HEXTAR HEALTHCARE BERHAD
199601000297 (372642-U)

ANNUAL REPORT 2024

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth Annual General Meeting ("29th AGM") of Hextar Healthcare Berhad ("Hexcare" or "the Company") will be held at The Room, Level 1, Impiana Hotel Ipoh, 18 Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak, Malaysia on Thursday, 29 May 2025 at 12.00 p.m. or at any adjournment thereof, for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and the Auditors thereon. ***Please refer to Note 1***

2. To approve the payment of Directors' fees up to RM217,370 to the Non-Executive Directors for the financial year ending 31 December 2025. ***Ordinary Resolution 1***

3. To approve the payment of Directors' Benefits of up to RM28,000 to the Non-Executive Directors for the period from 30 May 2025 until the conclusion of the 30th Annual General Meeting of the Company to be held in 2026. ***Ordinary Resolution 2***

4. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Company's Constitution and being eligible, have offered themselves for re-election:

   (i) Mr Liew Jee Min @ Chong Jee Min ***Ordinary Resolution 3***
   (ii) Ms Doris Cheng Chin Ching ***Ordinary Resolution 4***

5. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without any modifications, the following Ordinary Resolutions:-

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** ***Ordinary Resolution 6***

   "**THAT** pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

   "**THAT** approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 ("the Act") read together with Clause 12 of the Company's Constitution."

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE OF OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** ***Ordinary Resolution 7***

"THAT subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary 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 interest of the Company provided that:-

i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;

ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and

iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends.

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii) the expiration of the period within which the next AGM 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 in 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 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.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

Notice of Annual General Meeting
(cont'd)

8. To transact any other business of which due notice has been given in accordance with the Act and the Company's Constitution.

By order of the Board,

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 202208000250)
Company Secretary

Dated: 28 April 2025

Notes:

1. For the purpose of determining a member who shall be entitled to attend the 29th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 20 May 2025. Only members whose name appears on the Record of Depositors as at 20 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

3. Where a member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:

   i) **In hard copy form**
   In the case of an appointment made in hard copy form, this proxy form must be deposited with the Share Registrar of the Company, Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

   (ii) **By electronic means**
   The proxy form can be electronically submitted with the Share Registrar of the Company via email at admin@aldpro.com.my.

Notes: (Cont'd)

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

10. Last date and time for lodging the Proxy Form is **Tuesday, 27 May 2025 at 12.00 p.m.**

11. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

    i) if the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

    ii) if the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        a. at least two (2) authorised officers, of whom one shall be a director; or
        b. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes on the Ordinary Business:

1. Audited Financial Statements for the financial year ended 31 December 2024

This Agenda item is meant for discussion only as the Section 340(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Ordinary Resolutions 1 & 2 - Directors' Fees and Directors' Benefits payable to Non-Executive Directors

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors' benefits payable comprises of meeting attendance allowances and other claimable benefits.

In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and Board Committees held for the period commencing from 30 May 2025 up to the conclusion of the next AGM of the Company in the year 2026.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Notice of Annual General Meeting
(cont'd)

Explanatory Notes on the Ordinary Business: (Cont'd)

3. Ordinary Resolutions 3 to 4 - Re-election of Directors in accordance with Clause 76(3) of the Company's Constitution

Mr Liew Jee Min @ Chong Jee Min and Ms Doris Cheng Chin Ching are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the forthcoming 29th AGM. The profile of the retiring Directors are set out in the Directors' Profile of the Company's Annual Report 2024.

The Board of Directors ("the Board") has, through the Nomination and Remuneration Committee ("NRC"), considered the performance and contribution of each of the retiring Directors, their fitness and propriety with reference to the Directors' Fit and Proper Policy, and collectively agreed that they meet the criteria prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") on skill, expertise, experience, professionalism, commitment, integrity, character, competence and time to effectively discharge their role as Directors.

The Board has endorsed the NRC's recommendation to seek shareholders' approval for the re-election of the retiring Directors.

4. Ordinary Resolution 5 – Re-appointment of Auditors

The Board, through the Audit Committee had reviewed and was satisfied with the performance and independence of Messrs. Grant Thornton Malaysia PLT during the financial year under review. The Board has therefore recommended the appointment of Messrs. Grant Thornton Malaysia PLT as external auditors of the Company for the financial year ending 31 December 2025.

5. Special Business - Ordinary Resolution 6
Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares were issued by the Company pursuant to the General Mandate granted to the Directors at the 28th AGM held on 27 May 2024 and which will be lapsed at the conclusion of the 29th AGM of the Company.

With this General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The proposed Ordinary Resolution 6, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

Notice of Annual General Meeting
(cont'd)

Explanatory Notes on the Ordinary Business: (Cont'd)

6. Special Business - Ordinary Resolution 7
Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 7, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the total number of issued shares of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting.

Please refer to Statement to Shareholders for the Proposed Renewal of Share Buy-Back in the Company's Annual Report 2024.

STATEMENT OF ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are seeking re-election as Directors of the Company at the 29th AGM of the Company are Mr Liew Jee Min @ Chong Jee Min and Ms Doris Cheng Chin Ching pursuant to Clause 76(3) of the Company's Constitution. The profile of the retiring Directors are set out in the Directors' Profile of the Annual Report 2024.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03 of the MMLR of Bursa Securities.

Details of the general mandate to allot shares in the Company pursuant to Sections 75 & 76 of the Act are set out in Explanatory Note 5 of the Notice of the 29th AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Liew Jee Min @ Chong Jee Min
Independent Non-Executive Chairman

Khoo Chin Leng
Group Managing Director

Goh Hsu-Ming
Executive Director

Sim Yee Fuan
Independent Non-Executive Director

Doris Cheng Chin Ching
Independent Non-Executive Director

Lim Siew Eng
Independent Non-Executive Director

AUDIT COMMITTEE

Sim Yee Fuan
Chairman
Doris Cheng Chin Ching
Lim Siew Eng

NOMINATION & REMUNERATION COMMITTEE

Doris Cheng Chin Ching
Chairperson
Lim Siew Eng
Sim Yee Fuan

COMPANY SECRETARY

Tan Tong Lang
(MAICSA 7045482/
SSM PC 202208000250)

AUDITOR

Grant Thornton Malaysia PLT,
Chartered Accountants

PRINCIPAL BANKERS

RHB Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
Alliance Bank Malaysia Berhad
Caixabank S.A.
Sabadell Atlantico S.A.

REGISTERED OFFICE

B-21-1 Level 21 Tower B,
Northpoint Mid Valley City,
No. 1 Medan Syed Putra Utara,
59200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Tel No. : 03-9770 2200
Fax No. : 03-2201 7774

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
B-21-1 Level 21 Tower B,
Northpoint Mid Valley City,
No. 1 Medan Syed Putra Utara,
59200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.
Tel No. : 03-9770 2200
Fax No. : 03-2201 7774

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Stock name/code: HEXCARE/7803

WEBSITES

www.hextarhealthcare.com
www.rubberex.com.my
www.reszonics.com

FACTORY LOCATIONS

Lot 138201 Off ¾ Mile,
Jalan Bercham,
Kawasan Perindustrian Bercham,
31400, Ipoh, Perak Darul Ridzuan,
Malaysia.

12A Jalan TP5,
Taman Perindustrian UEP,
47600 Subang Jaya,
Selangor Darul Ehsan, Malaysia.

INVESTOR RELATIONS

Stephanie Hew
Email: stephanie.hew@hextar.com

CORPORATE STRUCTURE

Hextar Healthcare Berhad Group of Companies

HEXTAR HEALTHCARE BERHAD

Incorporated in 1996
Public Listed Company on Malaysia Stock Exchange

100%
Rubberex (M) Sdn Berhad
Manufacturing and Sales of Household and Industrial Gloves

- 100%
  Rubberex Spain SL
  Trading of Gloves

100%
Diamond Grip (M) Sdn Bhd
Investment Holding

- 100%
  Rubberex Alliance Sdn Bhd
  Manufacturing and Sales of Disposable Gloves

100%
Rubberex Empire Sdn Bhd
Property Investments

100%
Rubberex International Sdn Bhd
Trading in Gloves and IVD Medical Devices

100%
Reszon Diagnostics International Sdn Bhd
Manufacturing and Sales of IVD Medical Devices

VISION, MISSION AND CORE VALUES

Our VISION

To be the preferred business partner and employer of choice where **We Enrich lives with Our Products & Solutions**

Our MISSION

We build shareholder value by carving a niche in the global arena, earn the respect of the market for outstanding products and services, endorse human capital development and enhance business synergy in diversity **with sustainability principles underpinning our corporate thinking and actions**

HEXTAR'S CORE VALUES

Humility
Fostering an environment of mutual respect which encourages appreciation and cooperation amongst each other with self-awareness and open mindedness to learn and grow

Excellence
Pushing boundaries to achieve the highest possible standards of performance and quality

X-factor
Ability to think outside the box to develop unique solutions to complex challenges and to push past traditions with innovative and progressive ideas

Trustworthy
Being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values

Adaptability
Ability to change and adjust to shifting demands and requirements by being proactive and resourceful

Responsibility
Demonstrating reliability by staying true to the task, accepting accountability for your duties and carrying out the task to the best of your capabilities

BOARD OF DIRECTORS' PROFILE

Mr. Liew Jee Min @ Chong Jee Min

aged 66, male, a Malaysian, was appointed as an independent non-executive Chairman of the Company on 12 August 2021. Mr. Liew Jee Min @ Chong Jee Min is the co-founder of legal firm Messrs. JM Chong, Vincent Chee & Co Advocates & Solicitors in Klang, Selangor, which specialises in various practices of law such as real estate, banking, corporate and commercial. He has accumulated more than thirty-eight years' of experience as a legal practitioner and is currently the managing partner of the firm.

Mr. Liew Jee Min @ Chong Jee Min obtained his Bachelor Degree in Law from the University of Leeds, England in 1984 and a Certificate of Legal Practice, Malaya in 1985. Thereafter, he was admitted as an Advocate and Solicitor of the High Court of Malaya in 1986 and an Advocate of Sabah and Sarawak in 1987. Mr. Liew Jee Min @ Chong Jee Min is also the Director of public-listed companies Parkson Holdings Berhad, Hextar Global Berhad, Lion Posim Berhad and Hextar Industries Berhad.

Mr. Liew Jee Min @ Chong Jee Min also serves in various associations in Malaysia, among which are:

(i) Vice President of the Klang Chinese Chamber of Commerce & Industry (KCCCI);

(ii) Chairman of the Legal Affairs Committee of KCCCI and the Associated Chinese Chamber of Commerce & Industry of Coastal Selangor;

(iii) Council Member of the Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor, and Chairman of its Legal Affairs Committee;

(iv) Council Member of the Kuala Lumpur & Selangor Hopo Association;

(v) Member of the Legal Affairs Committee of the Associated Chinese Chamber of Commerce & Industry of Malaysia; and

(vi) Legal Advisor of Malaysia Used Vehicles Autoparts Traders' Association, the Kuala Lumpur & Selangor Furniture Entrepreneur Association, Sekolah Menengah Chung Hua (PSDN) Klang, Selangor, Zhang Association Selangor & Kuala Lumpur and Federation Of Malaysian Manufacturers (FMM).

Mr. Liew Jee Min @ Chong Jee Min does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company.

Mr. Khoo Chin Leng

aged 65, male, a Malaysian, is the Managing Director of the Company and was appointed to the Board of the Company on 01 July 2013. He is a member of the Malaysian Institute of Accountants and a Fellow Member of the Chartered Association of Certified Accountants (FCCA), United Kingdom. Mr. Khoo Chin Leng joined Rubberex (M) Sdn Berhad, a wholly owned subsidiary of the Company, in 1988 as an Accountant and has held various positions within the Finance Division of the Group. Mr. Khoo Chin Leng was instrumental in the set-up and operations of the Group's subsidiary companies in China and had been active in the vinyl disposable glove operations in China from 2005 until the disposal of these subsidiary companies at the end of 2018. Prior to joining Rubberex (M) Sdn Berhad, he was attached to IJM Corporation Berhad, as its Accountant for five years'.

Mr Khoo Chin Leng does not hold directorship in any other listed issuer or public companies.

Mr. Khoo Chin Leng does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report.

Board of Directors' Profile
(cont'd)

Mr. Goh Hsu-Ming

aged 49, male, a Malaysian, is an Executive Director of the Company, who was appointed on 05 August 2021. Mr. Goh Hsu-Ming is a double-major graduate in Accounting and Finance from the University of Sydney, Australia. He has more than thirteen years' experience in a Malaysian conglomerate with senior roles in capital markets, stockbroking and principal investments. Prior to this, he has also worked in Hong Kong and Singapore and was attached to a leading global investment bank for several years'. He started his career with a Big-4 accounting firm in Malaysia. Mr. Goh Hsu-Ming is currently the Group Deputy CEO of the Hextar Group of companies. Mr. Goh Hsu-Ming does not hold directorship in any other listed issuer or public companies.

Mr. Goh Hsu-Ming does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company.

Mr. Sim Yee Fuan

aged 58, male, a Malaysian, is an independent non-executive Director of the Company, appointed to the Board of Directors on 26 May 2023. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company as well.

Mr. Sim Yee Fuan holds a Bachelor of Accounting (Honours) degree from the University of Malaya and obtained his professional qualification from the Malaysian Institute of Certified Public Accountants (MICPA). He also holds a Masters in Business Administration from the Northern University of Malaysia and is a Chartered Accountant registered with the Malaysia Institute of Accountants (MIA).

Mr. Sim Yee Fuan started his career with Bank Negara Malaysia (BNM) in 1991 and was attached to the Foreign Exchange Administration and Banking Supervision departments of BNM until 1995. Following his stint with BNM, he was attached to several public listed companies in Malaysia from years' 1995 to 2006 where he specialised in the areas of accounting, finance and corporate management.

Presently, Mr. Sim Yee Fuan sits on the Board of Unimech Group Berhad as its Executive Director and Seal Incorporated Berhad and Hextar Industries Berhad as its independent non-executive Director. He is also the Commissioner of PT Arita Prima Indonesia TBK, a company listed on the Indonesia Stock Exchange.

Mr. Sim Yee Fuan does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company.

Board of Directors' Profile

(cont'd)

Ms. Doris Cheng Chin Ching

aged 67, female, a Malaysian, is an independent non-executive Director of the Company appointed to the Board of Directors on 01 January 2023. She is also a member of the Audit Committee and Chairman of the Nomination and Remuneration Committee of the Company. Ms. Doris Cheng qualified as a Registered Nurse from the Government School of Nursing in Hospital Kuala Lumpur, Malaysia, and was subsequently awarded a Certificate in Education (Further Education) from the University of Huddersfield, United Kingdom. She also went on to obtain a Master of Science in Health Care Management from the University of Wales, Swansea, United Kingdom.

Ms. Doris Cheng has more than twenty-eight years' of experience in the Healthcare industry, having served ten years' as a Registered Nurse with the Government, before joining several private healthcare companies in various capacities, from a Head Nursing Tutor in Pantai Medical Centre to a General Manager in Megah Medical Specialist Centre and subsequently as Chief Operating Officer at Damai Service Hospital, Kuala Lumpur.

Upon her retirement from the Healthcare industry, Ms. Doris Cheng ventured into the Warehousing/Logistics industry and is currently the Executive Director of Westport Handlers Sdn Bhd, which was incorporated in 2004 in Westports Malaysia Berhad Free Trade Zone, providing container freight station services, warehousing and logistics services in Malaysia. Ms. Doris Cheng does not hold directorship in any other listed issuer or public companies.

Ms. Doris Cheng does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company.

Ms. Lim Siew Eng

aged 72, female, a Malaysian, is an independent non-executive Director of the Company appointed to the Board of Directors on 01 January 2023. She also sits on the Audit Committee and the Nomination and Remuneration Committee of the Company.

Ms. Lim Siew Eng holds a Bachelor of Economics (Honours) degree from the University of Malaya and has more than twenty-eight years' of experience in the financial services industry. She started her career with Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) where she had served as Head of Corporate Advisory before joining Maybank Investment Bank Berhad in 2004 as its Head of Corporate Finance.

During her tenure with the respective investment banks, she also served on the respective credit and management committees and was a Council member of the Malaysian Investment Banking Association. After her retirement in 2009, she was invited to be a member of the Qualitative Assurance Committee to assist in enhancing the overall quality of the Financial Sector Talent Enhancement Programme launched by the Institute of Bankers Malaysia in collaboration with Bank Negara Malaysia. Ms. Lim does not hold directorship in any other listed issuer or public companies.

Ms. Lim Siew Eng does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company.

Notes:

1. **Conviction of Offences**

   None of the directors have been convicted of any offences within the past five years' other than possible traffic offences, if any.

2. **Directors' Shareholdings**

   The details of the directors' interests in securities of the Company are set out in the Statement of Shareholdings on page 99 of the Annual Report.

KEY SENIOR MANAGEMENT'S PROFILE

En. Sabri bin Abd Hamid

aged 59, male, a Malaysian is the President of Marketing (Gloves & PPE) for the Group. He holds a Bachelor of Economics and Statistics degree from the University of North Carolina in the United States. En. Sabri bin Abd Hamid joined Rubberex (M) Sdn Berhad, a wholly-owned subsidiary of the Company in 1994 as a Marketing Executive and is principally involved in the sales and operation of the Group's Gloves Division. Prior to joining Rubberex, En. Sabri bin Abd Hamid was the Assistant Manager of Franchise Foodstores in Charlotte, United States for three years'.

En. Sabri bin Abd Hamid does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company, other than his shareholding interests disclosed in this report.

Ms. Koay Jin Kheng

aged 48, female, a Malaysian, was newly appointed as a director of Reszon Diagnostics International Sdn Bhd ("Reszon"), a wholly owned subsidiary of the Company on 01 August 2024. Reszon specializes in the manufacturing of in-vitro diagnostic (IVD) rapid test kits for infectious diseases and drugs of abuse screening, providing solutions for medical professionals and the clinical diagnostics market.

Ms. Koay Jin Kheng holds a Bachelor of Biotechnology with Management (Honours) degree from University Kebangsaan Malaysia. She has over eighteen years' of experience in the life sciences industry. Prior to joining Reszon in 2021, she held a senior position at Merck Sdn Bhd for seven years', where she was involved in business development, product management, and strategic planning.

Ms. Koay Jin Kheng does not have any family relationship or conflict of interest with any other director or substantial shareholder of the Company.

Notes:

Save as disclosed above, none of they key senior management personnel have:

a) any directorship in any other public companies and/or listed issuers;

b) any conviction of offences (other that traffic offences) in the past 5 years; and

c) any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders

On behalf of the Board of Directors of Hextar Healthcare Berhad ("Hexcare" or the "Group" or "the Company"), I am honoured to once again present our Annual Report and Audited Financial Statements for the Financial Year Ended 31 December 2024 ("FYE2024").

As I write this, I am proud and gratified to have witnessed the remarkable resilience demonstrated by the Group in having successfully navigated yet another challenging financial year for our glove and medical device businesses. We have indeed been tested on our adaptability, endurance and fortitude but through it all, the Group has remained steadfast and emerged resolutely stronger from the dust of harsh business headwinds this past year. Recovery post-pandemic has been disruptive and proven slower than anticipated, compelling our Group to traverse a landscape marked by the most palpable oversupply of protective and medical products in the market we have ever witnessed, wearily drawn out by sluggish global demand.

Nevertheless, we have also come to acknowledge the resilience and vitality of the healthcare industry, and coupled with our commitment to the Group's core businesses, we plug the gap on Hexcare's Loss after Tax for FYE2024 at RM13.9 million, remedied by 78.4% from a similar loss position of RM64.4 million in the previous financial year. While the Group contended with tight profitability margin squeezes, supply chain challenges and foreign currency exchange risks during the year, our intimate industry knowledge and strong customer base stood us in good stead as we chronicled our progress towards a path of sustainable growth. During the year, concurrent to the quest of strengthening our market position, I am also proud to recognise the commendable strides Hexcare made towards improving our Environmental, Social and Governance (ESG) scorecard through profound ESG policies and adoption of various innovative sustainable practices within the Group.

