

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

MINUTES of the Twenty-Eighth Annual General Meeting (“28th AGM”) of the Company conducted fully virtually through the 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. on Monday, 27 May 2024 at 10.00 a.m.

DIRECTORS	:	Mr. Liew Jee Min @ Chong Jee Min	<i>(Independent Non-Executive Chairman)</i>
		Mr. Khoo Chin Leng	<i>(Managing Director)</i>
		Mr. Goh Hsu-Ming	<i>(Executive Director)</i>
		Mr. Sim Yee Fuan	<i>(Independent Non-Executive Director)</i>
		Ms. Doris Cheng Chin Ching	<i>(Independent Non-Executive Director)</i>
		Ms. Lim Siew Eng	<i>(Independent Non-Executive Director)</i>
IN ATTENDANCE (as per Attendance List)	:	Ms. Mastura Binti Muhamad Representatives from Deloitte PLT	<i>(Company Secretary)</i>

The attendance of members, corporate representatives and proxies is as per the Summary of Attendance List via Remote Participation and Voting facilities (“RPV”).

CHAIRMAN

The Chairman welcomed all the members and attendees to the Company's 28th AGM and informed that the 28th AGM was being conducted on a fully virtual basis via the TIIH Online meeting platform in line with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia and in accordance with Section 327 of the Companies Act 2016.

The notice convening the meeting, having been circulated earlier to all members of the Company and advertised in *The Star*, was taken as read.

The Chairman then introduced the Board members, Company Secretary and Auditors to the shareholders.

Upon the confirmation of the requisite quorum pursuant to the Constitution of the Company, the Chairman called the meeting to order.

ANNOUNCEMENT ON ADMINISTRATIVE MATTERS

The Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll. As such, all the resolutions in the Notice of the 28th AGM would be voted by poll, pursuant to the Constitution of the Company.

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The Chairman highlighted that Resolutions 1 to 8 required a simple majority of more than 50% votes from the shareholders and proxies attending and voting at the meeting remotely.

The Chairman then briefed the shareholders on the flow of the meeting.

The poll administrator was Tricor Investor & Issuing House Services Sdn. Bhd. ("Poll Administrator") and the independent scrutineer was Asia Securities Sdn. Bhd. ("Scrutineer").

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("AFS 2023") AND THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON

The Chairman informed that the AFS 2023 and Reports of the Directors and Auditors thereon were meant for discussion only as the Companies Act 2016 did not require a formal approval of the shareholders for the AFS 2023. Therefore, the item was not put forward for voting.

The Chairman declared that the AFS 2023, together with the Directors' and the Auditors' Reports thereon, received.

**2. RESOLUTION 1
PAYMENT OF DIRECTORS' FEES OF RM217,370.00 TO THE NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

The Chairman proceeded to Resolution 1, which was on the payment of Directors' fees of RM217,370.00 to the Non-Executive Directors for the financial year ending 31 December 2024.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT the payment of Directors' fees of RM217,370.00 to the Non-Executive Directors for the financial year ending 31 December 2024 be approved."

**3. RESOLUTION 2
PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM32,000.00 TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM 28 MAY 2024 UNTIL THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN 2025**

The Chairman proceeded to Resolution 2, which was on the payment of Directors' Benefits of up to RM32,000.00 to the Non-Executive Directors for the period from 28 May 2024 until the Twenty-Ninth Annual General Meeting of the Company to be held in 2025.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

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“THAT the Payment of Directors’ Benefits of up to RM32,000.00 to the Non-Executive Directors for the period from 28 May 2024 until the Twenty-Ninth Annual General Meeting of the Company to be held in 2025 be approved.”

**4. RESOLUTION 3
RE-ELECTION OF MR. KHOO CHIN LENG WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairman proceeded to Resolution 3, which was on the re-election of Mr. Khoo Chin Leng.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Mr. Khoo Chin Leng, retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be hereby re-elected as a Director of the Company.”

**5. RESOLUTION 4
RE-ELECTION OF MR. GOH HSU-MING WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairman proceeded to Resolution 4, which was on the re-election of Mr. Goh Hsu-Ming.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Mr. Goh Hsu-Ming, retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be hereby re-elected as a Director of the Company.”

**6. RESOLUTION 5
RE-ELECTION OF MR. SIM YEE FUAN WHO RETIRES PURSUANT TO CLAUSE 78 OF THE CONSTITUTION OF THE COMPANY**

The Chairman proceeded to Resolution 5, which was on the re-election of Mr. Sim Yee Fuan.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Mr. Sim Yee Fuan, retiring pursuant to Clause 78 of the Constitution of the Company and who being eligible, be hereby re-elected as a Director of the Company.”

