

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Statement prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.



HEXTAR HEALTHCARE BERHAD

(199601000297) (372642-U)

(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS
IN RELATION TO THE**

PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The resolution of the above proposal will be tabled as Special Business at the Twenty-Eighth Annual General Meeting (“28th AGM”) of Hextar Healthcare Berhad (“Hexcare” or the “Company”), which will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) in Malaysia on **Monday, 27 May 2024 at 10.00 a.m.** using the Remote Participation and Voting facilities (“RPV”) provided by Tricor via its TIIH Online website at <https://tiih.online>.

This Statement is available at www.hextarhealthcare.com together with, among others, the Annual Report 2023, Notice of 28th AGM, Form of Proxy and the Administrative Guide for 28th AGM. **Please read the Notes in the Notice of 28th AGM carefully and follow the procedures in the Administrative Guide for 28th AGM in order to participate remotely via RPV.**

If you are unable to participate at this 28th AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Form of Proxy in accordance with the instruction contained therein. Alternatively, you may appoint the Chairman of the meeting as your proxy and indicate your voting instruction in the Form of Proxy.

The completed Form of Proxy must be deposited at the Company’s Share Registrar’s office at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than 48 hours before the time for holding the 28th AGM, which is no later than **Saturday, 25 May 2024 at 10.00 a.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online website at <https://tiih.online> not later than the aforementioned time.

This Share Buy-Back Statement is dated 26 April 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

“Act”	:	The Malaysian Companies Act 2016, as amended from time to time and include any re-enactment thereof
“AGM”	:	Annual General Meeting
“Annual Report 2023”	:	Annual Report of Hexcare for the financial year ended 31 December 2023
“Board”	:	The Board of Directors of Hexcare
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (200301033577) (635998-W)
“Code”	:	The Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, including any amendment that may be made from time to time
“Directors”	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“EPS”	:	Earnings per Share
“Listing Requirements”	:	Bursa Securities Main Market Listing Requirements and any amendments that may be made from time to time
“LPD”	:	29 March 2024, being the latest practicable date prior to the printing of this Statement
“Major Shareholder”	:	Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.
“Market Day(s)”	:	Means a day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday
“NA”	:	Net assets

DEFINITIONS

“Proposed Share Buy-Back”	:	Proposed purchase of up to ten per centum (10%) of Hexcare’s total number of issued shares
“Proposed Renewal”	:	Proposed renewal of authority for Hexcare to purchase its own shares up to ten percent (10%) of the total number of issued shares of Hexcare
“Purchased Shares”	:	Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back
“RM” and sen”	:	Ringgit Malaysia and sen, respectively
“Hexcare” or “the Company”	:	Hextar Healthcare Berhad (199601000297) (372642-U)
“Hexcare Group” or “Group”	:	Hexcare and its subsidiaries, collectively
“Hexcare Share(s)” or “Share(s)”	:	Ordinary share(s) in Hexcare
“Statement”	:	Statement to Shareholders dated 26 April 2024 in relation to the Proposed Renewal
“Substantial Shareholder”	:	Has the meaning given in Section 136 of the Act
Surprise Holiday	:	Means a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
“Treasury Shares”	:	Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127(4)(b) of the Act

All references to “**you**” or “**your**” in this Statement are referred to Hexcare’s shareholders.

Unless specifically referred to, words denoting the singular shall include the plural and vice versa. And words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise stated.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK
--

CONTENTS

STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL	PAGE
1. INTRODUCTION	4
2. DETAILS OF THE PROPOSED RENEWAL	5
3. MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE ACQUIRED	5
4. MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND SOURCE OF FUNDS	6
5. RATIONALE FOR THE PROPOSED SHARE BUY-BACK	6
6. TREATMENT OF PURCHASED SHARES	7
7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK	8
8. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK	9
9. PUBLIC SHAREHOLDING SPREAD	12
10. IMPLICATIONS OF THE CODE	12
11. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS	12
12. HISTORICAL SHARE PRICES	13
13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	13
14. APPROVAL REQUIRED	13
15. DIRECTORS' STATEMENT AND RECOMMENDATION	13
16. AGM	14
17. FURTHER INFORMATION	14
APPENDIX I	15



HEXTAR HEALTHCARE BERHAD
(199601000297) (372642-U)
(Incorporated in Malaysia)

Registered Office:
41, Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh
31400 Ipoh, Perak

26 April 2024

Board of Directors:

Mr. Liew Jee Min @ Chong Jee Min (*Independent Non-Executive Chairman*)
Mr. Khoo Chin Leng (*Managing Director*)
Mr. Goh Hsu-Ming (*Executive Director*)
Mr. Sim Yee Fuan (*Independent Non-Executive Director*)
Ms. Doris Cheng Chin Ching (*Independent Non-Executive Director*)
Ms. Lim Siew Eng (*Independent Non-Executive Director*)

To: The Shareholders of Hexcare

Dear Sir/Madam

PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

1. INTRODUCTION

On 8 April 2024, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed Renewal at the forthcoming Twenty-Eighth AGM ("28th AGM").

