

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

(Formerly known as Rubberex Corporation (M) Berhad)

Condensed Consolidated Statements of Comprehensive Income for the second quarter ended 30 June 2023

These figures have not been audited

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	2023 Current Year Quarter ended 30 June RM'000	2022 Preceding Year Quarter ended 30 June RM'000	2023 Current Year to-Date ended 30 June RM'000	2022 Preceding Year to-Date ended 30 June RM'000
Revenue	40,492	46,403	72,910	98,983
Cost of sales	(42,307)	(44,162)	(73,163)	(91,587)
<b>Gross profit/(loss)</b>	<b>(1,815)</b>	<b>2,241</b>	<b>(253)</b>	<b>7,396</b>
Other gains and losses	548	2,564	1,367	3,894
Operating expenses	(4,437)	(3,186)	(9,016)	(6,653)
<b>Profit/(Loss) from operations</b>	<b>(5,704)</b>	<b>1,619</b>	<b>(7,902)</b>	<b>4,637</b>
Finance costs	(94)	(3)	(212)	(5)
<b>Profit/(Loss) before tax</b>	<b>(5,798)</b>	<b>1,616</b>	<b>(8,114)</b>	<b>4,632</b>
Income tax (expense)/credit	(97)	442	(425)	(23)
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>(5,895)</b>	<b>2,058</b>	<b>(8,539)</b>	<b>4,609</b>
<b>Other comprehensive income, net of tax:</b>				
Foreign currency translation differences for foreign operations	1,132	(588)	1,738	(861)
<b>Total comprehensive income for the period attributable to Equity holders of the Company</b>	<b>(4,763)</b>	<b>1,470</b>	<b>(6,801)</b>	<b>3,748</b>
<b>Earnings per share:</b>				
Basic (sen)	(0.59)	0.24	(0.85)	0.53
Weighted average number of shares	1,001,919,781	870,913,084	1,001,919,781	870,913,084

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.*

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

(Formerly known as Rubberex Corporation (M) Berhad)

Condensed Consolidated Statements of Financial Position as at 30 June 2023

These figures have not been audited

	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	205,365	208,214
Prepaid lease payments	16,141	16,308
Other investments	180,645	180,645
Right-of-use assets	2,478	4,105
	<u>404,629</u>	<u>409,272</u>
<b>Current Assets</b>		
Inventories	86,554	82,132
Trade and other receivables	103,003	99,773
Amount due by related parties	96	-
Cash and bank balances	48,746	92,796
	<u>238,399</u>	<u>274,701</u>
<b>TOTAL ASSETS</b>	<b><u>643,028</u></b>	<b><u>683,973</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Issued capital	341,308	341,308
Treasury shares	(48,191)	(48,191)
Other reserves	1,876	139
Retained earnings	302,747	311,286
<b>TOTAL EQUITY</b>	<b><u>597,740</u></b>	<b><u>604,542</u></b>
<b>Non-current Liabilities</b>		
Borrowings	1,366	1,638
Lease liabilities	1,212	1,649
Deferred tax liabilities	5,944	6,191
	<u>8,522</u>	<u>9,478</u>
<b>Current Liabilities</b>		
Trade and other payables	34,981	66,406
Amount due to related parties	-	50
Lease liabilities	1,380	2,482
Borrowings	405	1,015
	<u>36,766</u>	<u>69,953</u>
<b>TOTAL LIABILITIES</b>	<b>45,288</b>	<b>79,431</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>643,028</u></b>	<b><u>683,973</u></b>
Net asset per share (RM)	0.60	0.60

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.

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

(Formerly known as Rubberex Corporation (M) Berhad)

Condensed Consolidated Statements of Changes in Equity for the second quarter ended 30 June 2023

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 Translation Reserves RM'000	Retained Earnings RM'000	
<b>As at 01 January 2022</b>	257,794	(24,203)	575	366,972	601,138
Total comprehensive income for the period	-	-	-	4,609	4,609
Resale/(Purchase) of treasury shares		(6,963)	-	-	(6,963)
Effects of foreign exchange differences	-	-	(861)	-	(861)
<b>As at 30 June 2022</b>	<u>257,794</u>	<u>(31,166)</u>	<u>(286)</u>	<u>371,581</u>	<u>597,923</u>
<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>1,877</u>	<u>302,747</u>	<u>597,741</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 2022 and the accompanying notes attached to the interim financial statements.*

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

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Condensed Consolidated Statements of Cashflows for the second quarter ended 30 June 2023

These figures have not been audited

	2023 Year-to-Date ended 30 June RM'000	2022 Year ended 31 December RM'000
Net cash (used in)/generated from operating activities	(13,091)	(20,306)
Net cash (used in)/generated from investing activities	(29,710)	(159,999)
Net cash (used in)/generated from financing activities	<u>(2,664)</u>	<u>(25,790)</u>
Net increase/(decrease) in cash and cash equivalents	(45,465)	(206,095)
Effects of foreign exchange differences	1,408	60
Cash and cash equivalents at beginning of financial period	<u>92,328</u>	<u>298,363</u>
Cash and cash equivalents at end of financial period	<u><b>48,271</b></u>	<u><b>92,328</b></u>

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

Cash and bank balances	48,271	92,328
Short term borrowings - bank overdrafts	<u>-</u>	<u>-</u>
	<u><b>48,271</b></u>	<u><b>92,328</b></u>

*The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.*



## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

### 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 2022.

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 2022.

#### 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 2022 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 2023.