**7. RESOLUTION 6
RE-APPOINTMENT OF DELOITTE PLT AS AUDITORS OF THE COMPANY**

The Chairman moved on to Resolution 6 on the re-appointment of the Auditors.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Deloitte PLT be hereby re-appointed as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to fix their remuneration.”

8. RESOLUTION 7
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairman proceeded to Resolution 7 on the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.

He then put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the “Act”), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;*
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or*
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,*

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the

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Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

**9. RESOLUTION 8
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

The Chairman proceeded to Resolution 8 on the Proposed Renewal of Authority for Share Buy-Back. He informed that the details of the Proposed Renewal of Authority for Share Buy-Back were set out in the Statement to Shareholders dated 26 April 2024.

He then put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT, subject always to the Companies Act 2016 (the “Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

- (i) the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and*
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase;*

(“Proposed Share Buy-Back”)

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the*

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meeting, the authority is renewed, either unconditionally or subject to conditions;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or*
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,*

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;*
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;*
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;*
- (iv) To resell all or part of the treasury shares;*
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;*
- (vi) To transfer all or part of the treasury shares as purchase consideration;*
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or*
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.*

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

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ANY OTHER BUSINESS

The Chairman informed that no notice for other business pursuant to the Companies Act 2016 and the Constitution of the Company had been received.

QUESTIONS AND ANSWER (“Q & A”) SESSION

At the invitation of the Chairman, Mr. Khoo Chin Leng and Mr. Goh Hsu-Ming, Directors of the Company addressed the questions submitted prior and during the 28th AGM by the shareholders.

The Chairman informed that questions that were not addressed during the Q&A session due to time constraint would be emailed to the respective people who raised the questions or posted on the Company’s website.

The write-up on the Q&A session, attached hereto as “Appendix A”, shall form part of these minutes.

CONDUCT OF POLL

Having dealt with all the items on the agenda, the Meeting proceeded to vote on the Resolutions by poll. The Chairman adjourned the meeting at 10:30 a.m. for the counting of votes.

ANNOUNCEMENT OF POLLING RESULTS

Upon the completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairman resumed the meeting at 11:05 a.m. for the declaration of the results of the poll.

Based on the poll results attached hereto as “Appendix B”, the Chairman declared ALL resolutions carried.

CLOSURE

The Chairman thanked those present for their attendance and closed the meeting at 11:06 a.m.

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QUESTION-AND-ANSWER SESSION OF THE TWENTY-EIGHTH ANNUAL GENERAL MEETING (“28TH AGM”) OF HEXTAR HEALTHCARE BERHAD (“HEXCARE” OR “THE COMPANY”) HELD ON MONDAY, 27 MAY 2024 AT 10.00 A.M.

Question 1:

Another year of losses. Is the glove business no longer profitable, and do you see any light at the end of the tunnel for the Company?

The Company’s response:

2023 was indeed a challenging year for the Group. The oversupply situation continued to dominate the market, and the average selling prices (“ASP”) were very much depressed, particularly in our nitrile disposable glove division. The Group’s losses stemmed from the low capacity utilisation at our nitrile disposable glove plant, where the resultant higher cost of production, coupled with the low sales volumes and unfavourable selling prices, impacted on our margins and earnings. Significant provisions and stock impairments had to be taken up during the year as well.

As to whether the glove business is still profitable, overall, there are stabilising signs emerging in the market in terms of the supply-demand equation, and we are hopeful of a more meaningful recovery, perhaps towards the end of 2024 or within the next several financial quarters. Our traditional household/industrial glove division is still profitable and contributing to the Group. At Hexcare, our focus in the current year is on the marketing and sales of several niche products, such as those of heavier weights, lengths, and applications, that will typically command higher ASPs, profit margins, and eventually a better financial performance in 2024 compared to year 2023.

Question 2:

What is the Company’s plan to address the financial challenges it is facing? Are there any cost-cutting measures or efficiency improvements being implemented?

The Company’s response:

As mentioned, in the financial year 2023, the Group had addressed these challenges by taking prudent proactive measures to recognise and make adequate provisions and impairments – to finished goods stocks as well as to fixed assets – so as to reflect the actual current market conditions and account for the low capacity utilisation. Following that, we started afresh in 2024 by maintaining optimal operational efficiency and controlling our costs effectively while simultaneously promoting our products to new and existing markets worldwide. The Group has minimal borrowings, and a low gearing gives us the leverage to intensify our marketing efforts and flexibility to perhaps invest in automation to reduce labour costs. All these are contributing towards increasing our revenue and improving our efficiency in the long run.