The purpose of this Statement is to provide you with information in relation to the Proposed Renewal and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal to be tabled at the forthcoming AGM of the Company.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL

At the last AGM held on 26 May 2023, the Company had obtained its shareholders' approval to purchase up to ten percent (10%) of the total number of issued shares of the Company and the aforesaid approval will expire at the conclusion of the 28th AGM of the Company unless the mandate for share buy-back is renewed.

The Company proposes to seek shareholders' approval at the 28th AGM for the renewal of authority for the proposed purchase of the Company's own shares of up to ten percent (10%) of the total number of issued shares of the Company, subject to compliance with the provisions of the Act, the Listing Requirements and/or any other relevant regulations.

As at LPD, the Company had purchased a total of 91,273,100 shares which were retained as Treasury Shares. The total number of issued shares as at LPD before adjusting for the Treasury Shares held is 1,093,192,881 Hexcare Shares.

The Proposed Renewal shall be effective immediately upon the passing of the ordinary resolution to be tabled at the forthcoming 28th AGM of the Company and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the 28th AGM at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting.

whichever occurs first.

3. MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE ACQUIRED

The maximum aggregate number of Hexcare Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time pursuant to Paragraph 12.09 of the Listing Requirements.

As at the LPD, the maximum number of Hexcare Shares that can be purchased and/or held by the Company will be as follows:-

	<u>No. of Shares</u>
Total number of issued shares of Hexcare (including 91,273,100 Treasury Shares)	1,093,192,881
10% of the total number of issued shares	109,319,288
Less: Total number of treasury shares held by Hexcare	(91,273,100)
Maximum number of shares which may be purchased in respect of the Proposed Share Buy-Back	<u>18,046,188</u>

The actual number of Hexcare Shares to be purchased by the Company and the total amount of funds involved for each purchase(s) and the time of the purchase(s) will depend on *inter alia*, the market conditions and sentiments of the stock market, the availability of financial resources of the Company and the availability of the retained profits of the Company.

4. **MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND SOURCE OF FUNDS**

The funding for the purchase of Hexcare Shares pursuant to the Proposed Share Buy-Back may be decided by using internally generated funds and/or borrowings or a combination of both, the proportion of which will depend on the actual number of Hexcare Shares to be purchased, the price(s) of the Shares, available funds at the time of purchase(s) and other relevant cost factors.

The maximum amount allocated for such transactions shall not exceed the aggregate balance standing in the retained profits of the Company.

Based on the latest Audited Financial Statements of the Company for the financial year ended 31 December 2023, the retained losses of the Company was RM26,109,941. Notwithstanding this, the Company shall only implement the Proposed Share Buy-Back when the retained earnings of the Company is sufficient to effect the share buy-back at the material time.

As at the LPD, the Company has not determined the source of funding for the Proposed Share Buy-Back. If the Proposed Share Buy-Back is funded through internally generated funds, the Company will ensure that there is no material impact on the cash flow position of the Company. In the event the Company purchases its own shares using external borrowings, the Company will ensure its capabilities of repaying such borrowings and that such repayment will not have a material effect on its cash flow. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back.

5. **RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will enable the Company to utilise its surplus financial resources to purchase its own Shares from the open market of Bursa Securities. The Proposed Share Buy-Back, if implemented, may also assist in stabilising the supply and demand and price of the Shares traded on Bursa Securities, thereby supporting the fundamental value of the Shares.

The Hexcare Shares purchased, whether to be held as Treasury Shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting and participation rights. The purchase of Hexcare Shares may result in an improvement to the consolidated EPS and/or NA per Share (given the decreased share base used for the computation of the EPS and NA), which in turn would benefit the Company and its shareholders.