#### 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 2023.

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

##### 6.1 Share Buy-back

The Company did not carry out any Share Buy-back in the current quarter. As of 30 June 2023, a total of 91,273,100 shares were held as Treasury Shares by the Company.

As of 30 June 2023, the Company’s total number of issued share capital net of treasury shares was 1,001,919,781 shares.



## 7. Dividends Paid

No dividends have been declared by the Company in respect of the current financial year.

## 8. Segmental Information

Segmental information is presented in accordance to business operating activities, which is the Group's primary reporting format.

	Gloves Operations RM'000	Medical Devices Operation RM'000	Investment Holding RM'000	Group adjustments RM'000	Current quarter ended 30 June 2023 RM'000	Cumulative year-to-date RM'000
Revenue	46,967	2,131	-	(8,606)	40,492	72,910
Segment Results	(3,532)	(2,381)	(316)	233	(5,996)	(8,746)
Investment Income					293	844
Finance Costs					(94)	(212)
Loss before Tax					(5,798)	(8,114)
Taxation					(97)	(425)
Loss after Tax					(5,895)	(8,539)

## 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 2023.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2022.

## 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 2023.

## 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 2022.

## 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 2022.

## 13. Capital Commitments

The commitment for the purchase of property, plant and equipment not provided for in the financial statements as of 30 June 2023 was as follows: -

	RM'000
Capital expenditure approved and contracted for	370



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

**1. Review of Performance**

The Group achieved a sales turnover of RM40.5 million in the current quarter compared to RM46.4 million in the corresponding quarter ended 30 June 2022, a decrease of 12.7%. Loss after tax of RM5.9 million was recorded in the current quarter, compared to net profits of RM2.0 million in the corresponding period of the previous year owing to persistent unfavorable average selling prices of nitrile disposable gloves and medical devices and high costs of production.

The low utilization rates of the Group's production lines due to overcapacity of nitrile disposable gloves have adversely impacted the Group's Glove operation. Similarly, the global transitioning of the COVID-19 pandemic to endemicity have also affected demand and sales of medical self-test kits by the Group.

**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 RM5.9 million, an increase from a net loss of RM2.6 million in the previous quarter due to the persistently low capacity utilization of our glove plants and higher costs of production; average glove selling prices (ASPs) continue to be muted and restrained. The Group's medical devices division was also hit by slower orders and weak ASPs in the current quarter.

**3. Current Year Prospects**

The Management foresees performance of the glove division especially nitrile disposable gloves, to remain challenging for the next few financial quarters as headwinds such as excess supply, high energy and labour costs, foreign exchange fluctuations and uncertainty in the global economy are expected to prevail in the short to medium term.

As demand for COVID-19 self-test kits has eased drastically, the Group will focus on the manufacture and sales of other diagnostics test kits for the detection of various infectious diseases such as malaria, typhoid, HIV and other drug-of-abuse test kits in the current year. Overall, the Management is continually mindful of weak ASPs, rising costs and competition that could impact on the Group's financial performance.

**4. Profit Forecast or Profit Guarantee**

No profit forecast or profit guarantee has been issued for the current quarter.



## 5. Taxation

	Current quarter ended 30 June 2023 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	254	758
Current year – Foreign income tax	(265)	(493)
Deferred tax liability/(asset)	108	160
Total income tax expense/(credit)	<b>97</b>	<b>425</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 2023.

## 7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 30 June 2023.

## 8. (a) Status of Corporate Proposals

There were no corporate proposals not announced or outstanding as of 30 June 2023.

## (b) Status of Utilisation of Proceeds

On 03 August 2023, the Company announced that there would be an extension of time and variation to the utilization of proceeds raised from the Private Placement exercise amounting to RM66.6 million:

Purpose	Proposed Utilisation RM'000	Proceeds Un- utilised as of 30 June 2023 RM'000	Variation in Utilisation of Proceeds RM'000	Intended Timeframe for Utilisation
1. Acquisition of double- formers nitrile disposable glove production lines	66,024	66,024	-	-
2. Working capital	-	-	15,744	Immediate
3. Fixed or short-term deposits – earmarked for future investments	-	-	50,280	To be determined
4. Estimated expenses	558	-	-	-
<b>TOTAL</b>	<b>66,582</b>	<b>66,024</b>	<b>66,024</b>	

## 9. Group Borrowings and Debt Securities

	As of 30 June 2023		
	Secured RM'000	Unsecured RM'000	Total RM'000
Current	-	405	405
Non-current	271	1,095	1,366
	<b>271</b>	<b>1,500</b>	<b>1,771</b>





## 10. Financial Instruments Risks

As of 30 June 2023, the Group has the following foreign currency contracts outstanding: -

Currency	Contracted Amounts '000	Ringgit Equivalent RM'000	Fair Values RM'000	Expiry Periods
U.S. Dollar (USD)	902	3,474	3,543	July 2023
Euro (EUR)	386	1,946	1,961	July 2023
		<b>5,420</b>	<b>5,504</b>	

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 2022.

## 11. Changes in Material Litigation

There was no outstanding material litigation as of 30 June 2023.

## 12. Dividend Payable

No dividend is proposed for the current quarter ended 30 June 2023.

## 13. Earnings per Share ("EPS")

		Cumulative Year-to-Date ended 30 June 2023	Cumulative Year-to-Date ended 30 June 2022
Profit/(Loss) for the period attributable to equity holders of the Company	RM'000	(8,539)	4,609
Weighted average number of ordinary shares in issue	Shares	1,001,919,781	870,913,084
<b>Basic EPS</b>	<b>sen</b>	<b>(0.85)</b>	<b>0.53</b>

## 14. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 22 August 2023.