Looking ahead in 2025, Malaysia's economy is projected to stand out as a symbol of stability and progress in Southeast Asia and beyond, driven by robust domestic demand, strong exports and income growth and diversified economic resilience. The Malaysian Rubber Glove Manufacturers Association (MARGMA) anticipates global glove demand to reach approximately 450.0 billion pieces by 2027, up from 307.2 billion pieces in 2023 *(Source: https://www.mida.gov.my/mida-news/margma-confident-global-demand-for-rubber-gloves-will-rebound-in-2024/?utm)*. Malaysia's rubber glove industry is also expected to regain market share in the United States in the short to medium term following the imposition of higher tariffs on Chinese-made medical gloves imports, at 50% in 2025 and to a further 100% by 2026, a significant increase from the current 7.5%, that would undoubtedly raise Chinese glove prices and improve the competitiveness of Malaysian gloves internationally *(Source: https://theedgemalaysia.com/node/732780?utm)*.

Likewise, the global medical devices market size is also expected to grow from USD542.2 billion in 2023 to USD886.8 billion by 2032, notably reflecting the increasing demand for health diagnostic tools, medical devices and consumables across developed and emerging economies. Growing per capita healthcare expenditure and improving reimbursement policies in these countries, coupled with rising prevalence of infectious diseases among the population are also leading factors fueling the demand for such diagnostic tools in the market *(Source: https://www.fortunebusinessinsights.com/industry-reports/medical-devices-market-100085)*. Hexcare is well positioned to capitalise on this trend from one of its key business division wholly dedicated to a range of innovative in-vitro diagnostic rapid test kits for medical professionals and the clinical diagnostics markets, both locally and internationally.

On behalf of the Board of Directors and Management of Hexcare, I assure our valued stakeholders that the Group remains steadfastly committed to its core healthcare business and is resolutely determined to emerge stronger in the new financial year. We are confident in our ability to adapt to evolving market developments, expand our presence in new markets and position the Group for continued growth in the years ahead.

Chairman's Statement
(cont'd)

Acknowledgements

For the financial year just ended, on behalf of the Board, I extend our sincere appreciation to the loyal Management team and staff of Hexcare, for their unwavering diligence and dedication throughout the year. We value their tireless efforts and acknowledge their significant contributions to our growth and progress this past year.

We also wish to record our deepest gratitude to all our business partners, financiers, professional advisors, the Malaysian government, agencies, and other relevant authorities for their valued guidance and support to our businesses. Their collective confidence has been instrumental in helping us navigate the uncertainties and challenges of FYE2024. And finally, I also extend our sincere appreciation to you, our valued shareholders, for your continued trust and conviction in Hexcare. I reiterate our commitment to you, and put forth our dedication to building a more robust and sustainable future for Hexcare.

LIEW JEE MIN @ CHONG JEE MIN
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Hextar Healthcare Berhad ("Hexcare") is a public listed company on Bursa Malaysia Securities Berhad (Stock code: HEXCARE/7803). Its headquarters and glove manufacturing facilities are located in Bercham Industrial Area, Ipoh, Perak on a total land size of approximately 24 acres. The subsidiary companies under Hexcare (collectively referred to as "the Group") are mainly involved in the production and sales of household or general-purpose gloves, industrial gloves and nitrile disposable gloves for the export market. With the European continent being its largest customer base, Hexcare established a wholly-owned overseas marketing office/warehouse totaling 35,000 sq. feet in the port city of Valencia, Spain, Rubberex Spain S.L., to cater for the distribution of the Group's products around Spain, other European Union (EU) nations and South America.

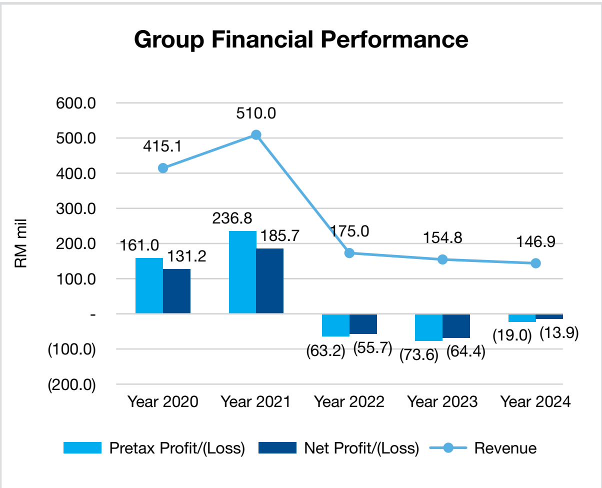
Hexcare also owns and operates a medical device plant, Reszon Diagnostics International Sdn Bhd ("Reszon"), that is principally involved in the manufacturing of innovative in-vitro diagnostics (IVD) rapid test kits and enzyme-linked immunosorbent assay (ELISA) test kits specialising in the detection and diagnoses of infectious diseases and drug-of-abuse screening for medical professionals and the clinical diagnostic markets. Reszon's production and laboratory facilities are located in Subang Jaya, Selangor.

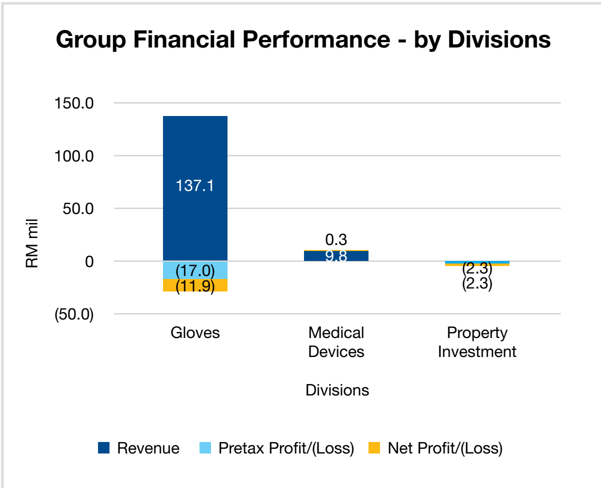
Apart from gloves and medical devices, Hexcare also holds a 20% equity stake in a shopping mall known as Hextar World at Empire City, developed as part of a larger project of Empire City in Klang Valley, Selangor. The mall has a net lettable area (NLA) of approximately 1.8 million square feet and is expected to be operational by fourth quarter of 2025.

THE YEAR UNDER REVIEW

Financial year 2024 ("FYE2024") had essentially been yet another challenging year for Hexcare, both financially and operationally as the Group contended with perpetual over-supply of gloves in the market, soft demand and unfavourable average selling prices ("ASP") that persisted unendingly throughout the year.

While the global healthcare sector and glove industry in general are showing signs of imminent recovery, the pace in which market demand supposedly catches up with supply had been measuredly slow and gradual. As a result, the Group remained in the red in FYE2024 with a Loss after Tax of RM13.9 million, which had significantly narrowed by 78.4% from a similar loss position of RM64.4 million in previous financial year 2023 ("FYE2023"). Revenue declined by 5.1%, from RM154.8 million previously to settle at RM146.9 million, primarily due to lower sales volumes, albeit a slightly weakened Ringgit relative to the U.S. Dollar in FYE2024.





THE YEAR UNDER REVIEW (CONT'D)

(i) Gloves Division

The financial shortcomings of FYE2024 were predominantly driven by the effects of muted ASPs and soft market demand for disposable gloves, compounded by low capacity utilisation that ultimately led to high production costs and margin compressions. The Group prudently addressed this by having certain inventories amounting to RM26.7 million duly written down to net realisable values ("NRV") by the end of the year. Net loss recorded by this division was RM11.9 million, against revenue of RM137.1 million in FYE2024.

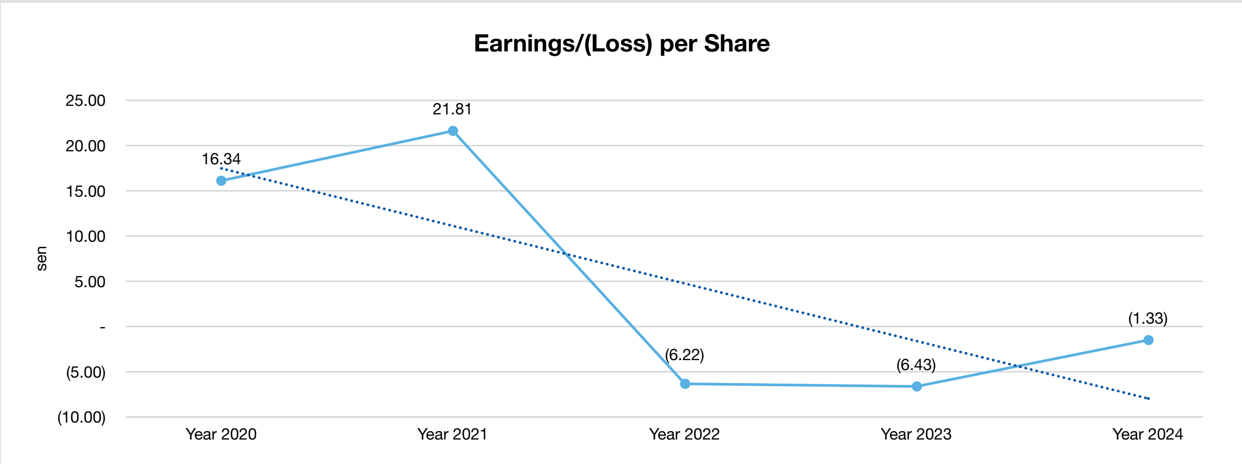
(ii) Medical Devices Division

In contrast to Gloves, the Group's Medical Devices division turned profitable in FYE2024, recording net earnings of RM0.3 million on the back of RM9.8 million in Revenue. In the current year, this division also supplemented its sales through Trading of various health-related medical products and consumables which contributed RM1.4 million favourably to the Group's topline.

(iii) Property Investment

Hexcare's inaugural venture into property investment was initiated in year 2021 via a 20% equity interest in an associated company involved in the construction and development of a shopping mall in Klang Valley, Selangor. In FYE2024, the Group's share of losses in this undertaking amounted to RM2.3 million as higher operational costs were incurred in preparation of its launch and opening by the fourth quarter of year 2025.

The combined results of the Group's key operating divisions above yielded an overall net loss of RM13.9 million for FYE2024, or a loss per share (LPS) of 1.33 sen, which had eased by 79.3% from a higher LPS of 6.43 sen in the previous financial year.



KEY OPERATING DIVISIONS

(i) Household and Industrial gloves

The performance of Hexcare's traditional stronghold of the Household and Industrial glove division improved in FYE2024 as it contributed RM89.1 million or 60.7% in terms of revenue to the Group, an increase from RM86.4 million or 55.8% from the previous year, owing to increased demand and higher sales volumes.

While a total of 44.1 million pairs of household and industrial gloves were produced, against 42.9 million pairs sold during the year, this division was not without its usual operational risks such as fluctuations in raw material and energy prices, labour as well as foreign exchange. One of the most pertinent challenges of this division was the higher cost of direct materials i.e. latex during the year. Costs of natural as well as synthetic latex, key components in the manufacture of gloves, increased by 35.5% and 14.1% respectively during the year compared to FYE2023, which inevitably prompted several price adjustments during the year. The Group mitigated these risks by implementing cost control measures and optimising a balanced product sales mix.

Management Discussion and Analysis
(cont'd)

KEY OPERATING DIVISIONS (CONT'D)

(i) Household and Industrial gloves (Cont'd)

During the year, an unfortunate fire outbreak that occurred at the plant temporarily halted two of the Group's household and industrial glove production lines for approximately nine weeks, which resulted in decreased outputs and momentary sales disruption. During this time, certain glove orders were diverted to other production lines and deliveries deferred for several weeks. However, the impact of this incident was minimal as the physical and consequential losses had been insured and the Group was able to resume operations on schedule.

The reusable nature and unique properties of household and industrial gloves predictably accord them greater stability and consistency in terms of pricing and less vulnerability to competition risks. Gross profit margins remained range-bound at 14.9% to 15.6% between both financial periods, underscoring the dependability and importance of this division to the Group.

(ii) Nitrile Disposable Gloves

The Group continued to grapple with the after-effects of intense competition and supply-demand imbalance of nitrile disposable gloves in the market. Despite a ready installed practical capacity of approximately 2.2 billion pieces of gloves, the Group had only churned out a fraction of that, of only 147.9 million pieces of nitrile disposable gloves, compared to 437.4 million pieces in the previous year. Besides the soft demand and slow order books, the significantly reduced output was also a deliberate act on the part of the Group to moderate costs as well as to intentionally focus its resources on high-margin specialised nitrile disposable gloves for the niche market which invariably resulted in lower production volumes in FYE2024.

For the financial year just ended, this division generated RM42.8 million in revenue, or a contribution of 29.1% to the Group. Sales volume deteriorated during the year where a total of 410.0 million pieces of gloves were sold compared to 581.6 million pieces the year before, a decline of 29.5%, but this was mitigated by more favourable ASPs, which improved by 8.9% from USD21.00/1,000 pieces previously to USD23.00/1,000 pieces during the year.

Nevertheless, having to contend with the prevailing challenging market conditions, the Group conceded to a further write-down in the value of its unsold nitrile disposable glove stocks to net realisable values (NRV), by an amount of RM26.7 million. While the Group acknowledges the recession-proof nature of gloves coupled with greater health, safety and hygiene awareness within the medical community and the global population, competition remains keen and the pressure on ASP recovery would persist in the short to medium term. As with all business cycles, Hexcare views these setbacks as temporary and is hopeful for a return to normalcy for ASPs when supply-demand equilibrium is reached.

(iii) Trading of gloves

The Group's trading activities were mainly carried out by its sole overseas marketing arm, Rubberex Spain S.L. ("RSSL"), which was initially set up in 2005 to forge and support strategic retail business relationships in Spain. RSSL operates and maintains a 35,000 square feet sized warehouse in Valencia and has a staff count of seven who manages the procurement of gloves from related companies in Malaysia, as well as from other regions in Asia, for eventual sales and distribution to customers in Spain and Europe.

In FYE2024, trading activities accounted for RM55.2 million or 37.5% of Group revenue, a stark increase from RM21.6 million or 14.0% of the previous financial year, driven by the Group's intentional efforts to capitalise on cost advantages by outsourcing for gloves from third party suppliers.

RSSL's business direction has primarily been focused on growth, capitalising on its strong networks, alliances and recognised presence in Spain to establish inroads with customers around the European Union (EU) regions and other Spanish-speaking nations. Taking advantage of the common language spoken by the vast majority of the population in South and Central Americas, RSSL's sales to these regions amounted to RM12.0 million or 24.1% of its revenue in FYE2024.

KEY OPERATING DIVISIONS (CONT'D)

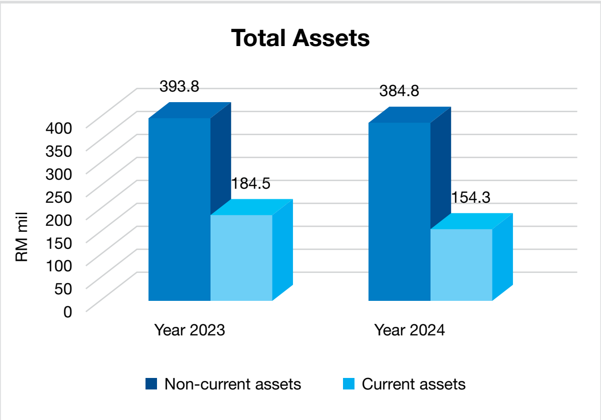
(iv) Medical Devices and Rapid Test Kits ("RTK")

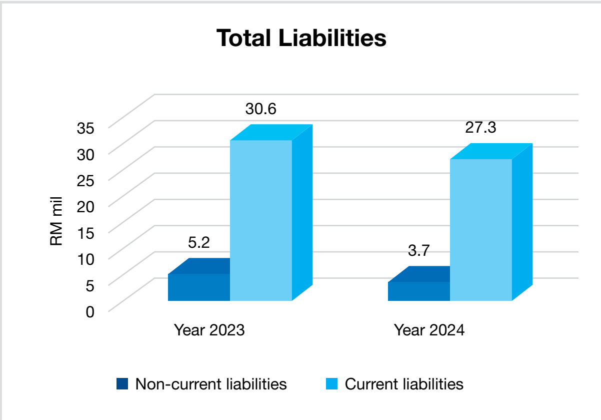
Hexcare's wholly-owned medical device manufacturer, Reszon, contributed RM9.8 million in revenue to the Group in FYE2024, through the sales of 4.6 million units of RTKs for the detection of COVID-19 (under the established brand name, "Salixium"), human immunodeficiency virus (HIV) and other infectious diseases such as lymphatic filariasis, typhoid, dengue as well as drug-of-abuse screenings. Reszon's products were mainly distributed within Malaysia, with exports to the United States of America, Indonesia, Australia and other parts of Asia accounting for 16.0% of its revenue.

For FYE2024, this division returned to the black with a Profit after Tax of RM0.3 million, a significant turnaround from a loss position of RM31.3 million in the previous year where substantial financial provisions for impairments were recognised. Moving forward, the Management asserts that prospects and growth for this division remain promising, supported by its renewed concentrated focus on product portfolio diversification and new markets that will extend Reszon's customer base, both locally and internationally.

STRATEGIC CAPITAL ALLOCATION KEY TO MAXIMISING RETURNS

Assets and Liabilities





The consolidated assets of the Group as of the end of FYE2024 stood at RM539.1 million, of which 71.4% or RM384.8 million were deemed non-current, compared to 68.1% or RM393.8 million out of RM578.3 million as of the previous year. The decrease in total assets by RM39.2 million was mainly contributed by lower values of the Group's property, plant and equipment by RM12.0 million, trade and other receivables by RM21.2 million and reduction in cash and bank balances of RM16.8 million year-on-year.

Property, plant and equipment decreased by RM12.0 million as depreciation cost of RM15.5 million was charged out, set off against net additions valued at RM3.5 million during the year. The decrease in trade and other receivables accounted for the fair value adjustment of escrow shares held by the Group by RM38.6 million, set off against an increase in advances to an associate of RM12.9 million and insurance claim receivable of RM4.3 million.

Correspondingly, total bank balances had depleted by RM16.8 million to close at RM9.2 million by end-FYE2024, from RM26.0 million held previously. Major cash outflows during the year included the advances to an associate of RM12.9 million, payment of income taxes by RM2.9 million, acquisition of property, plant and equipment of RM3.5 million and repayment of lease liabilities and borrowings of RM2.5 million in FYE2024. The Group's cash and bank balances were also aided by cash proceeds of RM20.1 million from the issuance of 100.2 million new ordinary shares during the year pursuant to a Private Placement exercise carried out by Hexcare.

Management Discussion and Analysis

(cont'd)

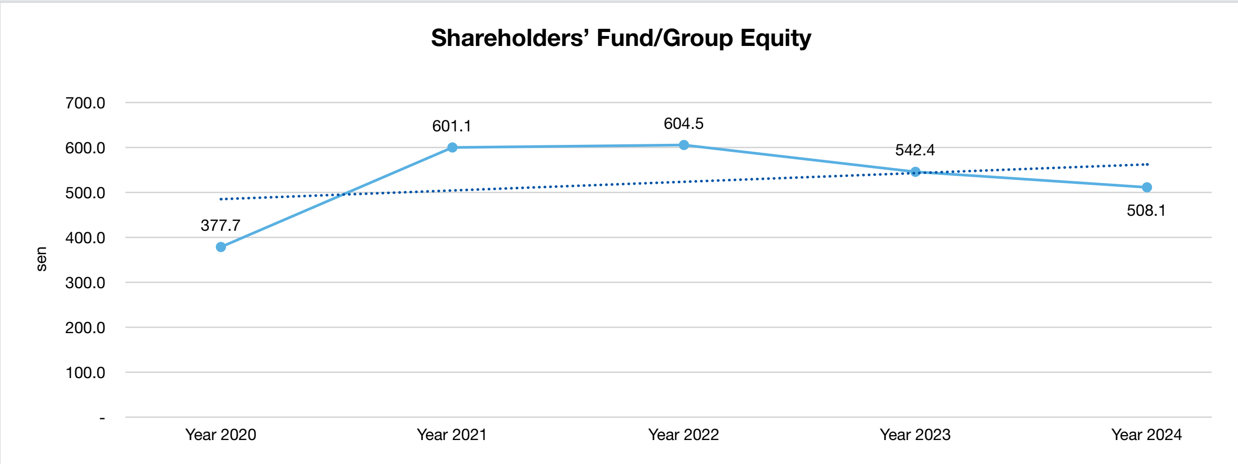
STRATEGIC CAPITAL ALLOCATION KEY TO MAXIMISING RETURNS (CONT'D)

Assets and Liabilities (Cont'd)

On the other hand, the Group's total liabilities of RM31.0 million as of the close of FYE2024 represented a RM4.9 million or 13.6% decrease from previous year of RM35.9 million. Included in these balances were trade and other payables for direct materials, consumables, utilities, services and property, plant and equipment, advances received as well as borrowings and deferred tax liabilities. The reduction in total liabilities was keenly attributable to the reversal of a contingent consideration sum of RM6.4 million no longer required and the reduction in lease liabilities and borrowings of RM1.9 million during the year.