The Purchased Shares can be held as Treasury Shares and resold on the stock market of Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued share capital of the Company. Should any Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

6. TREATMENT OF PURCHASED SHARES

In accordance with Section 127(4) of the Act, the Board may, at its discretion, deal with any Purchased Shares in the following manner:-

- (a) cancel the Purchased Shares;
- (b) retain the Purchased Shares in treasury which is referred to as Treasury Shares;
or
- (c) retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

Based on Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, the Directors may, at their discretion:-

- (a) distribute all or part of the Shares as dividends to the shareholders, such dividends to be known as "shares dividends";
- (b) resell all or part of the Shares in accordance with the Listing Requirements;
- (c) transfer all or part of the Shares for the purposes of or under an employees' share scheme;
- (d) transfer all or part of the Shares as purchase consideration;
- (e) cancel all or part of the Shares; or
- (f) sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe.

Section 127(8) of the Act states that the holder of Treasury Shares which are held under Section 127(5) of the Act shall not confer:-

- (a) the right to attend or vote at meetings and any purported exercise of such rights is void; and
- (b) the right to receive dividends or other distribution, whether cash or otherwise, of the company's assets including any distribution of assets upon winding up of the company.

While the Purchased Shares are held as Treasury Shares, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including, without limiting the generality of Section 127(9) of the Act, the provisions of any law or requirements of the constitution of the Company or the listing requirements of a stock exchange on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

As at the date of this Statement, the Board has yet to decide on the treatment of the Shares so purchased and will take into consideration the effects of such treatment on the Company in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation, resale and/or transfer of Shares pursuant to the Proposed Share Buy-Back.

7. **POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:-

- (a) The Proposed Share Buy-Back, if implemented, will allow the Company to utilise its surplus financial resources that the Company has no immediate use, to purchase Hexcare Shares. If the Hexcare Shares purchased are held as Treasury Shares or cancelled immediately, this may improve the consolidated EPS and NA per share;
- (b) The Proposed Share Buy-Back may also stabilise the supply and demand of Hexcare Shares traded on Bursa Securities which will reduce the volatility of Hexcare Share prices. The stability of Hexcare Share prices is important to maintain investors' confidence to facilitate future fundraising exercises of the Company via the equity market;
- (c) The Proposed Share Buy-Back will provide the Company the opportunities for potential gains if the Purchased Shares which are retained as Treasury Shares are resold at prices higher than the purchase prices; and
- (d) In the event the Treasury Shares are distributed as share dividends, it will serve to reward the shareholders of Hexcare.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows:-

- (a) The Proposed Share Buy-Back, if implemented, will reduce the amount of financial resources available for distribution to the shareholders of the Company;
- (b) The cash flow of the Company may be affected if the Company decides to utilise bank borrowings to finance the Proposed Share Buy-Back;
- (c) The funds allocated for the Proposed Share Buy-Back could be used for other investment opportunities which may emerge in the future; and
- (d) As the funds to be allocated for the Proposed Share Buy-Back must be made wholly out of the retained profits of the Company, the amount available from this account for distribution of dividends to shareholders will be reduced accordingly.

The Proposed Share Buy-Back, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of Hexcare which need to be balanced against investment opportunities and other proposals that can enhance the value to its shareholders. The Board, in exercising any decision in implementing the Proposed Renewal, will be mindful of the interests of the Company and its shareholders.

8. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The financial effects of the Proposed Share Buy-Back on the share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:-

(a) Share Capital

The effect of the Proposed Share Buy-Back on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares.

On the assumption that the Proposed Share Buy-Back is carried out in full and all the Hexcare Shares so acquired are subsequently cancelled, the Proposed Share Buy-Back will result in the total number of issued shares of the Company as at the LPD to be reduced as follows:

	<u>No. of Shares</u>
Issued share capital as at LPD (before adjusting for the Treasury Shares held)	1,093,192,881
Less: Treasury shares as at the LPD	(91,273,100)
Less: Maximum number of Hexcare Shares that may be purchased and cancelled pursuant to the Proposed Renewal	(18,046,188)
Resultant issued share capital after cancellation of Hexcare Shares purchased under the Proposed Renewal	<u>983,873,593</u>

In the event that all the Hexcare Shares so purchased are retained as Treasury Shares and not to be cancelled, the Proposed Share Buy-Back will not have any effect on the total number of issued shares of the Company.

(b) Earnings

The effects of the Proposed Share Buy-Back on the consolidated earnings and EPS of Hexcare Group would depend on, *inter alia*, the number of Purchased Shares, the effective cost of funding as well as the interest income foregone in connection with the funding of such Purchased Shares.

