

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

Condensed Consolidated Statements of Comprehensive Income for the second quarter ended 30 June 2024  
These figures have not been audited

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	2024 Current Year Quarter ended 30 June RM'000	2023 Preceding Year Quarter ended 30 June RM'000	2024 Current Year to-Date ended 30 June RM'000	2023 Preceding Year to-Date ended 30 June RM'000
Revenue	34,539	40,492	74,862	72,910
Cost of sales	(34,515)	(42,307)	(71,269)	(73,163)
<b>Gross Profit/(Loss)</b>	<b>24</b>	<b>(1,815)</b>	<b>3,593</b>	<b>(253)</b>
Other gains and losses	95	548	835	1,367
Operating expenses	(3,590)	(4,437)	(7,503)	(9,016)
<b>Profit/(Loss) from operations</b>	<b>(3,471)</b>	<b>(5,704)</b>	<b>(3,075)</b>	<b>(7,902)</b>
Finance costs	(50)	(94)	(103)	(212)
<b>Profit/(Loss) before tax</b>	<b>(3,521)</b>	<b>(5,798)</b>	<b>(3,178)</b>	<b>(8,114)</b>
Income tax (expense)/credit	1,019	(97)	1,308	(425)
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>(2,502)</b>	<b>(5,895)</b>	<b>(1,870)</b>	<b>(8,539)</b>
<b>Other comprehensive income, net of tax:</b>				
Foreign currency translation differences for foreign operations	(175)	1,132	(116)	1,738
<b>Total comprehensive income for the period attributable to Equity holders of the Company</b>	<b>(2,677)</b>	<b>(4,763)</b>	<b>(1,986)</b>	<b>(6,801)</b>
<b>Earnings/(Loss) per share:</b>				
Basic (sen)	(0.25)	(0.59)	(0.19)	(0.85)
Weighted average number of shares	1,006,669,781	1,001,919,781	1,006,669,781	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 30 June 2024  
These figures have not been audited

	As at 30 June 2024 RM'000	As at 31 December 2023 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	179,578	186,154
Prepaid lease payments	15,806	15,974
Deferred tax asset	7,550	4,939
Other investments	180,190	180,968
Right-of-use assets	4,301	4,113
	<u>387,425</u>	<u>392,148</u>
<b>Current Assets</b>		
Inventories	65,252	57,294
Trade and other receivables	103,220	101,148
Cash and bank balances	26,871	26,057
	<u>195,343</u>	<u>184,499</u>
<b>TOTAL ASSETS</b>	<u><b>582,768</b></u>	<u><b>576,647</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Issued capital	347,293	341,308
Treasury shares	(48,191)	(48,191)
Other reserves	2,286	2,402
Retained earnings	245,039	246,910
<b>TOTAL EQUITY</b>	<u>546,427</u>	<u>542,429</u>
<b>Non-current Liabilities</b>		
Borrowings	288	626
Lease liabilities	630	2,944
Deferred tax liabilities	-	-
	<u>918</u>	<u>3,570</u>
<b>Current Liabilities</b>		
Trade and other payables	30,822	28,530
Amount due to related party	47	50
Lease liabilities	3,872	1,371
Borrowings	682	697
	<u>35,423</u>	<u>30,648</u>
<b>TOTAL LIABILITIES</b>	<u>36,341</u>	<u>34,218</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>582,768</b></u>	<u><b>576,647</b></u>
Net asset per share (RM)	0.53	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 second quarter ended 30 June 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		Retained Earnings RM'000	
			Revaluation Reserves RM'000	Translation Reserves RM'000		
<b>As at 01 January 2023</b>	341,308	(48,191)	-	139	311,286	604,542
Total comprehensive income for the period	-	-	-	-	(8,539)	(8,539)
Effects of foreign exchange differences	-	-	-	1,738	-	1,738
<b>As at 30 June 2023</b>	<u>341,308</u>	<u>(48,191)</u>	<u>-</u>	<u>1,877</u>	<u>302,747</u>	<u>597,741</u>
<b>As at 01 January 2024</b>	341,308	(48,191)	413	1,989	246,910	542,429
Total comprehensive income for the period	-	-	-	-	(1,870)	(1,870)
Issuance of new shares	5,985	-	-	-	-	5,985
Effects of foreign exchange differences	-	-	-	(116)	-	(116)
<b>As at 30 June 2024</b>	<u>347,293</u>	<u>(48,191)</u>	<u>413</u>	<u>1,873</u>	<u>245,040</u>	<u>546,428</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 second quarter ended 30 June 2024