The Group's average trade receivable and payment collection periods were 52 days and 61 days respectively, in FYE2024. The Group has also preserved sufficient and adequate liquidity to meet short-term debt obligations as evident from its latest current ratio of 5.6 times. Group borrowings as of end-FYE2024 comprise term loans of RM0.1 million, bills payable of RM0.3 million and hire purchase payables of RM0.4 million. Debt remains negligible and manageable where relatively low debt-to-equity as well as gearing ratios of 6.1% and 0.2% respectively were established for FYE2024.

Over the years, the Group has maintained very prudent and cautious approaches to debt and capital management in order to sustain shareholders' value. Group Equity as of the close FYE2024 was RM508.1 million, a reduction by RM34.4 million from a year ago, directly attributable to the losses of RM13.9 million recognised as well as the adjustment for fair value loss on escrow shares to Equity of RM38.6 million, set off against an increase in issued share capital of RM20.1 million pursuant to a private placement exercise carried out in FYE2024.



Anticipated and/or Known Risks

(i) On the Cusp of Market Recovery

The glove industry in Malaysia has not had a meaningful respite from persistently low ASPs post pandemic, since the emergence of other glove powerhouses set on conquering market share and proving dominance. The prolonged and enlarged supply of gloves in the market, particularly disposable gloves, has taken time to abate and the current competitive ASPs have made it very challenging for Malaysian glove manufacturers to emulate, largely due to higher energy and labour costs in the local context.

Where a supply-demand equilibrium is yet reached, glove ASPs are not expected to revert to gross profitability levels of that pre-pandemic, nevertheless signs of market recovery have emerged since late 2024 as overseas buyers have taken to restocking and revived order upticks are now apparent to manufacturers. The Group's strategic decision to actively direct its resources towards the production and marketing of niche gloves such as those of heavier weights, lengths and applications has yielded positive results as these products typically command higher profit margins. Having been in this business for more than thirty years, Hexcare is uniquely well-positioned in that it already has an established customer base and a strong sales and marketing team that possesses extensive in-depth knowledge of the industry, allowing the Group to thrive and capture new opportunities as and when the market evolves.

STRATEGIC CAPITAL ALLOCATION KEY TO MAXIMISING RETURNS (CONT'D)

Anticipated and/or Known Risks (Cont'd)

(i) On the Cusp of Market Recovery (Cont'd)

As for the Group's medical devices division, reliance on a single product i.e. RTKs for the detection of a specific disease such as COVID-19, would be perilous since rapid advancements in the healthcare industry, coupled with the relative ease of assembling such devices have caused ASPs to tumble amidst a market saturated with similar producers or traders of COVID-19 test kits. Correspondingly, with the mass global population duly vaccinated and the abolishment of mandatory self-testing, the demand for such test kits have also waned. At Hexcare, reliance is not placed on any single product or customer, and the Group has in its arsenal the capability, technical expertise and experience to produce and market a wide selective range of medical devices for the detection of other infectious diseases and drug-of-abuse screenings. Hexcare's array of medical devices are also registered and licensed with the Medical Device Authority, an agency within the Ministry of Health, Malaysia, accentuating the Group's responsibility and long-term commitment to the business.

(ii) Unpredictability of Commodity Prices

The cost of natural or raw latex, used in the production of household gloves, was also prone to price fluctuations, being an active traded agricultural commodity that is subject to market and sensitivity risks. In the current year, prices of raw latex, tracked to the fragile economic recovery of most latex producing countries of Asia and impacted by unfavourable weather conditions, traded range-bound at between RM5.38/kg wet to RM7.76/kg wet, and settled on an average of RM6.82/kg wet, a massive 35.3% increase from the previous year of RM5.04/kg wet. Prices of synthetic latex, specifically nitrile butadiene rubber (NBR), which was applied in the production of industrial gloves, likewise, soared by as much as 14.1% year-on-year.

Risks of major fluctuations and uncertainties in the pricing of raw materials affect production planning, costing and eventual product pricing. In order to mitigate the impact of these risks, the Group continues to closely monitor the costs of raw materials, hedges its orders and applies price-adjustment mechanisms to counter price fluctuation risks where necessary, while remaining competitive in the market.

(iii) Human Resource Management

Risks in Human Resource ("HR") Management pertain to the supply and quality of labour, turnover and retention of staff, employment of foreigners and compliance to current labour laws and regulations. The recruitment of foreign workers is also incessantly fraught with myriad challenges in terms of regulatory audits and social compliances. It is inevitable that companies incur high costs in the hire and retention of its workforce.

As in most manufacturing businesses, the supply of labour, particularly skilled labour has to be addressed adequately in order for factories to operate productively and efficiently. At Hexcare, workers' skill needs are frequently addressed via on-the-job skills training, re-skilling as well as up-skilling so as to safeguard continuity, stability and productivity at the plants. Risks in HR management are also present in an aging workforce where 11.6% of the Group's human capital are aged 50 and above, foretelling potential skill gaps and disparities when experienced employees retire. At Hexcare, this exposure is dynamically managed through active knowledge transfers and management succession planning.

There are equal weighted risks and opportunities in the application of technologies for factory processes through automation and digitalisation. Changes in manpower requirement, workflow progressions and job responsibilities impact on the recruitment and retention of human resources. Where feasible, the Group implements automation on certain processes at its plants in order to heighten efficiency, improve outcomes, lessen repetitive manual tasks and eliminate human-induced errors. One example of such investment was an upgrade of the Group's glove packing operation where automation was directed to improve the glove pairing and packing processes, which effectively halved the headcount from four to two per section, a savings of 50.0%. On the whole, the implantation of technology and automation is squarely balanced with employee welfare, job security and long-term economic practicality for the Group.

Management Discussion and Analysis
(cont'd)

STRATEGIC CAPITAL ALLOCATION KEY TO MAXIMISING RETURNS (CONT'D)

Anticipated and/or Known Risks (Cont'd)

(iv) Foreign Currency Exchange Risks

Given that the Group is predominated export-oriented, proceeds from trade receivables are mostly denominated in foreign currencies, specifically the United States Dollar (USD) and Euro (EUR), and to a lesser extent, the Sterling Pound (GBP), cahneg to Chinese Renminbi (CNY) and Swiss Francs (CHF) as well. As such, the Group is exposed to foreign exchange rate fluctuation risks, which could impact on the Group's earnings, depending on the strength or weakness of the Ringgit against these currencies. To mitigate the risks associated with these foreign currency exchange fluctuations, the Group hedges a portion of its trade receivables (and/or trade payables as the case may be) to safeguard against potential detrimental effects to the Group's earnings.

In addition to hedging, the Group also manages foreign currency exchange risks by maintaining a mixed currency portfolio in order to minimise currency concentration risks and utilising other financial instruments such as currency swaps, if necessary, in order to mitigate foreign exchange risks. In any case, the Group does not engage in baseless speculative stakes with regards to foreign currency exchanges in any of its business transactions.

(v) Business Diversification Risks

In the last several financial years, Hexcare has ventured and diversified from the glove industry into Property Investments and Healthcare. These planned business diversification decisions were evidently fraught with inherent risks and challenges characteristic of such ventures, more so as the Group had no prior management experience in both of these new businesses. Besides the typical commercial, economic and regulatory risks associated with such undertakings, the Group has had to take more proactive risk management approaches with regards to future-proofing the businesses.

At Hexcare, intensive due diligence and comprehensive risk assessments are usually carried out prior to any major investment decisions and any new business proposals are deliberated and collectively approved by the Board of Directors before they are executed and/or implemented. Where necessary, the Group also engages the services of professional advisors and independent consultants to guide and recommend best practices in order to protect the interests and investments of the Group.

(vi) Compliances to Environmental, Social and Governance ("ESG") Requirements

Hexcare's ESG framework essentially outlines a series of policies, guidelines and standards that the Group adheres to in its daily business operations, some of which are also regulatory mandated by authorities. Examples in this regard include compliances to laws and regulations pertaining to the treatment of environmental wastes, workers' health and safety and corporate governance. The consequences and risks of non-compliances are usually hefty and failures to address these issues could lead to lawsuits, fines and loss of company reputation. In any case, during the year, there were no instances of non-compliance to relevant laws and regulations that resulted in any fines, reprimands or penalties imposed by any regulatory authorities, both in Malaysia and overseas.

Besides the crucial mandatory and ESG compliances, the Group also attends to other unregulated ESG considerations such as matters relating to recycling, supplier assessments, customer satisfaction, workplace diversity, training and development as well as community support. In addition to risks, opportunities also abound where effective, transparent monitoring and reporting of these activities ultimately reflect on sound management, lending the Group greater credibility and standing with financiers and other stakeholders, thus securing the sustainability and repute of Hexcare.

(vii) Geopolitical Risks and Trade Uncertainties

Existential risks prevail in the on-going geopolitical conflicts such as the Russia-Ukraine war and the Israel-Hamas clash that continue to impact global economic outlook, financial markets, trade stability, supply chains and energy prices. Further trade disruptions were also compounded in April 2025 when the United States government announced reciprocal tariffs on imported goods, with a baseline rate of 10% on all countries, except for China. Economic and trade uncertainties created by the imposition of tariffs have far-reaching consequences, more so if the events escalate into a trade war, raising investment risks and inflationary pressures on prices of goods.

STRATEGIC CAPITAL ALLOCATION KEY TO MAXIMISING RETURNS (CONT'D)

Anticipated and/or Known Risks (Cont'd)

(vii) Geopolitical Risks and Trade Uncertainties (Cont'd)

While Hexcare acknowledges that North America is one of its export destination and key market segment, at this juncture, the Management does not expect the reciprocal tariffs to have any material adverse impact to the Group's operations as existing supply commitments and pricing mechanisms are dynamically reviewed and adjusted from time to time. The Management will continue to monitor these trade policies so that appropriate timely measures may be taken to address such risks as they presently evolve and develop.

PROSPECTS AND OUTLOOK

As nations and global markets transition out of the pandemic, the economic outlook for the healthcare sector, and the glove industry in general, have shown promising signs of strong demand recovery. Sustained by heightened safety and hygiene awareness and inventory restocking, the added tailwind from US tariffs imposed on Chinese glove manufacturers could just be the growth catalyst for Malaysia to regain its market share and cement its position as a key rubber glove producing nation. According to the Malaysian Rubber Glove Manufacturers Association (MARGMA), following a 20% increase in 2024, global demand for rubber gloves is projected to grow 12% to 15% annually in 2025 and resume its organic growth of 9% thereafter *(Source: https://www.businesstoday.com.my/2025/01/02/is-2025-the-year-for-glove-makers/)*.

Hexcare is cautiously navigating the course of recovery by focusing on driving efficiencies, exploring new market segments, scaling up automation while actively taking proactive steps to neutralise carbon footprints in the quest to ensure business sustainability. MARGMA and market industry players are also supportive of an optimistic view on the growth in demand for rubber gloves and have pledged commitment to sustainable progress towards compliance with the European Union Deforestation Regulation (EUDR) and Corporate Sustainability Due Diligence Directive (CSDDD) of European Union countries in order to secure the glove industry's future *(Source: https://www.mida.gov.my/mida-news/margma-confident-global-demand-for-rubber-gloves-will-rebound-in-2024/)*.

Meanwhile, at Reszon, Hexcare's medical device division, growth and innovation would primarily be driven by renewed demand for diagnostics tools alongside existing health protocols and improved healthcare access. According to the Malaysian Investment Development Authority (MIDA), Malaysia is the largest market for medical devices in the ASEAN region with an estimated total market size of USD1.8 billion and over 90% of medical devices manufactured in Malaysia are exported to top 10 export destinations globally *(Source: https://www.mida.gov.my/publications/malaysias-medical-devices-industry-immense-growth-potential/)*. Support by the government with prioritisation of the medical device sector in the Twelve Malaysia Plan and the New Industrial Master Plan (NIMP) 2030 are also crucial in advancing Malaysia to the forefront of medical technology innovation.

In the realm of property investments in Malaysia, the prospects in the local context are progressive and would primarily be driven by the country's robust economic growth of between 4.5% to 5.5% in 2025, supported by strong domestic demand, foreign investments and sustainable fiscal reforms (Source: *https://www.mida.gov.my/mida-news/malaysia-will-be-a-high-income-nation-by-2025-gdp-will-grow-4-5-5-5-pct-a-year-pm/*). With the recovery and growth momentum in Malaysia's tourism sector, rise in the middle-class population and Malaysia's ambition for a developed nation status by 2028-2029, Hexcare's investment into soon-to-be-opened Hextar World at Empire City Mall is viewed positively. Besides being income and earnings accretive to the Group, this foremost venture could also serve as a viable platform for Hexcare's future acquisitions and inroads into property investments.

DIVIDEND POLICY

Hexcare does not have a dividend policy in place. It has also not declared or paid any dividends in the last five financial years, being focused on charting a long-term expansionary growth path for the future. With positive cash reserves, minimal borrowings, an able Management team and proven business track records, the Group is well geared to undertake strategic investments, notwithstanding organic expansions, that could potentially generate higher returns and value to shareholders in the long run.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-22, 2-27, 419-1

Introduction

The Board of Directors of Hextar Healthcare Berhad ("Hexcare" or the "Group") and its subsidiary companies are pleased to present its overview of the Group's Sustainability Performance for the period 01 January 2024 to 31 December 2024 ("FYE2024").

Scope and Boundary

This Sustainability Statement covers all of Hexcare's manufacturing subsidiaries in Malaysia over which we have full operational control, with the exception of Rubberex Spain S.L. as it is the Group's only overseas marketing arm, and whose operations do not impact materially on the Group's overall sustainability performance coverage.

Reporting Frameworks

This Statement has been developed in accordance to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), FTSE4Good Bursa Malaysia Index, Sustainable Development Goals ("SDGs") and the Global Reporting Initiative ("GRI") Standards. Sustainability practices and continuous improvements are progressively on-going and constantly reviewed as we strive to balance business with the interests of our stakeholders and the community at large.

Assurance

To enhance the credibility of this Statement, we engaged Grant Thornton Consulting Sdn Bhd ("Grant Thornton") to provide limited assurance on selected material sustainability indicators. This was done in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within this report, in accordance with International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410"). This pivotal appointment of an independent assurer is crucial and underscores Hexcare's commitment to transparency and accountability in our sustainability efforts.

For more details on the Assurance Statement, please refer to pages 80 to 84 of this report.

Our Sustainability Journey

At Hexcare, we continue to be guided by the three key sustainability mainstays highlighted in our previous reports: - Economic, Environmental and Social. In response to growing worldwide interests on Environmental, Social and Governance ("ESG") issues impacting the ways businesses are run, we incorporated the "Governance" aspect into our Economic pillar since FYE2022, acknowledging that governance management should be measured alongside business performance rather than independently assessed as a singular distinct pillar. Guided by the internationally recognised United Nations Sustainability Development Goals ("UNSDG") and aspirations, we seek to adopt strategic approaches to support and empower communities, encourage social inclusivity and improve the long-term health of the natural environment we live in. At Hexcare, we also addressed climate change and reinforced our efforts towards decarbonisation. In line with Malaysia's goal towards Net Zero Carbon Emission by year 2050, Hexcare has also committed to achieving a carbon neutral position by 2030 and a Net Zero Carbon Emissions target by 2050.

Along our Sustainability journey, we are heartened and pleased to have been included as a constituent company in the FTSE4Good Bursa Malaysia ("F4GBM") Index and the FTSE4Good Bursa Malaysia Shariah ("F4GBMS") Index consistently since December 2022. The most recent review in December 2024 also validated and reinforced our inclusion into both Indices. The F4GBM Index measures the performance of public-listed companies of the FTSE Bursa Malaysia EMAS Index, against internationally recognised benchmarks for demonstrating sound ESG practices while the F4GBMS tracks the constituents in the F4GBM that are Shariah-compliant, in accordance with the Shariah Advisory Council screening methodology. We are motivated and committed to upholding the Group's strong ESG principles in our quest to achieve greater transparency, economic returns and other intangible benefits that would eventually add to long-term shareholder values.

ABOUT THIS STATEMENT (CONT'D)

Our Sustainability Journey (Cont'd)

Hexcare is also proud and honoured to be affiliated with the United Nations Global Compact Network Malaysia and Brunei ("UNGCMYB"), the official local chapter of a special initiative of the United Nations Secretary-General, the United Nations Global Compact ("UNGC"), which is the largest corporate sustainability initiative in the world. As a corporate member, Hexcare is supported and guided by UNGC's call to align strategies and operations with universal principles on human rights, labour, environment, climate change and anti-corruption, and actions that advance societal goals.

There are 17 overall goals and 169 specific targets in the UNSDG. Businesses and governments are encouraged to collaborate in order to implement measures to support and meet the framework's ambitious goals by 2030. We have identified 9 out of 17 SDGs that are relevant to Hexcare's business strategies and initiatives, and they are:

- UNSDG 3: Good health and well-being
- UNSDG 5: Gender Equality
- UNSDG 6: Clean Water and Sanitisation
- UNSDG 7: Affordable and Clean Energy
- UNSDG 8: Decent Work and Economic Growth
- UNSDG 10: Reduced Inequalities
- UNSDG 12: Responsible Consumption and Production
- UNSDG 13: Climate Action
- UNSDG 16: Peace, Justice and Strong Institutions

Restatements

Certain comparative figures in this report have been restated. For one, a comprehensive restatement has been undertaken regarding the number of employees trained in Anti-Bribery and Corruption as well as Health & Safety standards for the past two years. This initiative was implemented to enhance the accuracy and reliability of our data by moving away from the previously used cumulative recording method. These refinements strengthen the integrity of our reporting and ensure a more precise and transparent representation of our performance metrics moving forward.

Hexcare has restated its overall workforce figures to exclude the employees of Rubberex Spain S.L., in order to provide a more accurate reflection of the workforce based in Malaysia. As a result of this adjustment, the figures for female representation in the global workforce and female leadership in managerial positions (manager level and above) have also been restated. This ensures a more precise and meaningful illustration of our workforce composition, reinforcing our commitment to transparent and accurate reporting. We have also excluded emissions associated with business travel conducted by Rubberex Spain S.L. from our environmental data. This adjustment aligns our emissions reporting more closely with the operational boundaries of Hexcare in Malaysia and enhances the accuracy of our GHG emissions footprint.

Sustainability Statement
(cont'd)

ABOUT THIS STATEMENT (CONT'D)

Restatements (Cont'd)

In order to provide a clearer and more accurate picture of the GHG emissions produced by Hexcare's operations within our Malaysian facilities, we have also restated our diesel data to reflect actual consumption usage rather than purchasing volume as this approach offers a more reliable measurement of emissions directly attributable to operations. Consequently, we have incorporated petrol usage into our energy consumption reporting, as fuel consumed by company vehicles represents a relevant and measurable component of our overall energy footprint. These refinements enhance the integrity and completeness of our environmental performance data.

Hexcare has restated its total emissions under the upstream transportation and distribution category of Scope 3 (Category 4). Previously, emission calculations were based on the distance from the origin of the products. However, the methodology has been revised consider operational baseline distance instead. This adjustment was made to ensure a more consistent and representative approach to calculating emissions, aligning more accurately with our internal logistics practices and improving the reliability of our emission factors for this category.

