

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

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

	Individual Period		Cumulative Period	
	2024 Current Year Quarter ended 30 September RM'000	2023 Preceding Year Quarter ended 30 September RM'000	2024 Current Year to-Date ended 30 September RM'000	2023 Preceding Year to-Date ended 30 September RM'000
Revenue	30,434	45,542	105,296	118,452
Cost of sales	(30,794)	(47,494)	(102,063)	(120,657)
Gross Profit/(Loss)	(360)	(1,952)	3,233	(2,205)
Other gains and losses	(842)	(248)	770	1,119
Share of losses in an associate	(407)	-	(1,184)	-
Operating expenses	(3,514)	(5,900)	(11,017)	(14,916)
Profit/(Loss) from operations	(5,123)	(8,100)	(8,198)	(16,002)
Finance costs	(47)	(71)	(149)	(284)
Profit/(Loss) before tax	(5,170)	(8,171)	(8,347)	(16,286)
Income tax (expense)/credit	1,110	(1,652)	2,418	(2,077)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(4,060)	(9,823)	(5,929)	(18,363)
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	(1,951)	(327)	(2,067)	1,411
Total comprehensive income for the period attributable to Equity holders of the Company	(6,011)	(10,150)	(7,996)	(16,952)
Earnings/(Loss) per share:				
Basic (sen)	(0.40)	(0.98)	(0.58)	(1.83)
Weighted average number of shares	1,025,629,892	1,001,919,781	1,025,629,892	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 September 2024

These figures have not been audited

	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	176,071	186,154
Prepaid lease payments	15,723	15,974
Deferred tax asset	8,277	4,939
Other investments	179,783	180,968
Right-of-use assets	4,163	4,113
	<u>384,017</u>	<u>392,148</u>
Current Assets		
Inventories	76,603	57,294
Trade and other receivables	110,620	101,148
Cash and bank balances	20,105	26,057
	<u>207,328</u>	<u>184,499</u>
TOTAL ASSETS	<u>591,345</u>	<u>576,647</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	361,387	341,308
Treasury shares	(48,191)	(48,191)
Other reserves	335	2,402
Retained earnings	240,981	246,910
TOTAL EQUITY	<u>554,512</u>	<u>542,429</u>
Non-current Liabilities		
Borrowings	288	626
Lease liabilities	630	2,944
Deferred tax liabilities	-	-
	<u>918</u>	<u>3,570</u>
Current Liabilities		
Trade and other payables	31,654	28,530
Amount due to related party	43	50
Lease liabilities	3,728	1,371
Borrowings	490	697
	<u>35,915</u>	<u>30,648</u>
TOTAL LIABILITIES	<u>36,833</u>	<u>34,218</u>
TOTAL EQUITY AND LIABILITIES	<u>591,345</u>	<u>576,647</u>
Net asset per share (RM)	0.50	0.54

The condensed consolidated statements of financial position should be read in conjunction with the audited financial 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 period ended 30 September 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		
As at 01 January 2023	341,308	(48,191)	-	139	311,286	604,542
Total comprehensive income for the period	-	-	-	-	(18,363)	(18,363)
Effects of foreign exchange differences	-	-	-	1,411	-	1,411
As at 30 September 2023	<u>341,308</u>	<u>(48,191)</u>	<u>-</u>	<u>1,550</u>	<u>292,923</u>	<u>587,590</u>
As at 01 January 2024	341,308	(48,191)	413	1,989	246,910	542,429
Total comprehensive income for the period	-	-	-	-	(5,929)	(5,929)
Issuance of new shares	20,079	-	-	-	-	20,079
Effects of foreign exchange differences	-	-	-	(2,067)	-	(2,067)
As at 30 September 2024	<u>361,387</u>	<u>(48,191)</u>	<u>413</u>	<u>(78)</u>	<u>240,981</u>	<u>554,512</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 period ended 30 September 2024
These figures have not been audited