These figures have not been audited

	2024 Year-to-Date ended 30 June RM'000	2023 Year ended 31 December RM'000
Profit/(Loss) before tax	(3,178)	(73,641)
Adjustment for non-cash flow items	15,418	63,273
Operating profit before changes in working capital	<u>12,240</u>	<u>(10,368)</u>
(Increase)/Decrease in current assets:		
Inventories	(14,347)	(6,632)
Trade and other receivables	(1,620)	6,302
Increase/(Decrease) in current liabilities:		
Trade and other payables	2,393	(805)
Cash from operations	<u>(1,334)</u>	<u>(11,503)</u>
Income tax paid	(2,213)	(9,218)
Nett cashflows from/(used in) operating activities	<u><b>(3,547)</b></u>	<u><b>(20,721)</b></u>
Cashflows from/(used in) investing activities		
Equity investment	-	(37,143)
Proceeds from issuance of new shares	5,985	-
Purchase of property, plant and equipment	(1,311)	(4,961)
Proceeds from disposal of property, plant and equipment	231	1,275
Withdrawal of fixed deposits	-	70
Interests received	845	(2,169)
Nett cashflows from/(used in) investing activities	<u><b>5,750</b></u>	<u><b>(42,928)</b></u>
Cashflows from/(used in) financing activities		
Repayment of term loan and hire purchase payables	(354)	(1,329)
Interests on borrowings paid	(102)	(338)
Repayment of lease liabilities	(852)	(2,759)
Nett cashflows from/(used in) financing activities	<u><b>(1,308)</b></u>	<u><b>(4,426)</b></u>
Nett increase/(decrease) in cash and cash equivalent	895	(68,075)
Cash and cash equivalents at beginning of financial period	25,650	92,328
Effect of foreign exchange differences	(94)	1,397
Cash and cash equivalents at end of financial period	<u><b>26,451</b></u>	<u><b>25,650</b></u>
Cash and cash equivalents at end of financial period comprise the following:		
Cash and bank balances	26,451	25,650
Short term borrowings - bank overdrafts	-	-
	<u><b>26,451</b></u>	<u><b>25,650</b></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 SECOND QUARTER ENDED 30 JUNE 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 30 June 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 30 June 2024.

#### 6. Changes in Debt and Equity Securities

##### 6.1 New ordinary shares

In the current quarter ended 30 June 2024, a total of 28.5 million new ordinary shares were issued pursuant to the Company’s private placement of shares, at RM0.21 per share.

##### 6.2 Share Buy-back

The Company did not carry out any Share Buy-back in the current quarter. As of 30 June 2024, a total of 91,273,100 shares were held as Treasury Shares by the Company.

As of 30 June 2024, the Company’s total number of issued share capital net of treasury shares was 1,030,419,781 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 30 June 2024 RM'000	Cumulative year-to-date RM'000
Revenue	32,588	1,950	-	34,539	74,862
Segment Results	(3,093)	(84)	(436)	(3,613)	(3,378)
Investment Income	130	13	-	142	303
Finance Costs	(4)	(45)	-	(50)	(103)
Profit/(Loss) before Tax	(2,967)	(117)	(436)	(3,521)	(3,178)
Tax Credit	1,019	-	-	1,019	1,308
Profit/(Loss) after Tax	<b>(1,948)</b>	<b>(117)</b>	<b>(436)</b>	<b>(2,502)</b>	<b>(1,870)</b>

**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 30 June 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 30 June 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 30 June 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 RM34.5 million in the current quarter compared to RM40.5 million in the corresponding quarter ended 30 June 2023, a decrease of 14.8%. Loss after tax in the current quarter of 2024 was RM2.5 million compared to RM5.9 million in the corresponding period of the previous year. Despite the continued low capacity utilization of its plants, the Group benefited from improved margins and a more favourable product mix in the current quarter compared to the corresponding period of the previous financial year.