Last but not least, following Hexcare's acquisition of Reszon Diagnostics International Sdn. Bhd. ("Reszon") in November 2022, we have restated our electricity usage and the associated emissions generated from electricity supplied by Tenaga Nasional Berhad (TNB) to incorporate Reszon's electricity consumption into our GHG emissions reporting. This update ensures a more comprehensive and accurate representation of our environmental footprint, reflecting the energy usage of all relevant operational entities within the Group.

FEEDBACK

We extend an invitation to our stakeholders to share their feedback regarding this Statement and the topics it addresses through our company email, info_hexcare@hextar.com.

OUR SUSTAINABILITY GOALS VS. FYE2024 PERFORMANCE AT A GLANCE

Economic

Zero tolerance to bribery or corruption

- **Achieved zero** bribery or corruption cases in FYE2024

Maintain all manufacturing factories certified with ISO 9001 Quality Management System

- We are certified with ISO 9001:2015

Maintain all manufacturing factories certified with ISO 13485 Quality Management System (Medical Devices)

- We are certified with ISO 13485:2016

Environmental

Achieve Net Zero Carbon Emission by 2050

- Ongoing

All manufacturing factories to be ISO 14001 Environmental Management System certified by 2030

- We are certified with ISO14001:2015

Targets to achieve a reduction of 10.0% in global water withdrawal in 2030 with FYE2022 as a baseline

- Ongoing

ABOUT THIS STATEMENT (CONT'D)

Environmental (Cont'd)

Reduction of water withdrawal for Year	m^3 (in %)
2022	Baseline year
2023	0.2
2024	0.2

Target to achieve a reduction of 15.0% for our absolute GHG emissions for Scope 1 and Scope 2 in 2025 with FY2022 as a baseline

- Achieved in FYE2024
- Achieved a reduction of 17.3% for our absolute GHG emissions for Scope 1 and Scope 2 as of 31 December 2024

Reduction of CO_2e for Year	GHG Emission (Scope 1 & 2) (in %)
2022	Baseline year
2023	8.0*
2024	9.3

* Restated

Target to achieve a reduction of 50.0% for our absolute GHG emissions for Scope 2 in 2030 with FY2022 as a baseline

- Ongoing

Reduction of CO_2e for Year	GHG Emission (Scope 2) (in %)
2022	Baseline year
2023	7.5*
2024	8.8

* Restated

Social

Achieve 40.0% female global workforce by year 2025

- Ongoing
- 34.2% global workforce are female as of 31 December 2024

Description / Years	FYE2024	FYE2023	FYE2022
Female global workforce	34.2%	35.2%*	38.1%*

* Restated

Sustainability Statement
(cont'd)

ABOUT THIS STATEMENT (CONT'D)

Social (Cont'd)

Achieve 45.0% female leadership in managerial positions (Manager and above) by year 2030

- Achieved 54.5% female leadership in managerial positions as of 31 December 2024

Description / Years	FYE2024	FYE2023	FYE2022
Female Managerial level	54.5%	50.0%*	46.2%*

* Restated

Achieve 80.0% local employment in the overall workforce by year 2030

- Ongoing
- 74.1% local employment in the overall workforce as of 31 December 2024

Description / Years	FYE2024	FYE2023	FYE2022
Local employment	74.1%	73.3%*	68.9%*

* Restated

Zero tolerance to discrimination, harassment, violence, forced labour and child labour in the workplace

- **Achieved zero** incidence of discrimination or any violence in FYE2024

All manufacturing factories to be ISO 45001 Occupational Health & Safety Management System certified by 2030

- We are certified with ISO 45001:2018

Reduce and maintain the work-related injuries rate to 0.8 by 2025

- On-going

Description / Years	FYE2024	FYE2023	FYE2022
Work related injuries	7	15	6
Lost time incident rate	1.17	2.04*	0.81*

* Restated

Zero incidence of fatalities

- **Achieved zero** incidence of fatalities in FYE2024

Description / Years	FYE2024	FYE2023	FYE2022
Work related fatalities	Nil	Nil	Nil

STAKEHOLDER ENGAGEMENT

GRI 2-16, 2-29

For any sustainabilty effort to be realised, stakeholder engagement is crucial to effectively assess the impacts that business decisions have on the three sustainability core values highlighted above. At Hexcare, stakeholder engagement begins with identifying the relevant stakeholders, both internal and external to the Group, documenting their roles, prioritising their impacts and developing the right communication tools to achieve our goals and ensure continuous value creation. These include assessing financial impacts, market trends, anticipating challenges and fine-tuning our sustainability strategies to align with the broader interests of the economy, society and the environment. The following table summarises our key stakeholders, engagement platforms and main areas of concern, for our FYE2024 assessment:

Key Stakeholders	Why They Matter	Engagement Platforms	Key Areas of Concern	Our Response
Employees	Our employees are the driving force behind our manufacturing excellence. Their skills, safety, and well-being are essential to maintaining efficient operations and high product quality. We invest in training, fair treatment, and a safe, inclusive work environment for our employees	• Memorandums • Meetings with management • Performance appraisal reviews • Employee engagement activities • Workshops and training programs	• Health and safety • Welfare and benefits • Training and career development opportunities • Human rights and fair labour practices	• Uphold ethical labor standards • Maintain a safe and healthy work environment • Offer continuous learning and development • Provide competitive benefits and welfare programs
Customers	Our customers are at the heart of our business, driving demand for our products. We prioritise their satisfaction by maintaining product consistency, ensuring timely delivery, and providing responsive service	• Meetings and site visits • Customer audits • International tradeshows • Customer satisfaction surveys • Phone calls and email communications	• Supply chain management • Product quality and safety • Customer satisfaction • Competitive pricing and on-time delivery	• Adhere to strict international quality standards • Deliver high-quality products that meet expectations
Local Communities	As a responsible corporate citizen, we strive to positively impact the communities around our operations. We support community welfare, environmental sustainability, and local development through meaningful outreach and partnerships	• Corporate social responsibility (CSR) programmes • Corporate website	• Pollution management • Employment opportunities	• Support community welfare through contributions and assistance programmes

Sustainability Statement
(cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholders	Why They Matter	Engagement Platforms	Key Areas of Concern	Our Response
Shareholders/ Investors	Our shareholders and investors provide the capital and confidence that support our business growth. We are committed to responsible governance, financial transparency, and delivering long-term value and stability	• Financial performance • Business and segmental updates • Capital market integrity • Ethics and integrity • Compliance with regulations • Sustainable achievements • Business growth plans • Corporate website • Annual general meetings • Annual and quarterly reports • Announcements on Bursa Securities • Press releases • Conferences and analyst briefings	• Financial performance • Business and segmental updates • Capital market integrity • Ethics and integrity • Compliance with regulations • Sustainable achievements • Business growth plans	• Timely update financial performance and announcements • Uphold good governance practices • Outline, monitor and disclose sustainability targets and achievements
Government/ Regulators	Regulatory agencies ensure we operate within safe, legal, and ethical boundaries. We actively comply with local and international standards and maintain open communication with authorities to uphold our licenses and responsibilities to operate	• Meetings and site visits • Government website • Regulatory audit/ inspection • Participating in seminars/ workshops/ briefing sessions organise by regulatory authorities	• Labour rights • Safety compliance • Environmental compliance • Regulatory compliance • Permits and licenses	• Full compliance with regulatory requirements • Aware of and support initiatives driven by government or regulatory bodies • Adoption of practices outlined in the Malaysian Code on Corporate Governance
Suppliers	Suppliers are critical to our supply chain—from raw materials to packaging to services. We collaborate closely with reliable, ethical partners to ensure consistent quality, cost-efficiency, and sustainability throughout the production process	• Meetings and site visits • Supplier assessments • Phone calls and email communications	• Business ethics • Pricing and supplies • Product quality and safety • Supply chain management	• Comply with Procurement policies and procedures • Promote responsible sourcing and supply chain traceability

MATERIALITY ASSESSMENT

Materiality Assessment and Matrix

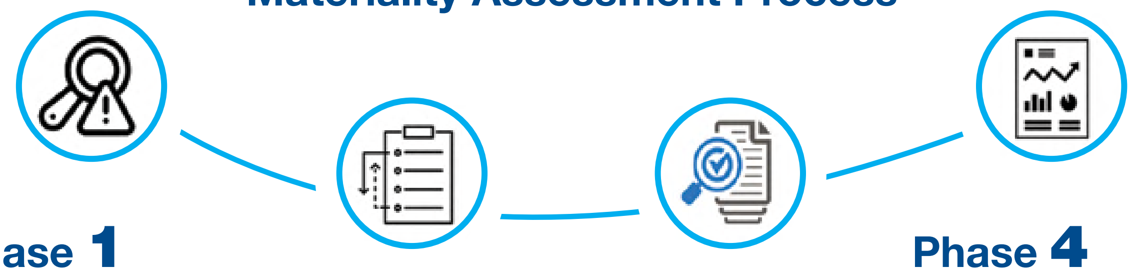
The Board of Directors of Hexcare, together with Management, takes responsibility for the governance of ESG or sustainability within the Group, including the setting of strategies, targets and allocation of resources. We conduct yearly reviews of our material sustainability matters for applicability and prioritise them in accordance to their importance for our businesses as well as to our stakeholders. Materiality assessment serves as one of the important steps in developing our corporate sustainability strategies by identifying and highlighting the material sustainability matters that are most relevant to our stakeholders and business operations.

Materiality Assessment Process

GRI 3-1, 3-4, 3-6

The materiality assessment process starts from our internal ESG Committee, which comprises key Management staff and divisional or departmental Heads, who meet at least once monthly, to assess and review ESG matters that are pertinent and relevant to Hexcare. Our ESG Executive/Manager is responsible for organising these meetings, collating data, monitoring and presenting key findings for the Committee's review and assessment. The process typically involves interactive participation from the members as ESG matters are deliberated and assessed on the basis of their importance or impact to the stakeholders of Hexcare. Periodically, key ESG matters are also communicated and updated on the Company's website. Annually, the results are then condensed, summarised in graphical form and published in Hexcare's Annual Report.

Materiality Assessment Process



Phase 1

Identification of relevant ESG topics

Hexcare identifies the relevant ESG topics by referring to various internal and external sources of information. This process involves assessing not only the Company and Group, but also referencing the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), Malaysian Code on Corporate Governance ("MCCG") and adhering to the Global Reporting Initiative (GRI) Standard.

Phase 2

Prioritisation of ESG topics

Hexcare identifies and prioritises pertinent ESG topics by evaluating their significance to Hexcare's business operations and their importance to key internal and external stakeholders.

Phase 3

Validation of ESG topics

The Board of Directors and Management of Hexcare reviews the results of the material assessment, and endorses them along with associated targets, management progress, and performance. The Group conducts an annual review of the materiality assessment to incorporate any latest developments and changes. The outcomes of the prioritisation exercise were graphically represented on a materiality matrix.

Phase 4

Reporting of ESG topics

The materiality matrix and ESG topics are presented to our stakeholders in the Sustainability Statement section of our Annual Report.

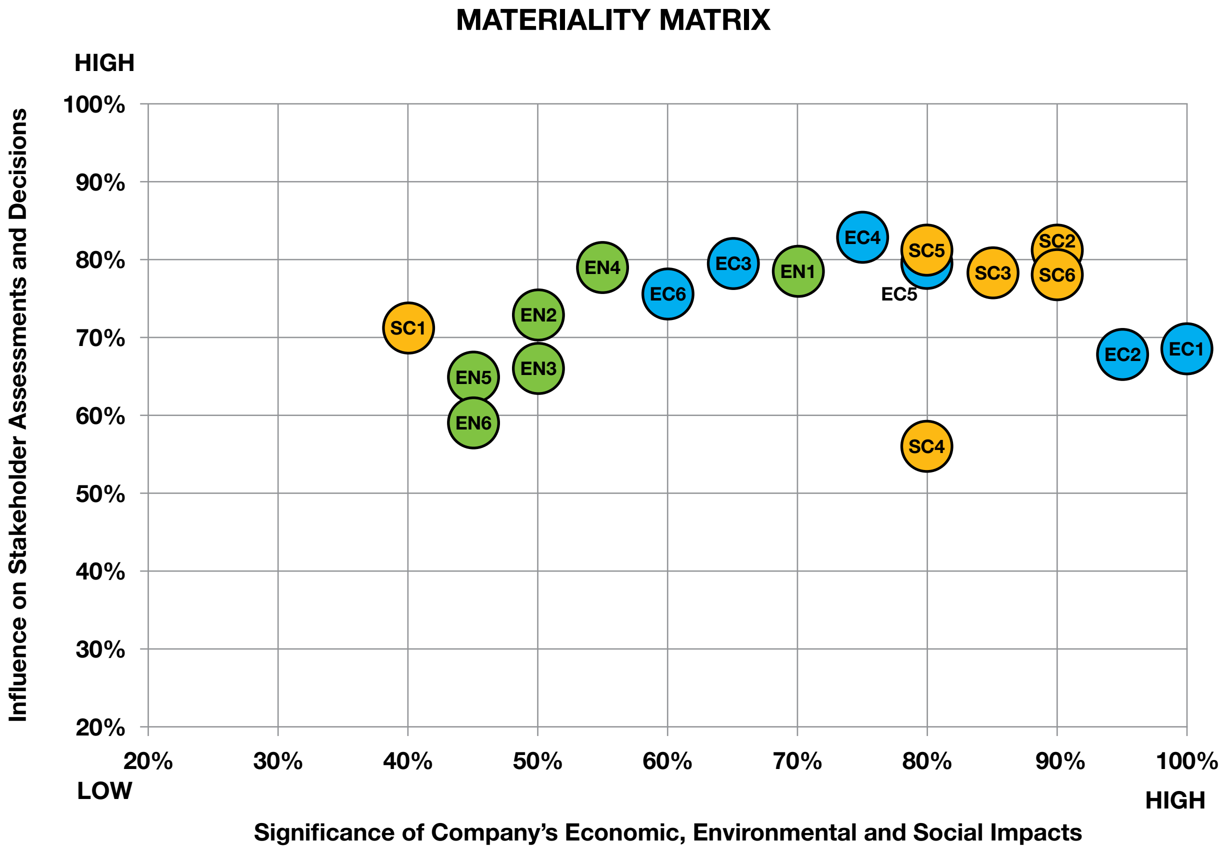
Sustainability Statement
(cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Materiality Matrix

GRI 3-2

Following the Materiality Assessment Process, the findings are summarised and presented diagrammatically, ranked from low to high in terms of their impact to both Hexcare's internal and external stakeholders. This assessment had been carried out with particular emphasis on our Malaysia operations where the Group's main factories, resources and key personnel are based.



Economic		Environmental		Social	
EC1	Strong shareholder support	EN1	Accreditation and compliance	SC1	Remuneration and rewards
EC2	Solid balance sheet	EN2	Efficient use of resources	SC2	Health, safety and wellbeing
EC3	Product quality	EN3	Pollution and emission control	SC3	Workplace diversity and equal opportunities
EC4	Customers' satisfaction	EN4	Commitment to the future	SC4	Training and development
EC5	Compliance to Business Social Compliance Initiatives (BSCI) guidelines	EN5	Scheduled waste management	SC5	Giving back to society
EC6	Corporate governance and risk management	EN6	Emissions management	SC6	Human rights

RISK MANAGEMENT FOR OUR KEY MATERIAL MATTERS

GRI 3-3, 201-2

In the current business environment, where social responsibility and environmental impact are closely linked to long-term success, Hexcare recognises that the challenges we face can also serve as drivers of sustainable opportunities. This report presents our approach to managing these interconnected risks while emphasizing the strategic opportunities that foster sustainable growth and create value for our stakeholders.

Materiality	Risks	Opportunities
EC1 Strong shareholder support	Shareholders may prioritise short-term profits over sustainable growth, leading management to make decisions that can hinder long-term success.	Companies with strong shareholder support ensures sufficient funding for growth, innovation, or acquisitions.
EC2 Solid balance sheet	A solid balance sheet can sometimes reflect a conservative approach, which may limit the company's ability to quickly adapt to market changes, potentially resulting in slower growth.	A solid balance sheet helps build investor confidence by demonstrating the company's capacity to generate stable returns and sustain operations over the long term.
EC3 Product quality	Inability to meet customers' expectations impact customers' confidence and loyalty, ultimately leading to the loss of customers.	High-quality products build brand trust, encouraging repeat business and customer recommendations.
EC4 Customers' satisfaction	Failing to meet customer expectations or resolving complaints effectively may lead to customers switching to competitors.	Satisfied customers tend to remain loyal and may recommend the brand to others, driving company growth.
EC5 Compliance to Business Social Compliance Initiatives (BSCI) guidelines	Ethical violations or non-compliance can result in public backlash and customer boycotts.	Adhering to compliance standards attracts socially responsible partners and ethical investors, enhancing loyalty and driving sales growth.
EC6 Corporate governance and risk management	Weak governance structures can result in poor decision-making or resource allocation.	Effective risk management and transparent governance attract investors seeking stable, well-managed companies that can adapt successfully to crises.
EN1 Accreditation regulatory and compliance	Achieving and maintaining compliance with standards may require substantial investment, and failure to do so can lead to fines or the loss of certifications.	Adhering to regulations and standards boosts the company's credibility, enhances consumer trust, and creates opportunities to enter new markets.
EN2 Efficient use of energy and resources	Inefficient energy use and resource management lead to increased energy bills and waste disposal costs, which can negatively affect the company's profitability over time.	Reducing energy consumption and optimising resource use in manufacturing processes can lower operational costs over time, boosting profitability.
EN3 Pollution and emission control	Failure to manage pollution and emissions effectively can lead to regulatory penalties, reputational damage and signal a lack of commitment to sustainability.	Implementing effective pollution control measures and reducing emissions can enhance compliance with regulations, improve brand reputation, and open doors to green certifications or incentives.
EN4 Commitment to the future	Embracing new technologies or practices may strain financial resources, especially if the return on investment (ROI) takes time to materialise.	Long-term sustainability initiatives provide resilience and ensure the company remains competitive in an evolving market landscape.

Sustainability Statement
(cont'd)

RISK MANAGEMENT FOR OUR KEY MATERIAL MATTERS (CONT'D)

Materiality	Risks	Opportunities
EN5 Scheduled waste management	Non-compliance with environmental regulations may result in regulatory actions from authorities, while also negatively impacting local communities.	Implementing effective waste reduction and resource efficiency strategies not only generates cost savings in operations but also aligns with our broader sustainability objectives.
EN6 Emissions management	Accurately measuring and tracking GHG emissions reductions can be complex, and failure to do so effectively could result in non-compliance or missed targets.	Managing emissions and demonstrating environmental responsibility can enhance the company's reputation among customers who prioritise sustainability, particularly in markets that favor green and ethical businesses.
SC1 Remuneration and rewards	Unfair or misaligned remuneration and reward systems can lead to low morale, disengagement, and higher turnover rates.	Fair and transparent remuneration practices increase employee satisfaction, fostering loyalty and enhancing long-term retention.
SC2 Health, safety and wellbeing	Workplace accidents and injuries may lead to productivity loss, legal repercussions and reputational damage.	Strong health and safety culture improve overall employee well-being and drive increased productivity while maintaining our reputation as a responsible and trustworthy company.
SC3 Workplace diversity and equal opportunities	Failing to ensure equal opportunities may result in discrimination lawsuits or penalties.	Companies that promote diversity attract a wider talent pool and contribute to better decision-making and problem-solving.
SC4 Training and development	Inadequately trained employees contribute to lower productivity and performance.	Effective learning and development training enhances employees' professional knowledge and fosters a high-performance culture.
SC5 Giving back to society	Poorly executed social responsibility initiatives may fail to resonate with the target community.	Meaningful corporate social responsibility initiatives strengthen relationships with local communities and enhances the company's reputation.
SC6 Human rights	Violating human rights or failing to adhere to ethical standards can lead to regulatory penalties, impact employee retention and culture, and damage the company reputation.	Strong human rights practices reinforces our reputation as a responsible employer and improves our competitiveness.