	2024 Year-to-Date ended 30 September RM'000	2023 Year ended 31 December RM'000
Profit/(Loss) before tax	(8,347)	(73,641)
Adjustment for non-cash flow items	11,454	58,757
Operating profit before changes in working capital	<u>3,107</u>	<u>(14,884)</u>
(Increase)/Decrease in current assets:		
Inventories	(18,024)	(6,632)
Trade and other receivables	(9,284)	6,302
Increase/(Decrease) in current liabilities:		
Trade and other payables	3,226	(805)
Cash from operations	<u>(20,975)</u>	<u>(16,019)</u>
Income tax paid	(2,629)	(9,218)
Nett cashflows from/(used in) operating activities	<u>(23,604)</u>	<u>(25,237)</u>
Cashflows from/(used in) investing activities		
Equity investment	-	(37,143)
Proceeds from issuance of new shares	20,079	-
Purchase of property, plant and equipment	(1,759)	(4,961)
Proceeds from disposal of property, plant and equipment	357	1,275
Withdrawal of fixed deposits	-	70
Interests received	2,223	2,347
Nett cashflows from/(used in) investing activities	<u>20,900</u>	<u>(38,412)</u>
Cashflows from/(used in) financing activities		
Repayment of term loan and hire purchase payables	(545)	(1,329)
Interests on borrowings paid	(67)	(338)
Repayment of lease liabilities	(1,110)	(2,759)
Nett cashflows from/(used in) financing activities	<u>(1,722)</u>	<u>(4,426)</u>
Nett increase/(decrease) in cash and cash equivalent	(4,426)	(68,075)
Cash and cash equivalents at beginning of financial period	25,650	92,328
Effect of foreign exchange differences	(1,538)	1,397
Cash and cash equivalents at end of financial period	<u>19,686</u>	<u>25,650</u>
Cash and cash equivalents at end of financial period comprise the following:		
Cash and bank balances	19,686	25,650
Short term borrowings - bank overdrafts	-	-
	<u>19,686</u>	<u>25,650</u>

The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statement 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 September 2024.

6. Changes in Debt and Equity Securities

6.1 New ordinary shares

In the current quarter ended 30 September 2024, a total of 71.2 million new ordinary shares were issued pursuant to the Company’s private placement of shares, at approximately RM0.20 per share.

6.2 Share Buy-back

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

As of 30 September 2024, the Company’s total number of issued share capital net of treasury shares was 1,102,110,781 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 September 2024 RM'000	Cumulative year-to-date RM'000
Revenue	27,661	2,772	-	30,434	105,296
Segment Results	(5,352)	505	(407)	(5,254)	(8,632)
Investment Income	131	-	-	131	433
Finance Costs	(7)	(40)	-	(47)	(149)
Profit/(Loss) before Tax	(5,228)	465	(407)	(5,170)	(8,347)
Tax Credit	1,110	-	-	1,110	2,418
Profit/(Loss) after Tax	(4,118)	465	(436)	(4,060)	(5,929)

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 September 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 September 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 September 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 RM30.4 million in the current quarter compared to RM45.5 million in the corresponding quarter ended 30 September 2023, a decrease of 33.2%. Loss after tax in the current quarter of 2024 was RM4.1 million compared to RM9.8 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 nine months of the year, the Group recorded a cumulative revenue of RM105.3 million, a decrease of RM13.1 million or 11.1% from RM118.4 million in the corresponding period of previous year. However, the net loss had significantly reduced by 67.9%, from RM18.4 million previously to RM5.9 million, as the Group achieved greater operational efficiencies and improved glove selling prices and sales mix in the current year compared to the first nine 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 RM4.1 million, mainly contributed by the glove division of RM4.1 million, set off against profit from the medical device division of RM0.5 million and recognition of the share of losses from an associated company of RM0.4 million. The higher losses from the glove division was attributed to lower sales and production volumes in the current quarter compared to the previous quarter ended 30 June 2024.

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 the still-depressed disposable gloves market, rising material prices, energy and labour costs that are expected to prevail in the short to medium term. 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 September 2024 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	435	(973)
Current year – Foreign income tax	(28)	(128)
Deferred tax asset	703	3,519
Total income tax credit	1,110	2,418

6. Sales of Unquoted Investments and/or Properties

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

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 30 September 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. As of 30 September 2024, the proposed private exercise has been completed with a total of 100,191,000 new Placement Shares issued and listed on Bursa Malaysia.

There were no other corporate proposals not announced or outstanding as of 30 September 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 September 2024, a sum of RM10.2 million remains un-utilized:

Purpose	Proposed Utilisation RM'000	Variation in Utilisation of Proceeds * RM'000	Proceeds Un-utilized as of 30 Sept 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	10,211	To be determined
4. Estimated expenses	558	-	-	-
TOTAL	66,582	66,024	10,211	

*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 total of 100,191,000 Placement Shares had been issued pursuant to the Private Placement with total net proceeds of RM20.0 million raised as of 30 September 2024. (Note: the third and final tranche of the proceeds of the Placement Shares amounting to RM8.1 million was effectively credited to the Company's bank account in early-October 2024).

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

9. Group Borrowings and Debt Securities

	As of 30 September 2024		
	Secured RM'000	Unsecured RM'000	Total RM'000
Current	-	490	490
Non-current	138	150	288
	138	640	778

10. Financial Instruments Risks

As of 30 September 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)	19	80	79	October 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 September 2024.

12. Dividend Payable

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



13. Loss per Share

		Cumulative Year-to-Date ended 30 September 2024	Cumulative Year-to-Date ended 30 September 2023
Loss for the period attributable to equity holders of the Company	RM'000	(5.929)	(18,363)
Weighted average number of ordinary shares in issue	Shares	1,025,629,892	1,001,919,781
Loss per share	sen	(0.58)	(1.83)

14. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 28 November 2024.