If the Purchased Shares are retained as Treasury Shares or cancelled subsequently, the number of shares applied in the computation of the EPS will be reduced, and this may improve the consolidated EPS of Hexcare Group.

(c) NA

The effect of the Proposed Share Buy-Back on the NA of the Group is dependent on the number of Hexcare Shares purchased, the purchase price(s) of the Hexcare Shares, the effective cost of funding and the treatment of the Hexcare Shares purchased.

The Proposed Share Buy-Back will reduce the NA per Share if the purchase price is higher than the NA per Share at the time of purchase. On the contrary, the NA per Share will increase if the purchase price is lower than the NA per Share at the time of purchase.

(d) **Working Capital**

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital and cash flow of Hexcare Group. The quantum of reduction in working capital depends on, among others, the number of Hexcare Shares so purchased and the purchase price(s) of the Hexcare Shares.

For Hexcare Shares so purchased which are kept as Treasury Shares, upon its resale at a higher selling price than the initial purchase price, the working capital and the cash flow of Hexcare Group will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

(e) **Dividends**

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of the Company as a result of the suspension of the rights of Treasury Shares to dividend entitlement or the reduction in the total number of issued shares of the Company in the event the Treasury Shares are being cancelled.

The Proposed Share Buy-Back may reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the Treasury Shares may be distributed as dividends to the shareholders of the Company, if the Company so decides.

(f) **Gearing**

The effect of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of the Shares. The utilisation of any borrowings to fund the purchase of any Shares will increase the gearing of the Group.

(g) **Directors' and Substantial Shareholders' Shareholdings**

Based on the Registers of Directors' Shareholdings and Substantial Shareholders' Shareholdings as at LPD and assuming that the Proposed Share Buy-Back is implemented up to the maximum of 10% of the total number of issued shares of the Company and that the Shares are bought from the shareholders other than the Directors and Substantial Shareholders of Hexcare, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders of Hexcare are set out below:-

	Number of Shares held as at LPD [@]				After the Proposed Share Buy-Back [#]			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Liew Jee Min @	-	-	-	-	-	-	-	-
Chong Jee Min								
Khoo Chin Leng	32,070	0.00	22,812	0.00 ⁽¹⁾	32,070	0.00	22,812	0.00 ⁽¹⁾
Goh Hsu-Ming	-	-	-	-	-	-	-	-
Mr. Sim Yee Fuan	-	-	-	-	-	-	-	-
Doris Cheng Chin Ching	-	-	-	-	-	-	-	-
Lim Siew Eng	-	-	-	-	-	-	-	-
Substantial Shareholders								
Hextar Rubber Sdn. Bhd.	302,946,566	30.24	-	-	302,946,566	30.79	-	-
Dato' Ong Choo Meng	-	-	302,946,566	30.24 ⁽²⁾	-	-	302,946,566	30.79 ⁽²⁾
Revongen Corporation Sdn. Bhd.	141,466,048	14.12	-	-	141,466,048	14.38	-	-

Notes:

- @ Computation of percentage of shareholdings is based on the total issued shares of Hexcare excludes 91,273,100 Shares held by Hexcare as Treasury Shares.
- # Based on the assumption that the maximum number of Shares bought back by Hexcare is 10% of the total number of issued shares of the Company.
- (1) Deemed interested by virtue of his shareholding held through TA Nominees (Tempatan) Sdn. Bhd. and the shareholding of his spouse, Madam Yeoh Pei Hoon.
- (2) Deemed interested by virtue of his shareholding held through Hextar Rubber Sdn Bhd.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9. PUBLIC SHAREHOLDING SPREAD

The public shareholding spread of the Company as at the LPD and the resulting public shareholding spread of the Company, assuming the Company implements the Proposed Share Buy-Back in full, are as follows:-

	As at the LPD[@]	After the Proposed Share Buy-Back [#]
Public Shareholding Spread	54.52	53.68

Notes:

[@] Computation of Public Shareholding Spread is based on total issued shares of Hexcare excludes 91,273,100 Shares held by Hexcare as Treasury Shares.

[#] Based on the assumption that the maximum number of Shares bought back by Hexcare is up to 10% of the total number of issued shares of the Company.

The Board is mindful of the requirement to maintain the public shareholding spread of at least twenty-five percent (25%) of the total number of listed shares of the Company (excluding Treasury Shares) pursuant to Paragraph 8.02(1) of the Listing Requirements and will continue to be mindful of such requirement when making any purchase of Hexcare Shares pursuant to the Proposed Renewal.