ECONOMIC PILLAR

Economic (EC1) – Strong Shareholder Support

The Company's deliberate name change to Hextar Healthcare Berhad in 2022 was a natural and logical progression for the Group, undertaken to better reflect our core business and cement our commitment to the broader healthcare sector. Hexcare's new identity, under the larger Hextar Group of Companies' umbrella, has the full backing and support of our largest shareholder, Dato' Ong Choo Meng. Under Dato' Ong's stewardship, he ushered in a unique blend of corporate culture to Hexcare, and also seamlessly integrated his management team into the Group, merging a wealth of knowledge, experience and expertise from various professional fields with Hexcare's talents for greater synergistic values, as we capitalise on our mutual strengths to chronicle new growth and secure the long-term sustainability of the Group.

Hexcare's other notable investment in medical test kit maker, Reszon Diagnostics International Sdn Bhd ("Reszon"), in 2022 was also a conscious business decision undertaken in the best interest of the Group. This operational division was headed by the pioneer and founder of Reszon, Mr. Law Eng Lim, who brought with him a capable team of experienced, professional managers and invaluable technical knowledge. Reszon develops and manufactures a strong portfolio of innovative in-vitro diagnostics (IVD) rapid test tests and enzyme-linked immunosorbent assay (ELISA) kits for medical professionals and clinical diagnostic markets worldwide. Although Mr. Law has since resigned from Reszon during the year to pursue other ventures, he still to this day, remains the Company's only other substantial shareholder.

Expanding the Group's product offerings opens up limitless growth opportunities in terms of markets, applications, networks and customers. Hexcare's inaugural venture into property investment, via a 20.0% equity stake in the flagship Hextar World at Empire City Mall valued at RM180.0 million, also indicates a similar commitment to provide an alternative income stream with the potential to generate higher returns and value to shareholders in the long term. Without the support and backing of our shareholders, these acquisitions would not have materialised into fruition.

Economic (EC2) – Solid Balance Sheet

The Group's Total Equity or net tangible assets as of the end of financial year 2024 was RM508.1 million, after having taken into account the net loss of RM13.9 million recorded in the current year. Hexcare's paid-up ordinary shares, net of treasury shares held, stood at more than 1.1 billion shares in circulation, giving the Group a net asset (NA) per share of RM0.46. Based on the Company's last publicly traded share price of RM0.18 at the close of the year, this represented an upside of RM0.28 per share or a 155.6% premium for each share held, indicating high potentials for returns and values to shareholders.

It is worth noting that the Group's earlier investments in both Hextar World at Empire City Mall and Reszon were financed by internal cash reserves. With negligible borrowings in its books, the Group is also in a positive net cash position, an indicator of strong financial health with more than adequate liquidity and ample resources to finance any future viable investments plans.

Economic (EC3, EC4, EC5) – Meeting High Quality Standards and Ensuring Customers' Satisfaction
GRI 419-1

Our assessment

Hexcare believes that certifications and accreditations are essential in demonstrating our commitment to excellence, reliability, and quality across our products, services, and systems. These recognitions validate our adherence to high standards and best practices, reinforcing our accountability to customers, business partners, the public, and shareholders. By obtaining and maintaining these certifications, we uphold our dedication to continuous improvement, industry excellence, and a strong reputation in the market.

Our approach

For the current year, we maintain that Hexcare's operations are duly certified with the following accreditations for the manufacture of gloves and in-vitro diagnostics medical devices:

- ISO 9001:2015 Quality Management Systems; and
- EN ISO 13485:2016 Quality Management Systems (Medical Devices).

Sustainability Statement
(cont'd)

ECONOMIC PILLAR (CONT'D)

Economic (EC3, EC4, EC5) – Meeting High Quality Standards and Ensuring Customers' Satisfaction (Cont'd)
GRI 419-1

Our approach (Cont'd)

In addition, Hexcare also holds the following key valid certifications relevant to the manufacturing, sales and distribution of the Group's products:

- Registered with Medical Device Authority of Malaysia under section 5(1) of Medical Device Act 2012 (Act 737) for nitrile examination gloves intended for medical and dental use;
- EC Type Examination Inspection Certificate issued by Asociacion de Investigacion de la Industria Textil (Spain), Notified Body no. 0161 for the application of Regulation (EU) 2016/425 of the European Parliament and of the Council of 9th March 2016, in which the essential health and safety requirements that Personal Protective Equipment (PPE) must comply with;
- Registered with the U.S. Food and Drug Administration pursuant to Title 21, 807 et seq. of the United States Code of Federal Regulation; and
- Compliance to SEDEX Members Ethical Trade Audit (SMETA) methodology conducted by the Supplier Ethical Data Exchange (SEDEX) organisation for the monitoring of ethical business practices in global supply chains, against key audit pillars of Labour Standards, Health and Safety, Business Ethics and the Environmental (SMETA 4-Pillar Social Compliance).

Just as it is essential to maintain and hold the above key certifications, the Group also performs regular assessments and validations to ensure that its warranties are substantiated, most notably on its suppliers and customers, yearly.

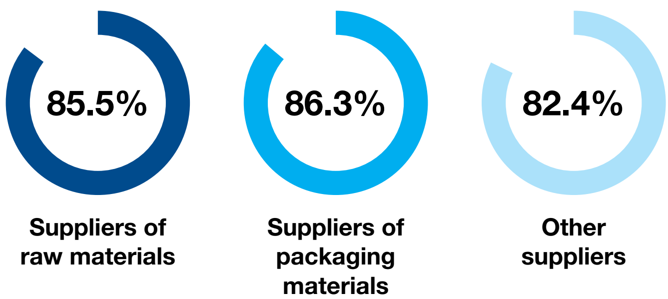
Our Performance

Supplier Assessments
GRI 2-6, 204-1, 205-1, 205-3

These assessments were carried out on our suppliers of raw materials, packaging materials, parts and services, both formally and informally, to evaluate if these suppliers have met expectations with regards to quality and accuracy of materials ordered, customer services, pricing and lead times. The Group also adopts a fair and impartial approach in its purchasing activities by ensuring competitive prices for its materials and parts; for certain major capital expenditure, we occasionally practice open tenders and awards the purchases or contracts to the lowest bidder.

In FYE2024, the evaluation of suppliers for our Malaysia operations have consistently achieved Grade A, with performances rated in the range of 71.0% to 99.9%, underscoring the quality and positive attributes of such providers and business partners in order to justify engaging their services with the Group:

	Average Rating
Suppliers of raw materials	85.5%
Suppliers of packaging materials	86.3%
Other suppliers	82.4%



Hexcare is committed to sustainable procurement and supply chain management, prioritising local suppliers not just out of patriotism, but also as a means to derive environmental and socio-economic benefits. The focus on local suppliers also maximises the multiplier effect on the local economy by fostering employment opportunities and supporting the growth of small and medium enterprises within Malaysia, thereby contributing to the nation's economic advancement.

ECONOMIC PILLAR (CONT'D)

Economic (EC3, EC4, EC5) – Meeting High Quality Standards and Ensuring Customers' Satisfaction (Cont'd)

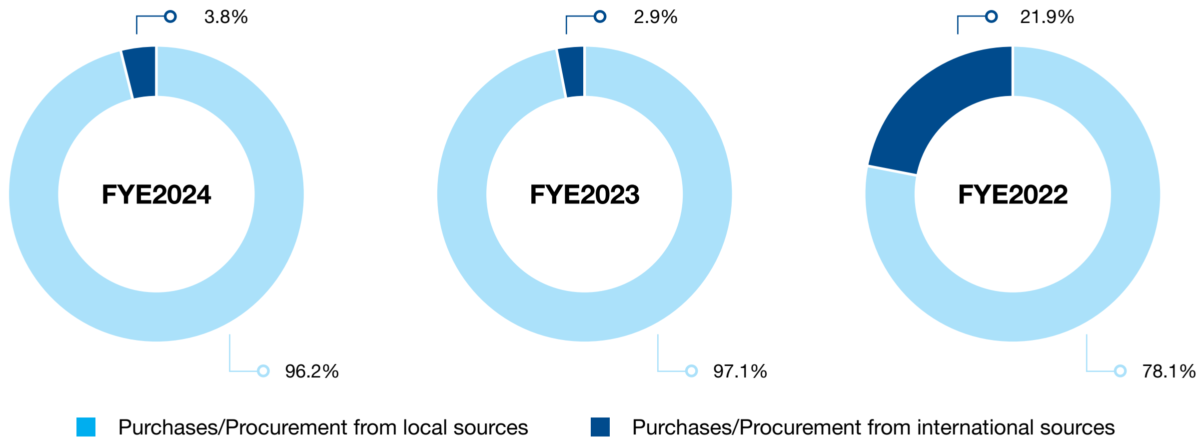
Our Performance (Cont'd)

Supplier Assessments (Cont'd)

In our quest to support local and reduce reliance on imports, the Group consciously sources for its materials and supplies from within Malaysia. In FYE2024, the ratio of the Group's local procurement to international spending remained at 96:4, mirroring the previous year, which showcased our dedication to bolstering the local economy and fostering sustainable business practices through the creation of jobs and infrastructures locally. It is also worth noting that our emphasis on local procurement naturally implies lower transportation costs, highlighting the Group's efforts in further reducing our emissions and carbon footprint as well:

	FYE2024	FYE2023	FYE2022
Purchases/Procurement from local sources	96.2%	97.1%*	78.1%*
Purchases/Procurement from international sources	3.8%	2.9%*	21.9%*

* Restated



In order to improve on the supply chain management process, in FYE2024 we also sought to broaden our engagement with suppliers via a questionnaire designed to gauge their current levels of sustainability practices and applications. We recognise the significance of this endeavor in not only enhancing our understanding of our suppliers' ESG practices but also in aligning our operations with the highest standards of sustainability and responsibility. In the process, we acknowledged that formalised ESG practices are still emerging in many of our supplier companies, who may still be at the infancy or early stages of adopting ESG principles within their organisations.

In FYE2023, of the 288 number of questionnaires dispatched, we obtained 95 replies, a response rate of 33.0%. For the year 2024, we continued our efforts by resending the Supply Chain Management Survey to suppliers who had not yet responded. Out of the 193 outstanding suppliers, only 16 submitted their responses, bringing the cumulative response rate to 38.5%. Despite this initial challenge, Hexcare remains resolute in our commitment to ensuring comprehensive data collection for our ESG assessment and are dedicated to reaching out to the remaining suppliers, fostering open communication channels, and encouraging participation in the survey process.

Since the establishment of our Anti-Bribery and Corruption Policy, versions in English and Malay published on the Company's website, Hexcare has taken the initiative to explicitly inform our suppliers and business partners of the Group's zero-tolerance stance on corruption and bribery via official notifications; responses were tracked and acknowledgements followed-up. Hexcare is committed to complying with the Malaysian Anti-Corruption Commission Act 2009 and its 2018 Amendment (MACCA) that prohibit bribery and corruption and has taken active steps to ensure that our suppliers are equally committed to this stance in their business dealings with the Group as well. In FYE2024, there were zero incidents of bribery or corruption reported. Although corruption risk assessments were not conducted during the period, we intend to carry them out over the next two years.

Sustainability Statement
(cont'd)

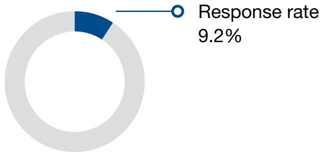
ECONOMIC PILLAR (CONT'D)

Economic (EC3, EC4, EC5) – Meeting High Quality Standards and Ensuring Customers' Satisfaction (Cont'd)

Our Performance (Cont'd)

Supplier Assessments (Cont'd)

No. of Notifications of Anti-Bribery and Corruption sent	173
No. of replies received	16
Response rate	9.2%



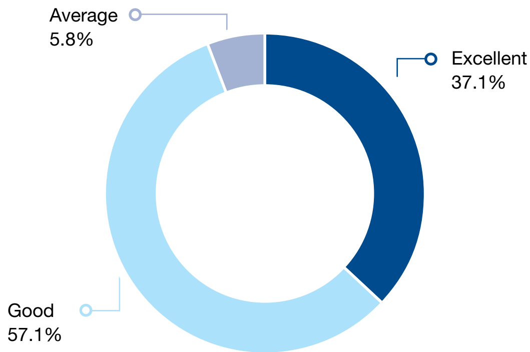
Hexcare also has in place a Whistleblowing Policy that further allows employees of the Group and other stakeholders to report and disclose any improper conduct or wrongdoing, in strict confidence and without fear of retaliation, provided the reporting is done in good faith and on reasonable grounds. This policy is made available in both English and Malay versions, on the company's website. In FYE2024, the Group did not receive nor handled any whistleblower's report.

Customers' surveillance and social audits

At the core of any company's success is the custody and satisfaction of its customers that are undeniably the drivers of revenue and business sustainability. At Hexcare, we assess customers' satisfaction levels on an annual basis, via formal surveys and questionnaires, in order to understand their expectations, identify areas of under-performance and maintain rapport.

The results of such surveys in FYE2024 indicated that 94.2% of our customers have rated the Group as "good" or "excellent" in terms of product quality, service and business support:

No. of customers surveyed	259
No. of replies received	224
Response rate	86.5%
Results:	
Rating: Excellent	37.1%
Rating: Good	57.1%
Rating: Average	5.8%



Besides formal surveys, Hexcare also regularly receives and hosts overseas customers or buyers, both existing and new prospects, who pay official calls to the plants for quality reviews and assessments. Through these visits, our Sales and Marketing teams garner valuable feedback on product requirements, market trends, product application, process improvements, shipments and deliveries. Customers' complaints, if any, are also addressed promptly via formal channels of communication and feedback.

Occasionally, customers also conduct and attend to their own surveillance audits or social audits in order to conclude to their satisfaction that Hexcare and its group of companies do not violate internationally recognised workplace standards and codes of conduct. Guided by the Business Social Compliance Initiative (BSCI) supply chain management system, social audits play a crucial role in safeguarding the continuity of the Group's operations. These audits served to ensure that processes and workers that form part of our products' supply chain were accorded fair equitable working conditions in accordance with international labour laws governing the rights and duties of employees, employers, trade unions and governments. In FYE2024, a total of five such social audits carried out on-site by customers and/or third-party appointed independent auditors and the results have indicated that no issues of deviation or non-compliance were detected.

ECONOMIC PILLAR (CONT'D)

Economic (EC3, EC4, EC5) – Meeting High Quality Standards and Ensuring Customers' Satisfaction (Cont'd)

Our Performance (Cont'd)

Customers' surveillance and social audits (Cont'd)

More significantly, the Group was graded and has passed its annual stringent and rigorous Supplier Ethical Data Exchange's (SEDEX) Members Ethical Trade Audit (SMETA) for the monitoring of ethical business practices in global supply chains and was satisfactorily accorded compliance to their key audit pillars of Labour Standards, Health and Safety, Business Ethics and the Environmental. With that, Hexcare is an endorsed SMETA 4-Pillar Social Compliant Factory.

Economic (EC6) – Corporate Governance and Risk Management

GRI 2-23, 2-24, 205-2, 405-1, 406-1, 409-1, 410-1, 418-1

Our assessment

Hexcare believes that strong and effective corporate governance fosters a culture of integrity and responsibility where the interests of all stakeholders are aligned with economic success; it is vital in building trusts, promoting financial viability and ultimately securing the long-term sustainability of any organisation.

Our approach

At Hexcare, we are committed to upholding strong corporate governance and effective risk management practices. We implement clear policies, rules, and frameworks to ensure transparency, accountability, and ethical decision-making across all levels of the organisation. This structured approach helps us safeguard stakeholder interests, enhance financial stability, and mitigate potential risks, ultimately supporting the long-term growth and sustainability of our company.

Our Performance

Effective Board of Directors

In leading corporate governance, the Board of Directors ("Board") of Hexcare is tasked with this pivotal role of directing the principles of transparency, fairness, ethical behavior and risk management in the Company and within the Group. The Board recognises that a gender-diverse Board can provide greater depth and breadth of perspective. Therefore, a target was established to maintain a threshold of 30.0% female directors on the Board. In FYE 2024, the Board of Hexcare has a female to male diversity ratio of 33.3%. Hexcare's corporate governance practices and applications have been detailed in our Corporate Governance Report uploaded on Bursa Securities and also in our Corporate Governance Overview Statement published in this Annual Report. The Board and Management of Hexcare are likewise guided by the principles and values of the latest Malaysian Code on Corporate Governance (MCCG) 2021 in the conduct of our businesses.

Number of Directors by Gender and Age Group						
Gender/Year	FYE2024		FYE2023		FYE2022	
	Count	%	Count	%	Count	%
Male	4	66.7	4	66.7	5	100.0
Female	2	33.3	2	33.3	-	-
Total	**6**	**100.0**	**6**	**100.0**	**5**	**100.0**
Age Group/Year	FYE2024		FYE2023		FYE2022	
	Count	%	Count	%	Count	%
Under 30	-	-	-	-	-	-
Between 30-50	1	16.7	1	16.7	2	40.0
Above 50	5	83.3	5	83.3	3	60.0
Total	**6**	**100.0**	**6**	**100.0**	**5**	**100.0**

ECONOMIC PILLAR (CONT'D)

Economic (EC6) – Corporate Governance and Risk Management (Cont'd)

GRI 2-23, 2-24, 205-2, 405-1, 406-1, 409-1, 410-1, 418-1

Our Performance (Cont'd)

Effective Board of Directors

As we strive to uphold good governance practices and in advancing towards our sustainability goals, the employees and operations at Hexcare are also governed by these vital policies endorsed by the Board and adopted across the Group: -

- Sustainability Policy;
- Environmental Policy;
- Human Rights Policy;
- Whistleblowing Policy;
- Code of Conduct and Ethics;
- Zero Recruitment Fees Policy;
- Risk Management Framework;
- Personal Data Protection Policy;
- Anti-Corruption and Bribery Policy; and
- Policies on Workplace Discrimination and Workplace Harassments.

Other than the Risk Management Framework, these policies are published on the Company's website and are available in both English and Malay, for the accessibility and convenience of our employees. We are pleased to report that there were no incidences of disciplinary actions or dismissals of employees due to any violations of the above practices in FYE2024.

Employees at Hexcare are encouraged to report any known or suspected illegal or unethical behaviours to their immediate supervisors, managers, Heads of Department (HODs), or the Head of Human Resources. In addition, the Company's Managing Director and senior management are required to promptly report any known or suspected violations of the Code of Conduct and Ethics to the Chairman of the Audit Committee. All officers are expected to refer to and comply with the Company's Whistleblowing Policy, which provides an anonymous, secure, and confidential channel for all stakeholders to raise genuine concerns or report any misconduct or wrongdoing. The provisions, protections, and procedures outlined in the Whistleblowing Policy for reporting violations of the Code of Conduct are accessible via the Company's website. For FYE2024, no such violations nor whistle-blowing reports were received by Hexcare.

Data Protection and Cybersecurity

The practice that safeguards our electronic information and data from loss, theft and misuse is all the more critical today with the advancements in information technology and proliferation of e-commerce at unprecedented rates. Data protection also entails the assurance that information such as customers' names, addresses, bank details, suppliers' information and employees' personal details kept at our systems and servers are protected from unauthorised access, manipulation or corruption. The consequences of data and security breaches could have far-reaching effects on a company's trust and reputation.

At Hexcare, the Personal Data Protection Policy has been developed to primarily inform stakeholders that our data collection process is lawful, transparent and safe. It governs how we employ strict technical and organisational measures to protect personal data including user or physical access controls to hardware and software devices, data back-up (on-site and off-site), secure destruction or deletion of data as well as employee training on the care and handling of data. As a general rule, data collected and processed by Hexcare will not be kept longer than is necessary for the intended purpose(s), including financial and accounting records which are usually retained for a period of at least seven years.

Our information technology and related systems have also been reviewed and audited by our internal auditors in the current year, who provided adequate assurance that the present system of information controls at Hexcare is sufficient and satisfactory. In FYE2024, we are pleased to report that there were zero substantiated complaints concerning data breaches of customer privacy and losses of customer data reported in the Group.

