at end of financial period	<u>24,382</u>	<u>25,650</u>

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

Cash and bank balances	24,382	25,650
Short term borrowings - bank overdrafts	<u>-</u>	<u>-</u>
	<u>24,382</u>	<u>25,650</u>

The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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 2023.

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 2023.

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 2023 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 March 2024.

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 March 2024.

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 March 2024, a total of 91,273,100 shares were held as Treasury Shares by the Company.

As of 31 March 2024, the Company’s total number of issued share capital net of treasury shares was 1,001,919,781 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 business operating activities, which is the Group's primary reporting format.

	Gloves Operation RM'000	Medical Devices Operation RM'000	Property Investment RM'000	Current quarter ended 31 March 2024 RM'000	Cumulative year-to-date RM'000
Revenue	38,113	2,211	-	40,324	40,324
Segment Results	607	(30)	(341)	236	236
Investment Income	160	-	-	160	160
Finance Costs	-	(53)	-	(53)	(53)
Profit/(Loss) before Tax	767	(83)	(341)	343	343
Tax Credit	289	-	-	289	289
Profit/(Loss) after Tax	1,056	(83)	(341)	632	632

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 ended 31 March 2024.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2023.

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 March 2024.

11. Changes in the Composition of the Group

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 2023.

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 2023.

13. Capital Commitments

There was no commitment for the purchase of property, plant and equipment not provided for in the financial statements as of 31 March 2024.



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

1. Review of Performance

The Group recorded a revenue of RM40.3 million in the current quarter compared to RM32.4 million in the corresponding quarter ended 31 March 2023, an increase of 24.4%. The Group also turned around with a profit after tax in the current quarter of RM0.6 million compared to a loss of RM2.6 million in the corresponding period of the previous year due to better performance and higher sales of the Group's products.

Despite the continued low capacity utilization of its plants, the Group benefited from improved average glove selling prices, favourable product mix as well as higher foreign currency exchanges in the current quarter compared to the corresponding period of the previous financial year.

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

The Group recorded a profit after tax in the current quarter of RM0.6 million, contributed by the glove division of RM1.1 million, set off against losses from the medical device division RM0.1 million and share of losses from an associated company of RM0.3 million. The result was a material improvement from a loss of RM46.0 million in the fourth quarter of financial year 2023 where the Group made significant impairment provisions to its inventories and assets due to decreased sales and capacity utilization during the year.

3. Current Year Prospects

The Management foresees the overall performance of the glove division to remain challenging for the next few financial quarters due to rising material prices, energy and labour costs that are expected to prevail in the short to medium term. However, on the whole, this division is expected to stabilize with less volatility in terms of prices in the current year. The Group's property investment division is meanwhile, not expected to contribute any earnings in the current financial year.

As for the medical device operation, the Group remains focused on the manufacture and sales of diagnostics test kits for the detection of various infectious diseases such as filariasis, malaria, typhoid, HIV and other drug-of-abuse test kits, which are distributed in Malaysia and overseas.

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 March 2024 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	(1,527)	(1,527)
Current year – Foreign income tax	(76)	(76)
Deferred tax asset	1,892	1,892
Total income tax credit	289	289

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 31 March 2024.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 31 March 2024.

8. (a) Status of Corporate Proposals

On 26 March 2024, the Company announced that it will undertake a proposed private placement of 100,191,000 new ordinary shares (“Placement Shares”), which represented up to 10% of the total number of issued ordinary shares of the Company. Bursa Malaysia Securities Berhad had on 02 April 2024 approved the listing of and quotation of the Placement Shares on the main market of Bursa Securities. As of the date of this report, no Placement Shares have been issued.

There were no corporate proposals not announced or outstanding as of 31 March 2024.

(b) Status of Utilisation of Proceeds

On 03 August 2023, the Company announced an extension of time and variation to the utilization of proceeds raised from the Private Placement exercise amounting to RM66.0 million. As of 31 March 2024, a sum of RM23.4 million remains un-utilized:

Purpose	Proposed Utilisation RM'000	Variation in Utilisation of Proceeds * RM'000	Proceeds Un-utilized as of 31 March 2024 RM'000	Intended Timeframe for Utilisation
1. Acquisition of double- formers nitrile disposable glove production lines	66,024	-	-	-
2. Working capital	-	15,744	-	Immediate
3. Fixed or short-term deposits – earmarked for future investments	-	50,280	23,434	To be determined
4. Estimated expenses	558	-	-	-
TOTAL	66,582	66,024	23,434	

*As announced on 03 August 2023

**9. Group Borrowings and Debt Securities**

	As of 31 March 2024		
	Secured RM'000	Unsecured RM'000	Total RM'000
Current	-	169	169
Non-current	193	798	991
	193	967	1,160

10. Financial Instruments Risks

As of 31 March 2024, 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)	117	551	551	April 2024
Euro (EUR)	106	544	540	April 2024
		1,095	1,091	

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 2023.

11. Changes in Material Litigation

There was no outstanding material litigation as of 31 March 2024.

12. Dividend Payable

No dividend is proposed for the current quarter ended 31 March 2024.

13. Earnings/(Loss) per Share

		Cumulative Year-to-Date ended 31 March 2024	Cumulative Year-to-Date ended 31 March 2023
Earnings/(Loss) for the period attributable to equity holders of the Company	RM'000	632	(2,645)
Weighted average number of ordinary shares in issue	Shares	1,001,919,781	1,001,919,781
Earnings/(Loss) per share	sen	0.06	(0.26)



14. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 27 May 2024.