For the first half of the year, the Group recorded a cumulative revenue of RM74.9 million, a slight increase of RM2.0 million or 2.7% from RM72.9 million in the corresponding period of previous year. However, the net loss had significantly reduced by 77.6%, from RM8.5 million previously to RM1.9 million, as the Group achieved greater operational efficiencies and improved glove selling prices in the current year compared to the first six months of 2023.

**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 RM2.5 million, contributed by the glove division of RM1.9 million, medical device division of RM0.1 million and share of losses from an associated company of RM0.4 million. The result was a reversal from profits of RM0.6 million achieved in the previous quarter owing to lower sales and production volumes as well as higher material costs in the current quarter.

**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 expense/(credit)

	Current quarter ended 30 June 2024 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	119	(1,408)
Current year – Foreign income tax	(24)	(100)
Deferred tax asset	924	2,816
Total income tax credit	<b>1,019</b>	<b>1,308</b>

## 6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 30 June 2024.

## 7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 30 June 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 (“Bursa Malaysia”) had on 02 April 2024 approved the listing of and quotation of the Placement Shares on the main market of Bursa Securities. As of 30 June 2024, a total of 28,500,000 new Placement Shares have been issued and listed on Bursa Malaysia.

There were no other corporate proposals not announced or outstanding as of 30 June 2024.

## (b) Status of Utilisation of Proceeds

(i) On 03 August 2023, the Company announced an extension of time and variation to the utilization of proceeds raised from an earlier Private Placement exercise amounting to RM66.0 million. As of 30 June 2024, a sum of RM21.5 million remains un-utilized:

Purpose	Proposed Utilisation RM'000	Variation in Utilisation of Proceeds * RM'000	Proceeds Un-utilized as of 30 June 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 To be determined
3. Fixed or short-term deposits – earmarked for future investments	-	50,280	21,552	
4. Estimated expenses	558	-	-	-
<b>TOTAL</b>	<b>66,582</b>	<b>66,024</b>	<b>21,552</b>	

\*As announced on 03 August 2023



(ii) With regards to the proposed private placement of 100,191,000 shares which had been approved by Bursa Malaysia on 02 April 2024, a first tranche comprising 28.5 million Placement Shares had been issued pursuant to the Private Placement with total net proceeds of RM5.9 million raised as of 30 June 2024.

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
Working capital	19,838	-	Within 24 months
Estimated expenses	200	87	Within 1 month
<b>TOTAL</b>	<b>20,038</b>	<b>87</b>	

## 9. Group Borrowings and Debt Securities

	As of 30 June 2024		
	Secured RM'000	Unsecured RM'000	Total RM'000
Current	-	682	682
Non-current	166	122	288
	<b>166</b>	<b>804</b>	<b>970</b>

## 10. Financial Instruments Risks

As of 30 June 2024, the Group has the following foreign currency contracts outstanding: -

Currency	Contracted Amount '000	Ringgit Equivalent RM'000	Fair Value RM'000	Expiry Period
U.S. Dollar (USD)	4	21	21	July 2024

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 30 June 2024.

## 12. Dividend Payable

No dividend is proposed for the current quarter ended 30 June 2024.



### 13. Loss per Share

		Cumulative Year-to-Date ended 30 June 2024	Cumulative Year-to-Date ended 30 June 2023
Loss for the period attributable to equity holders of the Company	RM'000	(1,870)	(8,539)
Weighted average number of ordinary shares in issue	Shares	1,006,669,781	1,001,919,781
<b>Loss per share</b>	<b>sen</b>	<b>(0.19)</b>	<b>(0.85)</b>

### 14. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 29 August 2024.