10. IMPLICATIONS OF THE CODE

As at the LPD, the substantial shareholder, Hextar Rubber Sdn. Bhd. holds approximately 30.24% of the voting shares of Hexcare. In the event the Proposed Share Buy-Back is implemented in full, the shareholding of the said substantial shareholder will increase to 30.79%, assuming the total number of issued shares of Hexcare and that held by the said substantial shareholder remain unchanged.

The Board does not anticipate any implication relating to the Code, even if the allowed maximum number of Hexcare Shares is purchased pursuant to the authority granted under the Proposed Renewal.

In the event the number of voting shares of Hexcare bought back subsequent to the date of this Statement result in the substantial shareholder(s) and/or person(s) acting in concert triggering the mandatory general offer for the remaining voting shares not held by him/them, such substantial shareholder(s) and/or person(s) acting in concert will seek an exemption from the obligation to undertake a mandatory general offer under the Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 before a mandatory general offer is triggered. It is the intention of Hexcare to implement the Proposed Share Buy-Back in a manner that will not result in any of the shareholders of Hexcare having to undertake a mandatory general offer pursuant to the Code.

11. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

The Company has not purchased, resale, transferred and/or cancelled any Treasury Shares in the previous 12 months preceding this Statement.

As at the LPD, a total of 91,273,100 Shares were held as Treasury Shares.

12. HISTORICAL SHARE PRICES

The monthly highest and lowest price of Hexcare Shares as traded on Bursa Securities for the past 12 months from April 2023 to March 2024 are as follows :-

	High (RM)	Low (RM)
<u>2023</u>		
April	0.340	0.280
May	0.305	0.260
June	0.265	0.215
July	0.240	0.220
August	0.245	0.210
September	0.235	0.210
October	0.215	0.195
November	0.280	0.195
December	0.350	0.225
<u>2024</u>		
January	0.305	0.225
February	0.240	0.210
March	0.215	0.200

Last transacted market price of Hexcare Shares on LPD before printing this Statement 0.205

(Source: Bloomberg)

13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or Major Shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Share Buy-Back or the subsequent resale of the Treasury Shares, if any.

14. APPROVAL REQUIRED

The Proposed Renewal is subject to the approval of the shareholders of Hexcare at the forthcoming 28th AGM to be convened. Save for the approval of the shareholders of Hexcare, there is no other approvals required for the Proposed Renewal.

15. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered the Proposed Renewal, is of the view that the Proposed Renewal is in the best interest of the Company. Accordingly, the Board recommends that the shareholders of Hexcare vote in favour of the ordinary resolution pertaining to the Proposed Renewal to be tabled at the 28th AGM of the Company.

16. **AGM**

The resolution in respect of the Proposed Renewal will be tabled at the forthcoming 28th AGM. This Statement is available at www.hexstarhealthcare.com together with, the Annual Report 2023, Notice of 28th AGM, Form of Proxy and the Administrative Guide for 28th AGM.

The 28th AGM of the Company will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC:D1A282781) provided by Tricor in Malaysia on **Monday, 27 May 2024 at 10.00 a.m.**, using Remote Participation and Voting facilities (“RPV”) provided by Tricor via its TIIH Online website at <https://tiih.online>, for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolution on the Proposed Renewal, under the agenda of Special Business.

Please read the Notes in the Notice of 28th AGM carefully and follow the procedures in the Administrative Guide for 28th AGM in order to participate remotely via RPV.

If you are unable to participate in this 28th AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Form of Proxy in accordance with the instructions contained therein. Alternatively, you may appoint the Chairman of the meeting as your proxy and indicate your voting instruction in the Form of Proxy.

The completed Form of Proxy must be deposited at the Company’s Share Registrar’s office at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for convening the 28th AGM, which is no later than **Saturday, 25 May 2024 at 10.00 a.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online website at <https://tiih.online> before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of Form of Proxy, please refer to Administrative Guide for 28th AGM.

17. **FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of Directors
HEXTAR HEALTHCARE BERHAD

KHOO CHIN LENG
Managing Director

A. FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of Hexcare who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak, during normal business hours from Monday to Friday (except public holidays) from the date of this Statement up to and including the date of the AGM:-

- (a) the Constitution of Hexcare; and
- (b) Audited consolidated financial statements of Hexcare for the financial years ended 31 December 2022 and 31 December 2023.