

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

Condensed Consolidated Statements of Comprehensive Income for the fourth quarter ended 31 December 2023  
These figures have not been audited

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	2023 Current Year Quarter ended 31 December RM'000	2022 Preceding Year Quarter ended 31 December RM'000	2023 Current Year to-Date ended 31 December RM'000	2022 Preceding Year to-Date ended 31 December RM'000
Revenue	36,637	40,070	155,089	174,966
Cost of sales	(43,628)	(54,137)	(164,286)	(187,041)
<b>Gross loss</b>	<b>(6,991)</b>	<b>(14,067)</b>	<b>(9,197)</b>	<b>(12,075)</b>
Other gains and losses	(45,113)	(44,256)	(43,993)	(35,485)
Operating expenses	(4,499)	(5,329)	(19,416)	(15,569)
<b>Loss from operations</b>	<b>(56,603)</b>	<b>(63,652)</b>	<b>(72,606)</b>	<b>(63,129)</b>
Finance costs	(217)	(45)	(500)	(50)
<b>Loss before tax</b>	<b>(56,820)</b>	<b>(63,697)</b>	<b>(73,106)</b>	<b>(63,179)</b>
Income tax (expense)/credit	9,067	7,318	6,990	7,494
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>(47,753)</b>	<b>(56,379)</b>	<b>(66,116)</b>	<b>(55,685)</b>
<b>Other comprehensive income, net of tax:</b>				
Foreign currency translation differences for foreign operations	439	753	1,850	(436)
<b>Total comprehensive income for the period attributable to Equity holders of the Company</b>	<b>(47,314)</b>	<b>(55,626)</b>	<b>(64,266)</b>	<b>(56,121)</b>
<b>Loss per share:</b>				
Basic (sen)	(6.60)	(6.22)	(6.60)	(6.22)
Weighted average number of shares	1,001,919,781	895,031,217	1,001,919,781	895,031,217

*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)**

Condensed Consolidated Statements of Financial Position as at 31 December 2023  
These figures have not been audited

	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	186,612	208,214
Prepaid lease payments	15,974	16,308
Deferred tax asset	3,107	-
Other investments	180,966	180,645
Right-of-use assets	4,240	4,105
	<u>390,899</u>	<u>409,272</u>
<b>Current Assets</b>		
Inventories	56,895	82,132
Trade and other receivables	99,990	99,773
Amount due by related parties	-	-
Cash and bank balances	25,812	92,796
	<u>182,697</u>	<u>274,701</u>
<b>TOTAL ASSETS</b>	<b><u>573,596</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	1,989	139
Retained earnings	245,583	311,286
<b>TOTAL EQUITY</b>	<b><u>540,689</u></b>	<b><u>604,542</u></b>
<b>Non-current Liabilities</b>		
Borrowings	991	1,638
Lease liabilities	630	1,649
Deferred tax liabilities	-	6,191
	<u>1,621</u>	<u>9,478</u>
<b>Current Liabilities</b>		
Trade and other payables	27,065	66,406
Amount due to related parties	50	50
Lease liabilities	3,838	2,482
Borrowings	333	1,015
	<u>31,286</u>	<u>69,953</u>
<b>TOTAL LIABILITIES</b>	<b>32,907</b>	<b>79,431</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>573,596</u></b>	<b><u>683,973</u></b>
Net asset per share (RM)	0.54	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)**

Condensed Consolidated Statements of Changes in Equity for the fourth quarter ended 31 December 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
Issuance of new shares	83,514	-	-	-	83,514
Total comprehensive income for the period	-	-	-	(55,685)	(55,685)
Resale/(Purchase) of treasury shares	-	(23,988)	-	-	(23,988)
Effects of foreign exchange differences	-	-	(436)	-	(436)
<b>As at 31 December 2022</b>	<b>341,308</b>	<b>(48,191)</b>	<b>139</b>	<b>311,287</b>	<b>604,543</b>
<b>As at 01 January 2023</b>	341,308	(48,191)	139	311,286	604,542
Total comprehensive income for the period	-	-	-	(66,116)	(66,116)
Effects of foreign exchange differences	-	-	1,850	-	1,850
Fair value gain on investments	-	-	-	413	413
<b>As at 31 December 2023</b>	<b>341,308</b>	<b>(48,191)</b>	<b>1,989</b>	<b>245,583</b>	<b>540,689</b>

*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)**

Condensed Consolidated Statements of Cashflows for the fourth quarter ended 31 December 2023  
These figures have not been audited

	2023 Year ended 31 December RM'000	2022 Year ended 31 December RM'000
Net cash used in operating activities	(20,981)	(20,306)
Net cash used in investing activities	(43,562)	(159,999)
Net cash used in financing activities	<u>(3,777)</u>	<u>(25,790)</u>
Net decrease in cash and cash equivalents	(68,320)	(206,095)
Effects of foreign exchange differences	1,397	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>25,405</b></u>	<u><b>92,328</b></u>

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

Cash and bank balances	25,405	92,328
Short term borrowings - bank overdrafts	<u>-</u>	<u>-</u>
	<u><b>25,405</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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 31 December 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 31 December 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 31 December 2023, a total of 91,273,100 shares were held as Treasury Shares by the Company.