Question 3:

When will the mall start operations, and how soon will it start to contribute income to the Group?

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COMPANY”) HELD ON MONDAY, 27 MAY 2024 AT 10.00 A.M.**

The Company’s response:

The Empire City Mall recently obtained a full certificate of completion and compliance (“CCC”), and we are currently at the tenants’ fit-out stage, i.e. preparing the interior spaces of the mall for use and occupation. Barring any unforeseen delays, we expect the mall to commence operations by the second quarter of 2025, which is about a year from now. The Company’s investment in the mall stands at RM180.0 million, and once operational, we expect it to contribute from the financial year 2025 onwards.

Question 4:

Does the Company intend to expand its property investment portfolio in the Klang Valley or other parts of Malaysia, or are there already potential new target acquisitions in the healthcare sector?

The Company’s Response:

We are constantly on the lookout for other investment opportunities that are able to provide viable alternative income streams and positive earnings to the Group, regardless of their location of the healthcare opportunities or property investments in other parts of Malaysia. At this juncture, there are no new acquisitions in the pipeline, but should there be, we will perform the necessary intensive due diligence on our part and make the relevant announcements accordingly.

Question 5:

Can you provide insights into the Company’s cash flow management strategies during this period of loss?

The Company’s Response:

We recognise the importance of resource planning and cash flow management during this challenging period, and we have always been prudent in our approach to investments, capital expenditures, and other operational spending. A significant portion of our cash reserves are placed in short-term interest-bearing deposits at licensed financial institutions, and our Group’s borrowings are minimal. We also have ample, adequate liquidity and we believe our cash flow management is satisfactory at the moment.

Question 6:

Why has the Company not declared any dividends to reward its shareholders in the past few years?

The Company’s Response:

For the last several years, the Company had been focused on charting an expansionary long-term growth path for the Group, which, besides building on our existing core businesses, may also include plans for other strategic investments, notwithstanding the organic developments that could potentially generate higher returns and value to our shareholders. We have been in the healthcare and glove business for more than 30 years. Our business fundamentals are strong, and while we acknowledge that dividends are one way of rewarding shareholders, we also believe in creating value through growth and innovation over the long term, and eventually such value will be reflected in our share price and your investment as well.

Question 7:

What is the Company’s outlook in terms of building sustainability and aligning your business objectives with Environment, Social and Government (“ESG”) goals and aspirations?

The Company’s Response:

We encourage and support a strong culture of ESG compliance at the Company. Besides driving revenue and making profits, sustainability is indeed the key word in doing business today. As responsible corporate citizens, we are accountable for the impact of our actions on the environment. While we adhere to the highest international environmental standards, we are also committed to efficient electricity and water usage, renewable energy in the form of our solar panels and active emissions monitoring within the Group. We have pledged to be carbon neutral by 2030, and we will align with Malaysia’s net zero carbon emissions goal by 2050.

On the social front, we foster sustainability in the form of supporting our staff in their career development; we provide them with a safe working environment to thrive and our workforce is culturally diverse. Our social responsibility efforts extend to the nearby communities where we undertake various corporate social responsibility activities throughout the year, contributing in cash and kind.

We take a serious and responsible zero-tolerance stance on bribery and corruption, and this message is clearly communicated to our stakeholders. We also publish our formalised policies and procedures on our website, including the Anti-Corruption and Bribery Policy, which we uphold diligently and which in line with one of the UN’s universal principles.

Please refer to our Sustainability Statement published in the Annual Report for more information on the Company’s sustainability and ESG practices.

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Twenty-Eighth Annual General MeetingTIIH 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. in Malaysia

On 27-May-2024 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Resolution 1	14,212,112	96.1960	562,012	3.8040	14,774,124	100.0000
Resolution 2	14,164,037	96.0668	579,912	3.9332	14,743,949	100.0000
Resolution 3	14,537,177	98.2977	251,747	1.7023	14,788,924	100.0000
Resolution 4	14,559,594	98.4493	229,330	1.5507	14,788,924	100.0000
Resolution 5	12,486,393	84.4307	2,302,531	15.5693	14,788,924	100.0000
Resolution 6	14,501,092	97.9908	297,332	2.0092	14,798,424	100.0000
Resolution 7	14,334,501	97.0124	441,448	2.9876	14,775,949	100.0000
Resolution 8	14,506,776	98.2044	265,249	1.7956	14,772,025	100.0000