ENVIRONMENT PILLAR

Environmental (EN1) – Accreditation and Compliance

Hexcare is certified by SIRIM QAS International Sdn Bhd, a local accredited certification, inspection and testing services provider, and diligently upholds its ISO 14001:2015 compliance to the highest international environmental standards, both in its manufacturing processes and factory management.

Environmental (EN2) – Efficient Use of Energy and Resources

GRI 301-1, 302-1, 302-3, 302-4

Our assessment

Hexcare recognises that the efficient use of energy and resources is essential for sustainability, cost-effectiveness, and environmental responsibility. By prioritising conscientious and efficient energy consumption, we aim to reduce our environmental footprint, enhance operational efficiency, and contribute to long-term business resilience.

Our approach

Hexcare adheres to the Efficient Management of Electrical Energy Regulation 2008 (EMEER 2008) issued by the Energy Commission of Malaysia (Suruhanjaya Tenaga Malaysia, "STM"). Consequently, Hexcare has also engaged Inventive Energy Asia Sdn Bhd, a licensed Energy Service Company (ESCO) certified Registered Electrical Energy Manager (REEM) with STM, to assess and submit bi-annual energy efficiency reports to STM, in our quest to monitor and ensure continuous progress in the Group's energy efficiency efforts.

In 2021, Hexcare commissioned the installation of a solar photovoltaic power generation system at its plant, at an approximate cost of RM5.0 million, with the intent of harnessing the power of the sun to produce a form of renewable energy that is clean and environmentally friendly. This investment is beneficial to the Group as a hedge against electricity tariff hikes and is a practical viable approach to conserving and managing energy charges.

Our Performance

The electricity yield from our solar panels in FYE2024 was 2,476 MWh, of which 1,843 MWh was utilised at our plants and 633 MWh subsequently exported back to the national electricity grid, Tenaga National Berhad ("TNB"). Based on this preliminary data, the cost savings generated from solar energy for year 2024 amounted to approximately RM528,000. Since commencement in year 2022, we have effectively reduced a total of 3,624 metric ton (MT) of carbon dioxide (CO_2) emission with the installation of the solar photovoltaic power generation system.

Solar Panels	FYE2024	FYE2023	FYE2022
Electricity yield (MWh)	2,476	1,958	212
Electricity utilised (MWh)	1,843	1,565	78
Electricity exported back to TNB (MWh)	633	393	135
Reduction in MT CO_2e	1,931	1,527	166

In FYE2024, the Group also accomplished notable milestones in our ongoing commitment to environmental sustainability. The savings in electricity consumption was primarily driven by our intentional shift to solar energy which was a move towards a more sustainable and clean energy source, in line with our objective to minimise carbon emissions. Following lower production intensities, the reduction in electricity, diesel and petrol consumption were also attributable to the decrease in production demand, which correspondingly led to diminished energy needs.

Sustainability Statement
(cont'd)

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN2) – Efficient Use of Energy and Resources (Cont'd)

Our Performance (Cont'd)

Energy Consumption	FYE2024 (MWh)	FYE2023 (MWh)	FYE2022 (MWh)
Petrol	137	55	55
Diesel	213	226*	484*
Natural gas	39,852	82,021	43,548
Electricity (from TNB)	12,575	19,430	20,996**
Electricity (from solar panels)	1,843	1,565	78
Woodchips and PKS	15,042	15,927	32,227
Total	**69,662**	**119,224**	**97,388**

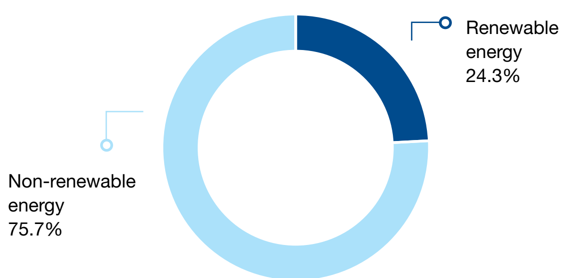
* Restated based on actual usage
** Restated to incorporate Reszon's electricity usage

Energy Consumption	FYE2024 (GJ)	FYE2023 (GJ)	FYE2022 (GJ)
Petrol	494	198	198
Diesel	769	812	1,742
Natural gas	143,467	295,277	156,773
Electricity (from TNB)	45,269	69,948	75,080
Electricity (from solar panels)	6,635	5,635	279
Woodchips and PKS	54,151	57,338	116,018
Total	**250,785**	**429,208***	**350,597***

* Restated to incorporate petrol usage

Solar panels installed at Hexcare's glove production plants in Ipoh, Malaysia

Total Energy Consumption in FYE2024 (in GJ)



Note:
1. Non-renewable energy: Petrol, diesel, electricity from TNB and natural gas usage from mobile and stationary equipment
2. Renewable energy: Energy consumption from renewable sources generated from solar panels, woodchips and PKS

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN2) – Efficient Use of Energy and Resources (Cont'd)

Our Performance (Cont'd)

Total Electrical Consumption by Division

Gloves	FYE2024	FYE2023	FYE2022
Electricity Consumption (kWh)	13,728,208	20,257,925	20,933,110
Production Output (mil pieces)	236.3	528.9	499.7
Intensity (MWh/mil pieces)	0.058	0.038	0.042
Medical Devices	**FYE2024**	**FYE2023**	**FYE2022**
Electricity Consumption (kWh)	689,660	737,129	140,904
Production Output (mil units)	4.3	4.3	0.4
Intensity (MWh/mil units)	0.159	0.173	0.339

The electricity intensity for the Glove division in FYE2024 was 0.058 MWh per million pieces, an increase from 0.038 MWh per million pieces in FYE2023 due to lower production outputs which was largely attributable to a fire incident during the year, which caused the production line to halt for several weeks. Meanwhile, the electricity intensity for the Medical Devices division decreased from 0.173 MWh per million units to 0.159 MWh per million units in FYE2024 as higher volumes of medical test kits were produced relative to electricity consumption.

Guided by UNSDG 12: Responsible Consumption and Production, at Hexcare, we are also committed to the sustainable use and consumption of our resources, namely key materials such as natural latex and nitrile (synthetic) latex, used in the manufacture of gloves at our plants. The responsible consumption of materials aims to integrate environmental aspects into purchasing decisions and encourages more sustainable consumption and production patterns through specific measures or management of materials that seek to protect our ecosystems and resources for future generations.

Key Raw Materials	FYE2024	FYE2023	FYE2022
	(kg/1,000 pieces of gloves)		
Natural Latex Consumption Intensity	25.4	29.8	29.3
Nitrile Latex Consumption Intensity	10.3	6.2	5.7

In FYE2024, the Group's natural latex consumption intensity per thousand pieces of gloves was 25.4 kg whereas for nitrile latex it was 10.3 kg, compared to 29.8 kg and 6.2 kg, respectively, in the prior year. We are keen to embrace responsible and efficient use of these resources through firstly, the elimination of wasteful consumption, and subsequently, adoption of actions that preserve the natural environment by limiting greenhouse gas emissions associated with our gloves production. The Group's willful decision to maintain a higher ratio of natural latex consumption over nitrile latex was also predominantly considered in view of natural latex being more environmentally friendly, made from a renewable resource and crucially, is biodegradable over time, upholding Hexcare sustainability efforts in balancing resources consumption with long-term environmental preservation.

Above all else, in our quest for continuous improvements and innovations in efficient energy consumption, Hexcare has in place an internal Energy Savings Committee, comprising 14 staff and competent personnel from various departments, who meet at least once quarterly to review and promote responsible energy use within the Group, strengthening our long-term commitment towards Net Zero Carbon Emission 2050.

Sustainability Statement
(cont'd)

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN3) – Pollution and Emission Control

Our assessment

At Hexcare, effective pollution and emission control are crucial for ensuring environmental sustainability and regulatory compliance. This not only reduces our environmental footprint but also demonstrates our commitment to responsible resource management and sustainable operations. By prioritising clean and safe water discharge, we uphold our corporate responsibility and contribute to a healthier environment for future generations.

Our approach

Hexcare is committed to minimising our environmental impact through effective pollution and emission control measures. One of our key initiatives is the installation and operation of our wastewater treatment plant (WWTP) which effectively removes contaminants from water consumed at our plants before its safe release back to the natural environment. This ensures that all discharged water meets regulatory standards, reducing pollutants and safeguarding water quality.

Our Performance

Effluent discharges and Water Security
GRI 303-3, 303-4, 303-5

At Hexcare, we acknowledge that water is a very important yet limited resource in our manufacturing plants where this precious commodity is critical to our glove production processes. Hence, water conservation is also a core aspect in our operations, and we constantly optimise our production processes to increase water efficiency and reduce water consumption. Regular monitoring is carried out to track water withdrawal and water consumption intensity. Apart from that, the Group evaluates water management plans across all our manufacturing plants on a regular basis. This enables us to make proactive improvements, helps us reduce the risk of business disruption during water shortages and enhances cost optimisation. As part of the decision-making process for investments into new plants and expansions, the Group takes water demand, supply and infrastructure into careful consideration.

The Group targets to achieve a reduction of 10.0% in global water withdrawal by 2030 with FYE2022 as a baseline. In FYE2024, Hexcare continued its commitment to sustainable water management, with a total of 659,000 cubic meters of water withdrawn during the year—a 19.6% reduction from 820,000 cubic meters in the previous year. In addition, some of the water saving initiatives that we have put in place at our Ipoh site include:

i. A rain water harvesting system at our Malaysia glove production plants, which when fully optimised, is expected to save approximately 1,000 cubic meters of water withdrawal per year for non-critical usages such as for general cleaning or gardening purposes; and
ii. Installed filters in leaching tanks to manage the sludge accumulation, reducing the frequency of water changes and downtime required for cleaning the tanks. Through the implementation of this initiative, we reduced the water change frequency from twice weekly to once weekly, thereby saving approximately 740 cubic meters of water withdrawal in FYE2024.

Rain water harvesting at Hexcare's glove production plant in Ipoh, Malaysia

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN3) – Pollution and Emission Control (Cont'd)

Our Performance (Cont'd)

Besides pollution and emission controls, the Group's effluent discharges are effectively treated before release to the river systems and/or reused within the factories. The Group is guided by the Environmental Quality (Industrial Effluent) Regulations 2009 and is in compliance to the design and construction of its industrial effluent treatment systems as well as specifications of industrial effluent treated and/or disposed. The quality of effluent discharges is closely monitored to ensure that processed water is safely treated and pose no threat to the environment before it is released to our drainage and local river systems. In FYE2024, there were no incidences of non-compliances relating to water quality or quantity permits, standards or regulations that resulted in fines, penalties or warnings from the authorities.

In FYE2024, our Malaysian plants treated and released approximately 835,000 cubic meters of water back to the local river systems. Compared to water withdrawn from our national water source of 659,000 cubic meters, the ratio of 1.27 implied a higher volume of treated water released relative to that consumed, a fact that remained consistent from the year before. The Group has set a target to achieve a reduction of 10.0% in global water withdrawal in 2030 with FYE2022 as a baseline. As of FYE2024, we have achieved a 0.4% reduction toward our 10.0% target in global water withdrawal.

	FYE2024 mil m^3	FYE2023 mil m^3	FYE2022 mil m^3
Volume of water treated *(Back to local river system)	0.84	0.94	0.80
Volume of water withdrawn **(Withdrawn from local municipal water source)	0.66	0.82	0.62
Ratio (water treated : water withdrawn)	**1.27**	**1.15**	**1.29**
Volume of water withdrawn in water-stressed region	Nil	Nil	Nil

* Water treated is equivalent to water discharged
** Water withdrawn is equivalent to water consumed

The Group also primarily operates in Malaysia, within Ipoh, Perak and Subang Jaya, Selangor, where, according to the WRI (World Resources Institute), are not water stressed areas (https://www.wri.org/applications/aqueduct.water-risk-atlas). The Group intends to maintain these bases and have no immediate plans to relocate to any known water-stressed regions in Malaysia or overseas within the next five(5) years. Nevertheless, we acknowledge that floods, droughts and other water related risk issues brought on by unpredictable weather patterns and climate change will likely impact on the way businesses are organised and operated in future.

Preservation of Forests and Biodegradability

The world's forests play a vital role in regulating our climate, absorbing carbon dioxide from the atmosphere and effectively counteract global warming. In our quest to tackle the challenges of climate change and protect the destruction of forests and the precious biodiversity in them, the Group consciously sources its wood and paper products such as packaging materials, wooden pallets and stationeries from Forest Stewardship Council (FSC) certified sources and materials. Products that carry the FSC label are made form 100.0% recycled materials or are sourced from FSC-certified forests, essentially helping to reverse the effects of deforestation and preserving our environment.

Hexcare's household and certain industrial gloves produced in Malaysia are largely made from natural rubber – they are recyclable as well as biodegradable in soil where the gloves naturally disintegrate into organic matter over time, causing no harm to the environment or water systems. Where possible, plastic and other synthetic non-biodegradable matters in our shipped goods are also replaced with wood products that are sustainable and renewable.

Sustainability Statement

(cont'd)

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN3) – Pollution and Emission Control (Cont'd)

Our Performance (Cont'd)

Preservation of Forests and Biodegradability (Cont'd)

According to Malaysian Meteorological Department (MET Malaysia) or World Meteorological Organisation (WMO), Malaysia is generally free from extreme climate events like typhoons, fires, and droughts, and, therefore, may not experience significant impacts on product manufacturing and raw material availability. Additionally, in response to our government's enforcement of the gradual phase-out of single-use plastics, Hexcare is proactively seeking to transition to plastic made from 30% Post-Consumer Recycled (PCR) or Post-Industrial Recycled (PIR) material and 70% virgin plastic resin in the near future.

In another tangible effort to reduce our carbon footprint, where possible, the Group also promoted the packaging of gloves in the doubled-up 200 piece-pack or 2,000 pieces per carton style so as to optimise paper and chemicals usage, contributing to less wastes, lower costs and a kinder environment in the long run.

To promote the culture of Recycle, Reduce and Reuse, staff and workers are also encouraged to deposit recyclable items such as used paper, glass and plastic wares at designated well-marked storage bins located strategically within the factory grounds. Larger, disposed industrial containers and bags containing contaminated wastes and chemicals, such as of the type SW409 are also collected for recycling by a specific licensed contractor for off-site scheduled waste recovery on a regular basis.

Environmental (EN4) – Commitment to the Future

GRI 2-14, 201-2

Our assessment

Hexcare believes that a strong commitment to environmental sustainability is essential for securing the future of our communities and livelihood. By integrating sustainable practices into our operations, we strive to minimise our environmental footprint, foster innovation, and create lasting value for future generations. Our dedication to sustainability reflects our commitment to a cleaner, healthier planet and the continued success of Hexcare.

Our approach

Hexcare's commitment to the sustainability of the environment goes way back to when its latest nitrile disposable glove phase was first proposed in 2019; the processes in this plant were designed to be powered by natural gas rather than biomass due to it being a cleaner, more viable and environmentally friendly alternative to conventional fuel. Despite having to invest in gas-powered boilers and other facilities, the Group believed that the benefits would far outweigh the costs in the long run.

Our Performance

Hexcare remains steadfast in its commitment to environmental sustainability. In FYE2022, we converted our older household and industrial glove production lines that are currently energised by biomass into gas-powered boilers as well. When the consumption of biomass fuels such as woodchips, sawdust and palm kernel shells are eliminated, the switch to cleaner energy is expected to promote the preservation of air and noise quality and reduce greenhouse gas emissions in the environment substantially.

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN4) – Commitment to the Future (Cont'd)

Our Performance (Cont'd)

Hexcare is very much conscious of rapidly rising climate change risks, including those that are Physical and Transitional in nature. In response, we proactively identify and manage such risks and opportunities that materially impact our value creation abilities. Driven by our in-house ESG Committee and under the direction of the Board of Directors of Hexcare who oversees the overall management of sustainability matters in the Group, including climate change, our executive directors, Mr Khoo Chin Leng and Mr Goh Hsu-Ming are primarily tasked with ensuring the integration of climate–related initiatives with the ultimate target of Net Zero Carbon Emissions by 2050. This include initiatives focused on reducing energy consumption and emissions, managing water and wastes, as well as addressing potential climate-related impacts on facilities and operations. In the process, we also acknowledge the following risks and opportunities that are currently present in our Sustainability journey:

- Risks
  - √ Climate change related disclosures and regulations that would impact on our financial and regulatory reporting; and
  - √ Reallocation of financing from financial institutions into other green-intensive investments that would affect our business funding.

- Opportunities
  - √ Management of climate change risks and adoption of greener technology could result in less wastages and contribute to overall cost savings for the Group;
  - √ Stakeholders' trust and perception could be improved through effective emissions management and disclosures; and
  - √ Positive differentiation in the market for long-term value creation that would benefit stakeholders.

Environmental (EN5) – Scheduled Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Our assessment

Hexcare believes that Scheduled Waste Management is crucial within the company as it ensures the proper handling, disposal, and recycling of hazardous materials in compliance with environmental regulations. By effectively managing scheduled waste, Hexcare minimises its environmental impact, promotes sustainability, and protects the health and safety of employees and the community. This commitment to responsible waste management reflects the company's dedication to ethical practices and environmental stewardship.

Our approach

At Hexcare, responsible waste and pollution management entail the proper and correct disposal of wastes or unwanted by-products in accordance with the Department of Environment ("DOE") Scheduled Wastes Regulations 2005 (Environmental Quality Act 1974). To ensure proper scheduled waste management, all hazardous wastes at our plants are stored at designated areas, properly labelled and declared in DOE's Electronic Scheduled Waste Information System (eSWIS) before disposal. All scheduled wastes are disposed through licensed schedule waste contractors within 180 days from generation.

Sustainability Statement
(cont'd)

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN5) – Scheduled Waste Management (Cont'd)

Our Performance

The types of hazardous wastes generated by our plants include latex sludge, clinical waste, waste acetone, contaminated containers and other solid wastes. In FYE2024, 693.5 MT of scheduled waste was generated as by-products of the Group's glove operations, of which latex sludge and compounded latex lumps make up the highest proportion:

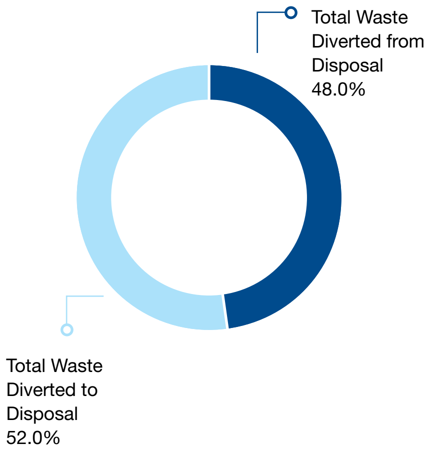
Code	Scheduled or Hazardous wastes Generated	Total Weight (MT)	Disposal Method
SW 102	Battery waste	0.5	To reuse, if possible. To dispose to approved disposal facility, if not reusable.
SW 109	Fluorescent Bulbs	0.2	
SW 110	Electronic Waste	0.4	
SW 305	Oil waste (Spent Lubricant Oil)	46.6	
SW 307	Oil waste	6.0	
SW 321	Compounded Latex Lump waste	229.5	
SW 408	Contaminated Soil	4.8	
SW 409	Contaminated Containers	37.3	
SW 321	Sludge	366.7	Approved disposal facility / waste management company either landfill or combustion
SW 404	Clinical Waste (RTK)	0.0	
SW 410	Contaminated Rags	1.5	
Total		**693.5**	

The disposal of such wastes were carried out by competent skilled personnel under the watchful eye of Management to ensure that there is no contamination of ground water, surface water and air quality that could harm the environment or affect human health. In FYE2024, the following such wastes were recorded, managed and disposed appropriately by the Group:

	FYE2024 (MT)	FYE2023 (MT)	FYE2022 (MT)
Hazardous Waste	693.5	698.1	901.6
Non-Hazardous Waste	15.2	11.7	N/A
Total Waste Diverted from Disposal	340.5	198.1	365.6
Total Waste Diverted to Disposal	368.2	511.7	536.0

* Non-hazardous waste consisting of mixed plastic, carton packaging, and damaged pallets

Waste Disposal Method



ENVIRONMENT PILLAR (CONT'D)

Environmental (EN6) – Emissions Management

GRI 305-1, 305-2, 305-3, 305-5

Our assessment

As a responsible global corporate citizen, we believe that it is important to continuously reduce the impact of greenhouse gas ("GHG") emissions from year to year through improving operational efficiencies and applying green technologies where feasible. By adopting these practices, we aim not only to comply with environmental regulations but also to contribute positively to the global effort of reducing our carbon footprint and promoting a more sustainable future.