As of 31 December 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 31 December 2023 RM'000	Cumulative year-to-date RM'000
Revenue	44,324	1,719	-	(9,406)	36,637	155,089
Segment Results	(27,755)	(24,333)	(5,126)	466	(56,748)	(73,990)
Investment Income					144	1,384
Finance Costs					(217)	(500)
Loss before Tax					(56,820)	(73,106)
Tax Credit					9,067	6,990
Loss after Tax					(47,753)	(66,116)

**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 31 December 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 31 December 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**

There was no commitment for the purchase of property, plant and equipment not provided for in the financial statements as of 31 December 2023.

## **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 RM36.6 million in the current quarter compared to RM40.1 million in the corresponding quarter ended 31 December 2022, a decrease of 8.7%. Loss after tax in the current quarter was RM47.7 million, compared to RM56.4 million in the corresponding period of the previous year as the Group made provisions for inventory write-down to net realizable values and impairments to certain property, plant and equipment in both financial quarters. The persistent unfavourable average selling prices (ASPs) of the Group's products, low capacity utilization of its plants and high operating costs have contributed to the losses recorded.

For the current financial year, the Group has recorded cumulative revenue of RM155.1 million, a decrease by 11.4% or a reduction from RM175.0 million achieved in the corresponding twelve months of previous financial year owing to continual soft demand for gloves and medical devices amidst lower ASPs and keen competition. The unfavourable market conditions and persistently low capacity utilization rates in the current financial year had also prompted the Group to make significant impairment provisions to its inventories and assets that amounted to RM29.6 million and RM8.8 million respectively, as well as a provision for loss allowance on other receivables of RM5.0 million, which resulted in an overall higher loss of RM66.1 million in 2023, against RM55.7 million recorded in the previous financial year.

### **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 RM47.7 million, attributable to the Glove division of RM22.8 million and the Medical Devices division of RM24.9 million, an increase from a net loss of RM9.8 million in the previous quarter. In the current quarter, the Group also made significant impairment provisions to its inventories and assets that amounted to RM29.6 million and RM8.8 million respectively, as well as a provision for loss allowance on other receivables of RM5.0 million. Glove demand and ASPs continue to be muted and restrained while the Group's medical devices division was also hit by slower orders as well as 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 31 December 2023 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	(377)	(1,863)
Current year – Foreign income tax	(8)	621
Deferred tax asset/(liability)/asset	9,046	8,232
Total income tax (expense)/credit	<u>9,067</u>	<u>6,990</u>

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

There were no sales of unquoted investments and/or properties for the current quarter and financial year ended 31 December 2023.

#### 7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter and financial year ended 31 December 2023.

#### 8. (a) Status of Corporate Proposals

There were no corporate proposals not announced or outstanding as of 31 December 2023.

#### (b) Status of Utilisation of Proceeds

On 03 August 2023, the Company announced 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	Variation in Utilisation of Proceeds* RM'000	Proceeds Un-utilised as of 31 December 2023 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	24,042	To be determined <sup>^</sup>
4. Estimated expenses	558	-	-	-
<b>TOTAL</b>	<u>66,582</u>	<u>66,024</u>	<u>24,042</u>	

\* As announced on 03 August 2023

<sup>^</sup>The sum of RM26.2 million had been utilized as follows:

- (i) for repayment of final instalment for shares subscribed in Empire City Mall of RM9.3 million; and





- (ii) general working capital requirements of the Group.

## 9. Group Borrowings and Debt Securities

	As of 31 December 2023		
	Secured RM'000	Unsecured RM'000	Total RM'000
Current	-	333	333
Non-current	220	771	990
	<b>220</b>	<b>1,104</b>	<b>1,323</b>

## 10. Financial Instruments Risks

As of 31 December 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)	651	2,994	2,987	January 2024
Euro (EUR)	280	1,433	1,422	January 2024
Swiss Franc (CHF)	50	270	272	January 2024
		<b>4,697</b>	<b>4,681</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 31 December 2023.

## 12. Dividend Payable

No dividend is proposed for the current quarter ended 31 December 2023.

## 13. Loss per Share

		Cumulative Year-to-Date ended 31 December 2023	Cumulative Year-to-Date ended 30 December 2022
Loss for the period attributable to equity holders of the Company	RM'000	(66,116)	(55,685)
Weighted average number of ordinary shares in issue	Shares	1,001,919,781	895,031,217
<b>Loss per share</b>	<b>sen</b>	<b>(6.60)</b>	<b>(6.22)</b>



**14. Authorisation for Issue**

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 23 February 2024.