Our approach

Hexcare added Emissions Management in FYE2022 as an organised approach to track GHG emissions by the Group's operations and this has proven to be a useful tool in helping organisations see their progress and achieve set targets for environmental sustainability goals.

We established our emissions data table to represent Hexcare's operational carbon emissions following the guidelines in the Greenhouse Gas (GHG) Protocol, which is a standard governing the accounting and reporting of seven GHG covered by the Kyoto Protocol, and subsequently taken pro-active steps to reduce them. In the process, we have also defined the operational boundaries for the purpose of such calculation, taking into account the scopes of both direct and indirect emissions within the boundaries. The emission factors used were made with reference to recognised sources such as the Malaysian Green Technology Corporation's website (CDM Electricity Baseline for Malaysia), the Department for Environment (DOE), Food and Rural Affairs (Defra) UK GHG Conversion Factors and the Intergovernmental Panel on Climate Change (IPCC), which are relevant to our operations.

Our Performance

Hexcare is committed to an absolute GHG emissions decreases for Scope 1 and Scope 2 by 15.0% by 2025, and has set a long-term target of absolute GHG emissions reduction for Scope 2 by 50.0% by 2030, using FYE2022 as the baseline.

GHG EMISSION		CO_2e for Year (MT)		
		FYE2024	FYE2023	FYE2022
Scope 1	Petrol and Diesel	92	78*	153*
	Natural Gas	9,051	17,660	9,309
	Woodchips and PKS	8,080	8,559	17,330
	Sub Total	17,223	26,297	26,792
Scope 2	Purchased Electricity	7,356	11,366	12,283**
	Sub Total	7,356	11,366	12,283
Total (Scope 1 & 2)		24,579	37,663	39,075

Sustainability Statement
(cont'd)

ENVIRONMENT PILLAR (CONT'D)

Environmental (EN6) – Emissions Management (Cont'd)

Our Performance (Cont'd)

GHG EMISSION		CO_2e for Year (MT)		
		FYE2024	FYE2023	FYE2022
Scope 3	Purchased goods and services	98	122	93
	Upstream Transportation and Distribution	469	642	N/A
	Waste generated in operations	398	493	469
	Business Travel	16	39***	24***
	Employee Commuting	332	309	278
	Downstream Transportation and Distribution	1,436	1,728	N/A
	Investment	N/A	N/A	930
	Sub Total	2,749	3,333	1,794
Grand Total (Scope 1, 2 & 3)		27,328	40,996	40,869

* Restated based on actual usage
** Restated to exclude Spain's business travel
*** Restated to incorporate Reszan's electricity usage

Notes:
Scope 1 emissions refer to direct CO2e emitted from sources that are owned by the Group, such as our machineries and company-owned vehicles
Scope 2 emissions refer to indirect CO2e emitted from the consumption of purchased electricity
Scope 3 emissions refer to indirect CO2e emitted from the value chain of our company, including both upstream and downstream emissions

The Group's natural gas emissions under Scope 1 and electricity emissions under Scope 2 saw approximate reductions of 48.7% and 35.3% in CO2e discharges, respectively, when comparing FYE2024 to FYE2023. These decreases are primarily attributed to the reduction in energy consumption at our production lines owing to lower outputs and operational hours in the current year. Our Scope 3 emissions data also recorded a decrease in indirect CO2e from the value chain of the Group's upstream and downstream operations in FYE2024 compared to FYE2023.

Our corporate office in Ipoh, Perak is further equipped with an Electric Vehicle ("EV") Charging Unit, with a robust power output of 22kW for the charging of our hybrid-powered company vehicles. This strategic initiative not only demonstrates our commitment to sustainability but also plays a pivotal role in our overarching efforts to decrease Scope 1 GHG emissions. This effort aligned seamlessly with our transition from thirteen units of diesel-fueled forklifts to ten units of environmentally-friendly rechargeable battery-powered ones, further cementing our dedication to eco-conscious practices and nurturing a more sustainable tomorrow.

Electric Vehicle Charging Unit at our corporate office

SOCIAL PILLAR

Social (SC1) – Remuneration and Rewards
GRI 2-17, 2-25, 2-26

Our assessment

Hexcare believes that remuneration and rewards are crucial within the company because they directly impact employee motivation, performance, and overall satisfaction. Fair and competitive compensation ensures that employees feel valued and recognised for their hard work, which in turn fosters a positive work environment and drives productivity.

Our approach

Hexcare has group-wide human resource policies with regards to recruitment and retention are comparable to industry averages, employees' skills set, performance, experience and qualifications. The Group maintains a lean organisation chart, with minimal reporting lines of authority so as to encourage communication and accountability.

Our Performance

In FYE2024, the remuneration of the Group's key management personnel, including the Managing and Executive Directors, have accounted for approximately 10.3% of total employee benefits expenses, a slight decrease from 11.9% of the previous year.

	As % of total employee benefits expenses		
	FYE2024	FYE2023	FYE2022
Remuneration paid to top 5 senior management	8.3%	8.0%	11.5%
Remuneration paid to other key management personnel	2.0%	3.9%	5.4%
Remuneration paid to other employees	89.7%	88.1%	83.1%

As have salary increments and promotions, staff bonuses were disbursed in both financial years and amounts paid to key management personnel were based on merit, directly linked to the results of their divisions as well as their individual leadership and executive performances.

As of 31 December 2024, the average length of service by the Group's key management personnel was 20.4 years, underscoring the extensive breadth of knowledge, experiences and leadership of these individuals. The Group also valued loyalty among its employees and long service awards were granted to employees who have been with the Group for at least ten years. In the current year, a total of 29 employees were rewarded and presented with tokens of appreciation for their continuous services to the Group:

No. of employees presented with 10-year service awards: 14
No. of employees presented with 20-year service awards: 5
No. of employees presented with 30-year service awards: 10

Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC2) – Health, Safety and Wellbeing
GRI 403-2, 419-1

Our assessment

At Hexcare, we prioritise the comfort, physical, and mental wellbeing of our employees, and crucially ensuring that their safety at work is never compromised. We take a proactive approach by creating safe and healthy work environments across all our operations and workplaces. We strongly believe that a safe, healthy, and supportive work environment is essential not only for preventing injuries and illnesses but also for enhancing efficiency and productivity.

Our approach

Hexcare has in place an established Occupational Safety and Health (OSH) Policy that governs all employees, contractors, customers, visitors, members of the public and related parties to the adherence of applicable national and international health, safety and environmental laws.

In accordance with the Occupational Safety and Health Act of 1994 (Safety and Health Officer) Order 1997, employers in certain types of industries and/or size are required to employ a Safety and Health officer ("SHO") for the purpose of managing matters relating to workplace safety and health. It is also imperative that the SHO be duly qualified and/or have received the relevant prescribed training necessary to act as a SHO.

At Hexcare, we take liberation in our employment of two qualified and experienced full-time SHOs who, guided by the Hazard Identification Risk Assessment and Risk Control (HIRARC) tool, oversee all aspects of workplace safety at our plants including conducting regular workplace inspections, audits and risks assessments, accident investigations, promote safe practices and communicate findings to Management as well as relevant authorities so that our factories may operate in the safest, most effective modes.

Additionally, we have established in-house Safety and Health Committees within the Group, whose members consist of various departmental heads who also support the functions of the SHO in ensuring workplace safety.

Our Performance

Health and Safety Compliance
GRI 403-1, 412-1

Item	Requirement	Frequency	Description
Noise Risk Assessment (NRA)	In compliance with Occupational Safety and Health Act 1994	Once every five years. This assessment was last conducted in October 2024.	For monitoring purpose, when the noise level exceeds 82 dB(A) in a specific area, employees in those specific areas must undergo audiometric testing.
Local Exhaust Ventilation (LEV)	In compliance with Occupational Safety and Health Act (Use and Standards of Exposure of Chemical Hazardous to Health) Regulations 2000	Once a year. This assessment was conducted in October 2024.	Is a test of whether the LEV systems installed and operated at our factory meet the minimum required duct transport velocities. If they do not meet the requirement, the specific LEV system will need to be arranged for service.

SOCIAL PILLAR (CONT'D)

Social (SC2) – Health, Safety and Wellbeing (Cont'd)

Our Performance (Cont'd)

Health and Safety Compliance (Cont'd)

Item	Requirement	Frequency	Description
Chemical Health Risk Assessment (CHRA)	In compliance with Occupational Safety and Health Act 1994	Once every five years. This assessment was last conducted in December 2024.	Is an assessment conducted by an external consultant to verify the chemicals we use and ensure compliance with regulations regarding annual chemical training and the proper use of personal protective equipment (PPE) by workers when handling chemicals.
Boundary Noise Monitoring	In compliance with Environmental Noise Limits and Control (Third Edition) 2019	Once a year. This assessment was conducted in November 2024.	Is a test conducted to assess and ensure that noise levels generated within the facility remain within the permissible limits set by regulations.
Isokinetic Stack and Air Emission Monitoring & Dark Smoke Observation	In compliance with Environmental Quality (Clean Air) Regulations 2014	Quarterly. This assessment was last conducted in December 2024.	Is a test performed to evaluate air emissions from industrial stacks, measure pollutant levels, assess the efficiency of air pollution control systems, and minimise the environmental impact of emissions.

Hexcare has been audited and certified yearly to be in compliance to the requirements of ISO 45001:2018 Occupational Health and Safety Management Systems. Below are the mandatory health screening programs carried out, in compliance to ISO 45001:2018.

Health Screenings
GRI 403-3, 403-4, 403-6, 403-7, 403-8

Item	Requirement	Frequency	No. of employees tested in FYE2024
Audiometric Test	In compliance with Occupational Safety & Health (Noise Exposure) Regulations 2019	Once a year	250
Chemical Exposure Monitoring	In compliance with Occupational Safety and Health Act (Use and Standards of Exposure of Chemical Hazardous to health) Regulations 2000	Once a year	12
Medical Surveillance	In compliance with Occupational Safety and Health Act 1994	Once a year	45
Health Screening	N/A	N/A	79

Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC2) – Health, Safety and Wellbeing (Cont'd)

Our Performance (Cont'd)

Health Screenings (Cont'd)

Following the introduction of the Health Screening Program 3.0 (HSP) by the Social Security Organisation in Malaysia (PERKESO) in 2023, Hexcare initiated further free yearly health screenings on our own accord, to eligible workers for the early detection of non-communicable diseases (NCDs) such as diabetes, high blood pressure, cancer, and the risk of heart disease. The goal of this initiative was to identify and treat workers in high-risk groups, thereby ensuring their continued productivity and contributing to a vibrant business environment that helps stimulate the economy. In August 2024, Hexcare organised these screenings, which were conducted by external qualified medical professionals from MyCare Clinic, on-site, at a dedicated office space for the convenience and accessibility for our eligible workers. Out of the 96 staff eligible for the screenings, 79 participated, resulting in a successful turnout rate of 82.3%.

Health Screening Program conducted at Hexcare in 2024

Health and Safety Training
GRI 403-5

In FYE2024, 501 workers in Hexcare accumulated a total of 4,004 hours of Health and Safety training, including First Aid and attended various briefings on Health and Safety Standards and health screenings by external training providers. These training efforts reflect our commitment to equipping employees with essential knowledge required to actively contribute towards ensuring a safe workplace. Through these training initiatives, we aim to foster a culture of safety within the organisation, ensuring that all employees are well-prepared to contribute actively to maintaining a safe and healthy working environment.

SOCIAL PILLAR (CONT'D)

Social (SC2) – Health, Safety and Wellbeing (Cont'd)

Our Performance (Cont'd)

Health and Safety Training (Cont'd)

	FYE2024	FYE2023	FYE2022
Number of employees trained on Health and Safety Standards	501	557*	473*
Training hours on Health and Safety Standards	4,004	4,783	5,811

* Restated

In line with our commitment to public welfare, Hexcare collaborated with Hospital Raja Permaisuri Tuanku Bainun Ipoh to organise a blood donation drive at its premises in October 2024. A total of 24 individuals successfully donated blood after undergoing screening by the medical team. This initiative not only highlights our commitment to social responsibility but also strengthens our corporate governance through transparent and ethical collaboration with public institutions. We sincerely hope that activities like this can continue in the future, fostering a culture of care and support within our community.



Health and Safety Training /Program conducted at Hexcare in 2024

Industrial Incidents
GRI 403-9

A total of seven industrial incidents were reported at our Malaysia plants in 2024, of which four were classified as "major", requiring more than five days' medical leave, and three "minor" cases. The Lost Time Incident Rate (LTIR) was slightly lower at 1.17 hours in FYE2024, compared to 2.04 hours in the previous year. Most crucially, no fatalities were involved in any of our plants in the past three years. All industrial incidents were duly notified to the Department of Occupational Safety and Health (DOSH) (Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP)) and documented accordingly. During the year, DOSH also conducted fourteen audits and checks on Hexcare's plants to ensure safe work practices, chemical handling procedures and emergency systems, and we are pleased to note that no major non-compliances were raised.

Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC2) – Health, Safety and Wellbeing (Cont'd)

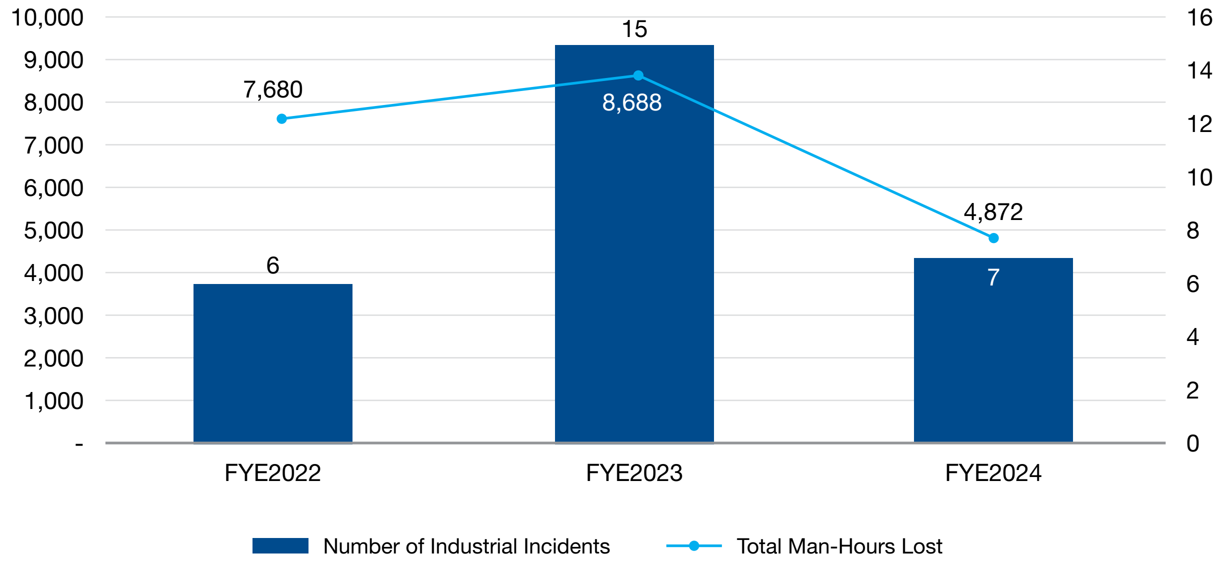
Our Performance (Cont'd)

Industrial Incidents (Cont'd)

	FYE2024	FYE2023	FYE2022
No. of fatalities	Nil	Nil	Nil
No. of industrial incidents:			
• Major (requiring more than 5 days' medical leave)	4	9	4
• Minor	3	6	2
Total Man-Hours Lost	4,872	8,688	7,680
Lost Time Incident Rate (LTIR)	1.17	2.04*	0.81*

* Restated

Number of Industrial Incidents and Total Man-Hours Lost



SOCIAL PILLAR (CONT'D)

Social (SC2) – Health, Safety and Wellbeing (Cont'd)

Our Performance (Cont'd)

Fire Drills

In order to equip workers with emergency handling skills and readiness in an event of dangers or disasters such as a fire outbreak, drills and trainings are regularly carried out, including at night and at workers' dormitories, to familiarise our employees with safety procedures, escape routes, evacuation plans and meeting points in case of a fire. These fire drills and protocols are under the purview of the Group's in-house Safety and Health Committee members who also double as Emergency Response Teams. They consist of 59 competent employees from various departments and work shifts, who have been trained in basic fire-fighting, medical care and first aid. In FYE2024, nine fire drills were carried out, and the average response time from these exercises, from the trigger of alarm to full assembly was 6.86 minutes, which was satisfactorily below that recommended by the local fire department of 7.0 minutes.

Fire drills conducted by Hexcare in 2024

Employees' welfare

Other than the standard health benefits accorded such as paid sick leaves, maternity and paternity leaves, health insurances and dental care, employees of the Group were also encouraged to adopt healthy lifestyles and work-life balances. The Management has actively supported fellowship and employee participation through the organisation of various friendly sports competition and activities throughout the year. In FYE2024, three competitive badminton and soccer friendly matches were held during the year, where workers from various divisions and departments within Hexcare engaged in inter-company friendly competitions, promoting teamwork, communication and camaraderie within our workforce.

For the safety and convenience of its staff and workers, Hexcare also installed on-site, a dedicated automatic teller machine (ATM) by a local bank to ease the task of cash withdrawals and/or deposits. This machine has been placed at a well-lit area, within sight of the security guards on duty and safely monitored by closed-circuit television cameras twenty-four hours a day.

In November 2024, Hexcare organised a 5.0km Fun Run within the vicinity of Ipoh, Perak, in conjunction with World Diabetes Day, with the aim of raising awareness and understanding of the disease. This event brought together 133 enthusiastic participants who keenly showcased how knowledge, fitness and health could be united for a meaningful cause. The event kicked off with a group aerobic session, followed by a run within our industrial area, and concluded with an eagerly anticipated lucky draw session that generated much excitement among our staff. Ultimately, such planned social activities at Hexcare are about building connections, fostering teamwork, and nurturing a positive work culture.

Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC2) – Health, Safety and Wellbeing (Cont'd)

Our Performance (Cont'd)

Employees' welfare (Cont'd)

The Group recognises that an encouraging and inclusive culture or work environment promotes a greater sense of motivation, amity and goodwill among employees and enhances their overall work experience at Hexcare. As part of our commitment to inclusivity, we commemorate major holidays and festive occasions together throughout the year, providing employees with opportunities to engage in meaningful cultural exchanges and strengthen their connections with colleagues. These celebrations not only reinforce our company values but also help build stronger relationships and promote unity within our workforce. By embracing diversity and creating a supportive environment, we ensure that our employees feel valued, fulfilled, and appreciated. At Hexcare, we are committed to fostering a safe and conducive work environment where our employees feel valued, contented and appreciated.

Employees engage in fun run and gather to celebrate festive occasions

SOCIAL PILLAR (CONT'D)

Social (SC3) – Workplace Diversity and Equal Opportunities

GRI 2-7, 2-8, 202-1, 202-2, 401-1, 405-1, 405-2

Our assessment

Hexcare believes that a diverse workplace is an essential corporate asset that acknowledges a greater range of talent, perspectives and strengths of its workforce; this promotes greater productivity, fosters teamwork, improves collaboration and ultimately supports a company's innovation, growth and sustainability. We celebrate diversity and practice equality and inclusion in our hiring practices.

Our approach

Our approach to Workplace Diversity is grounded in providing equal opportunities for all employees, irrespective of their nationality, gender, race, religion, age, sexual orientation, or disability. By doing so, we ensure that every employee feels valued, respected, and empowered to reach their full potential within the company, contributing to a positive work environment and enhancing our collective success.

Hexcare complies with current laws on the minimum and standard wage levels that were set by the government in our recruitment process, and ensures that the ratio of basic salary and remuneration of women to men is 1:1 at all times.

At Hexcare, equal employment opportunities also extend to persons with disabilities. The Persons with Disabilities Act 2008 in Malaysia provides that such persons shall have the right to access employment on an equal basis as persons without disabilities. Opportunities for employment provide persons with disabilities a safe environment to hone their skills, instill confidence and self-independence which would also encourage and inspire other in the community. The Group has no qualms in offering more equal employment opportunities to persons with disabilities in the quest to support their livelihood and our local community should and if the need arises.

Hexcare advocates fair treatment and opportunities to its employees; we are impartial to the traditional factory-based, technical roles previously held mostly by males, and equal chances were also accorded to our female engineers, chemists and technicians within the Group. We have set an immediate target of 40.0% female participation in our workforce by year 2025 in order to meet gender equality goals.

Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC3) – Workplace Diversity and Equal Opportunities (Cont'd)

Our Performance

The people pool at Hexcare has always been culturally diverse with a harmonious blend of nationalities, talents and age groups. As of 31 December 2024, the Group had a total headcount of 646, exclusive of seven local Spanish staff based at our subsidiary company in Spain. The senior Management team of the Group is 100% Malaysian. All eligible full-time employees of Hexcare are also covered by applicable group-wide medical and health insurance policies.

The Group has always strived ensure a higher proportion of local workers to foreign, and in FYE2024, this was no exception; 479 out of total 646 workers or 74.1% of the Group workforce are Malaysians. The categorisation of the Group's foreign workforce as at the end of FYE2024 consisted of workers from Myanmar (71.9%), Nepal (27.5%) and Indonesia (0.6%) brought in to fulfil critical manual tasks at certain sections of the factory floor that require greater continuity and stability in terms of workers' attendance and turnover. The deliberate decision to employ and retain foreign workers from only a few select countries was so that these foreign workers may foster better support networks, companionship and teamwork among themselves while employed by the Group. Contractors and/or temporary staff includes those on short-term work agreement contracts with the Group and whose services were terminated upon completion, made up 0% of our workforce in 2024. Hexcare targets to achieve at least 80.0% local employment and 40.0% female participation in our overall workforce by year 2030.

Number of Employees by Nationality & Gender						
Nationality/Years	**FYE2024**		**FYE2023**		**FYE2022**	
	Count	**%**	**Count**	**%**	**Count**	**%**
Local	479	74.1	586	73.3	555	68.9
Foreigner	167	25.9	213	26.7	251	31.1
Total	**646**	**100.0**	**799***	**100.0**	**806***	**100.0**
Gender/Years	**FYE2024**		**FYE2023**		**FYE2022**	
	Count	**%**	**Count**	**%**	**Count**	**%**
Male	425	65.8	518	64.8	499	61.9
Female	221	34.2	281	35.2	307	38.1
Total	**646**	**100.0**	**799***	**100.0**	**806***	**100.0**

* Restated

The majority of our Group's workforce is relatively young and dynamic. Sustainability for the Group is assured from a ready pool of willing, motivated learners, guided by the right balance of qualified experienced mentors.

SOCIAL PILLAR (CONT'D)

Social (SC3) – Workplace Diversity and Equal Opportunities (Cont'd)

Our Performance (Cont'd)

Number of Employees by Age and Gender – FYE2024								
Age Group/ Employee Category	Managers		Executives		Non-Executives		Overall	
	Count	%	Count	%	Count	%	Count	%
Under 30	1	0.2	10	1.5	226	35.0	237	36.7
Between 30-50	18	2.8	33	5.1	283	43.8	334	51.7
Above 50	14	2.2	4	0.6	57	8.8	75	11.6
Total	**33**	**5.1**	**47**	**7.3**	**566**	**87.6**	**646**	**100.0**
Gender/ Employee Category	**Managers**		**Executives**		**Non-Executives**		**Overall**	
	Count	**%**	**Count**	**%**	**Count**	**%**	**Count**	**%**
Male	15	2.3	20	3.1	390	60.4	425	65.8
Female	18	2.8	27	4.2	176	27.2	221	34.2
Total	**33**	**5.1**	**47**	**7.3**	**566**	**87.6**	**646**	**100.0**

The Group presently has in its employment the engagement of three persons with disabilities, equivalent to 0.5% of our global staff count, who are attached to the Gloves Operation division.

Number of Employees						
Description/Years	FYE2024		FYE2023		FYE2022	
	Count	%	Count	%	Count	%
Global staff with a disability	3	0.5	2	0.3	2	0.2

The recruitment of staff and workers during the year were carried out to satisfy vacant positions and job functions within our operations. In FYE2024, Hexcare also repatriated 50 foreign workers who had completed their employment contract with the Group back to their home countries. The new hire and voluntary turnover rates for FYE2024 were 21.5% and 40.4%, respectively. The following table provides a detailed breakdown of the recruitment and turnover trends for FYE2024:

New Hires	Male	Female	Total
By Employee Category			
Managers	2	0	2 (1.2%)
Executives	3	6	9 (5.2%)
Non-Executives	89	72	161(93.6%)
Turnover	**Male**	**Female**	**Total**
By Employee Category			
Managers	5	1	6 (1.9%)
Executives	7	7	14 (4.3%)
Non-Executives	173	130	303 (93.8%)
			FYE2024
New hires rate (%)			21.5%
Turnover rate (%)			40.4%

Sustainability Statement
(cont'd)

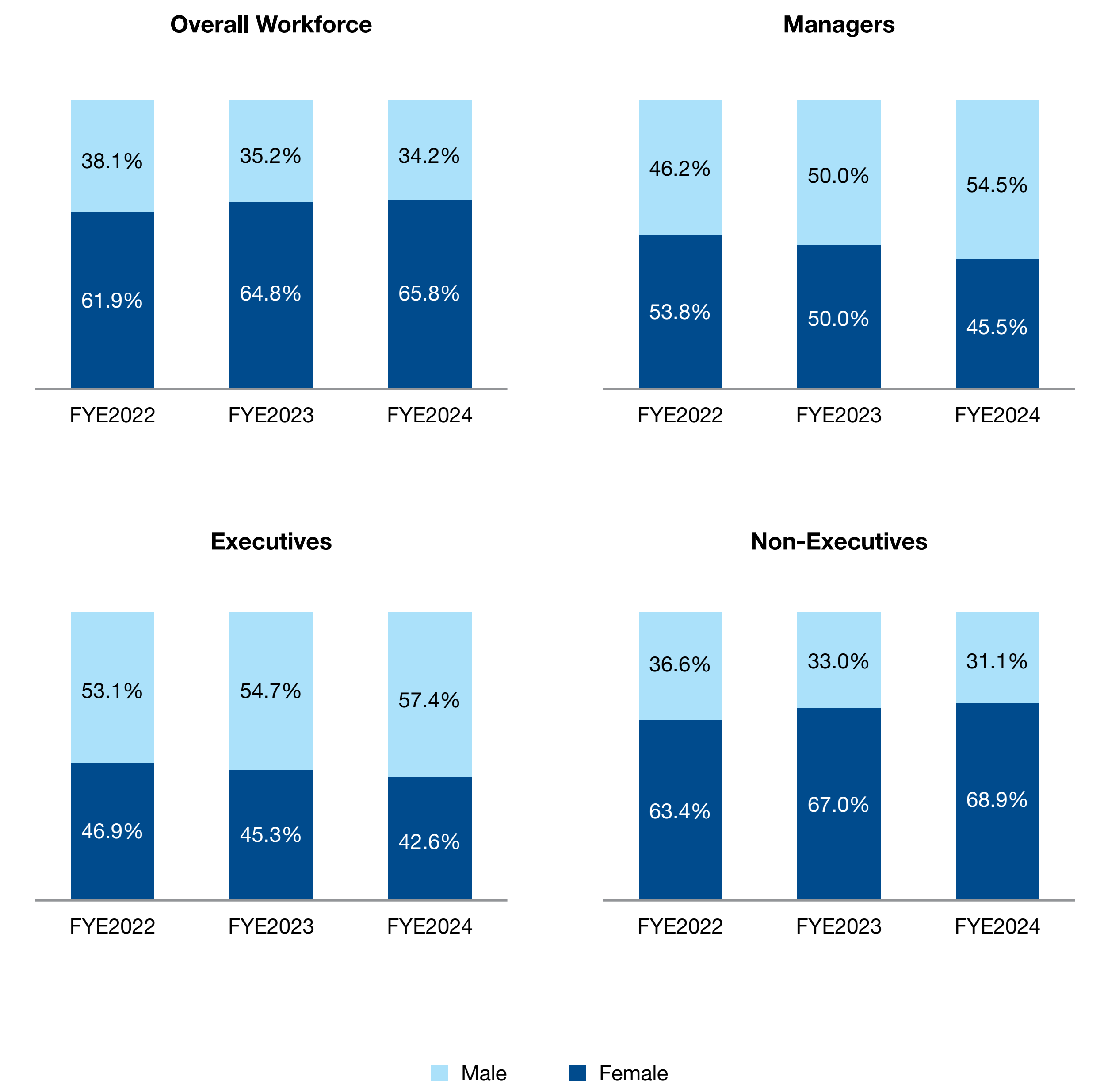
SOCIAL PILLAR (CONT'D)

Social (SC3) – Workplace Diversity and Equal Opportunities (Cont'd)

Our Performance (Cont'd)

As of 31 December 2024, the Group had a 34.2% female representation in its workforce, which at present is adequate and unprejudiced, as reflected below:

Gender Diversity by Level



SOCIAL PILLAR (CONT'D)

Social (SC4) – Training and Development

Our assessment

Hexcare believes that training and development programs are crucial to the success of both our employees and the company as a whole. We enhance employee skills, performance results, and job satisfaction by providing continuous learning opportunities to staff and workers in Hexcare. This commitment fosters a positive work environment and drives both individual and organisational success.

Our approach

The Group has always been a strong advocate of employee training and development. These programs are held throughout the year and may be conducted in-house or off-site, virtual or physical. Continuous training and learning programs provide opportunities for employees to acquire new skill sets as well as improve their knowledge base, productivity, confidence and morale. This leads to increased job satisfaction, lower employee turnover and promotes a performance-based culture that is encouraging, supportive and sustainable.

Our Performance

Safety and Professional Training
GRI 404-1, 404-2, 410-1, 412-2

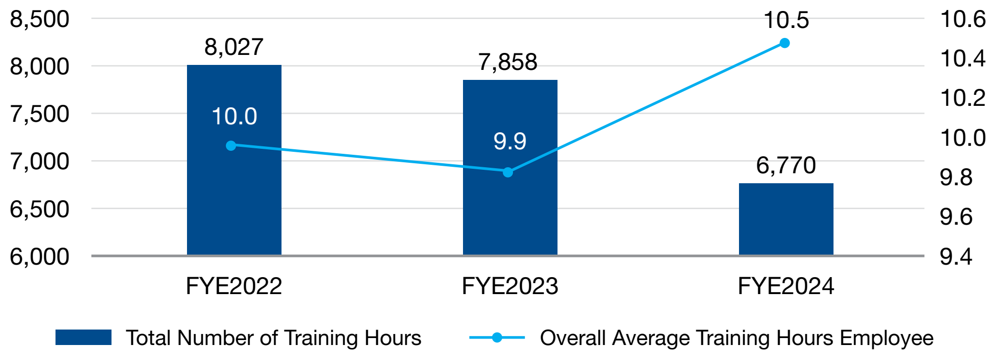
Hexcare remains committed to investing in training and development programs, utilising both the physical and online channels of communications for the conduct of these trainings where applicable. In FYE2024, the Group invested approximately RM182,000 in various training programs, encompassing those that were both knowledge-based and skills-based, to address workforce competency gaps, skills upgrade and enrich professional development of our employees. The Group recorded a total of 6,770 training hours in FYE2024, compared to 7,858 hours in FYE2023, reflecting a decrease due to a reduced workforce in 2024. However, the average training hours per employee increased by 6.1%, from 9.9 hours in FYE2023 to 10.5 hours in FYE2024.

Total Number of Training Hours by Employee Category

Description/Years	FYE2024		FYE2023		FYE2022	
	Count	%	Count	%	Count	%
Managers	672	9.9	891	11.3	239	3.0
Executives	1,633	24.1	1,834	23.3	932	11.6
Non-Executives	4,465	66.0	5,133	65.4	6,856	85.4
Total	**6,770**	**100.0**	**7,858***	**100.0**	**8,027***	**100.0**

* Restated

Total Number of Training Hours and Training Hours per Employee



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Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC4) – Training and Development (Cont'd)

Our Performance (Cont'd)

Where appropriate, the Group also utilises opportunities and resources provided by the Malaysian government's Human Resource Development Fund (HRDF) for its training needs and expenditures. The returns on these hours invested on our human resource capital far outweighs the upfront costs over the long run as we build a progressive and skilled workforce that is driven and motivated for success. Some of the professional and skills development programs carried out in FYE2024 were as follows:

Safety Training	Forklift Training
	HIRARC Training
	Fire Drill Training
	Basic Fire Fighting Equipment
	Ergonomic Awareness Training
	PPE & Noise Hearing Conservation
	Emergency Response Team Training
	Health and Safety Induction Training
	Chemical Handling and Spill Controlling
	Authorised Gas Tester & Entry Supervisor
	Schedule Waste Management For Industry
	Kursus Penyelaras Keselamatan dan Kesihatan
	Basic Occupational First Aid , CPR & AED Training
	Behaviourial Based Reach Truck Safety Operations
	Integrated ISO 14001:2015 and ISO 45001:2018 Internal
	Authorised Entrant & Standby Person (AESP) For Confined Space
	Certified Environmental Professional In Scrubber Operation (CePSO)
	Certified Environmental Professional In Bag Filter Operation (CePBFO)
	Understanding Water Quality Analysis In Industrial Effluent Monitoring

pg. 64

SOCIAL PILLAR (CONT'D)

Social (SC4) – Training and Development (Cont'd)

Our Performance (Cont'd)

Safety Training	7QC Tools
	Q Series PLC Basic Training
	MR-J4 Servo Basic Training
	Kursus Sains dan Teknologi Lateks
	Sustainability Reporting Masterclass
	Understanding Calibration Certificate
	Measurement and Calibration System
	Effective Warehouse Management Skills
	E-Invoicing, Tax Implications and Planning
	Handling Sexual Harassment at the Workplace
	CTPAT- Security Awareness on Supply Chain Risk
	Mastering the Art of Financial Statement Analysis
	ISO 14001:2015 & ISO 45001:2018 Internal Auditing
	Good Manufacturing Practices (GMP) - A Refresher
	Understanding Sedex (ETI) Ethical Trading Initiative
	Seminar on All about Leave, Holiday and Hours of work
	Practical Class - Air Conditioning Maintenance and Installation
	Certified Cleanroom Management Expert for Life Sciences Industry
	Root Cause Analysis Using Effective 8D Problem Solving Techniques
	Seminar Pematuhan Dan Pemerkasaan Akta Kualiti Alam Sekeliling 1974
	ISO 9001:2015 & ISO 13485:2016 Fundamental of Internal Quality Auditing
	Unlocking Markets: Navigating Medical Device Regulations in EU & ASEAN Seminar

Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

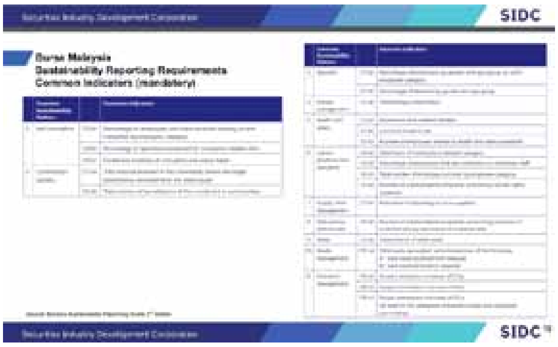
Social (SC4) – Training and Development (Cont'd)

Our Performance (Cont'd)

In addition, during the year, Hexcare also provided a range of specific personal development training programs designed to enhance both professional growth and skill development, relevant to employees' scope of work and job responsibilities. To ensure the retention of our talented workforce, we prioritise fostering their personal development and skills by consistently offering a diverse range of technical, non-technical, and compliance training workshops as outlined below:

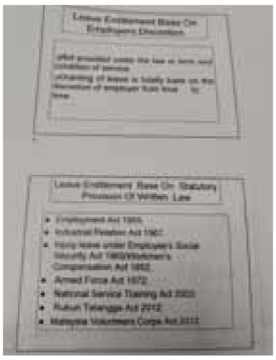
Topic : Sustainability Reporting Masterclass
Organiser : Securities Industry Development Corporation (SIDC)
Outcomes:

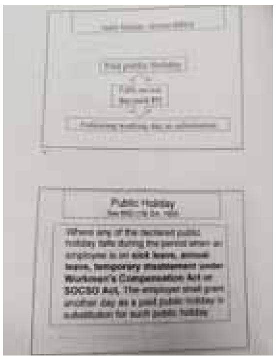
1) Learn the criteria and essential requirements outlined in Bursa Malaysia sustainability reporting requirements;
2) Recognise the significance of transparent sustainability reporting practices in enhancing business competiveness and advantage; and
3) Understand the alignment of Bursa Sustainability Reporting Requirements to TCFD AND IFRS, and its applications.



Topic : Seminar on All about Leave, Holiday and Hours of work
Organiser : Federation of Malaysian Manufacturers (FMM) Perak
Outcomes:

1) Understanding legal requirements for leave, holidays, and working hours;
2) Learn how to handle leave abuse, absenteeism, and excessive leave applications; and
3) Learn about the eligibility criteria, entitlements, and methods for calculating all types of leave.





SOCIAL PILLAR (CONT'D)

Social (SC4) – Training and Development (Cont'd)

Our Performance (Cont'd)

Topic : Basic Occupational First Aid, CPR & AED Training

Organiser: Cert Academy Sdn Bhd (in-house training)

Outcomes:

1) Understand the principles of providing first aid and appreciate actions that need to be taken immediately based on the assessments of the condition of victim(s);
2) Understand the important concepts and correct techniques for performing Cardio Pulmonary Resuscitation (CPR);
3) Learn about various types of bandages used for different parts of the body when injured; and
4) Mock drill is conducted to enhance participants' readiness and confidence in handling real-life medical emergencies.

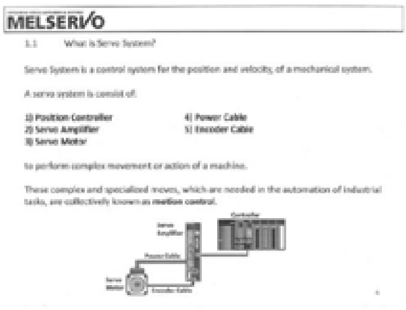


Topic : MR-J4 Servo Basic Training

Organiser: I-Linear Automation Sdn Bhd (in-house training)

Outcomes:

1) Understand the components, functions, and applications of the MR-J4 servo system;
2) Identify and resolve common issues, conduct preventive maintenance; and
3) Perform basic programming, positioning, and motion control using the MR-J4 servo system.




Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC4) – Training and Development (Cont'd)

Our Performance (Cont'd)

Anti-Bribery Training
GRI 205-2

All employees of the Group are mandated to undergo anti-bribery and corruption training conducted internally by our Human Resources (HR) department upon recruitment; each employee also formally acknowledges their understanding and adherence to the Group's Anti-bribery and Corruption policy by signing a staff declaration form.

	FYE2024		FYE2023		FYE2022	
	Count	%	Count	%	Count	%
Number of employees trained on Anti-Bribery and Corruption	51	7.9%	235*	29.4%	806	100.0%

* Restated

Social (SC5) – Giving Back to Society
GRI 413-1

Our assessment

Hexcare is deeply committed to the belief that businesses should play an integral role in supporting and uplifting the communities they operate in. We encourage employees to volunteer and participate in initiatives that improve society, believing that these efforts not only benefit the community but also enhance employee satisfaction. Employees go beyond their roles by volunteering and personally contributing to charitable causes, fostering a strong sense of purpose and connection. This commitment to social responsibility strengthens both the company's community ties and its workplace culture, making Hexcare a socially responsible and rewarding environment for all.

Our approach

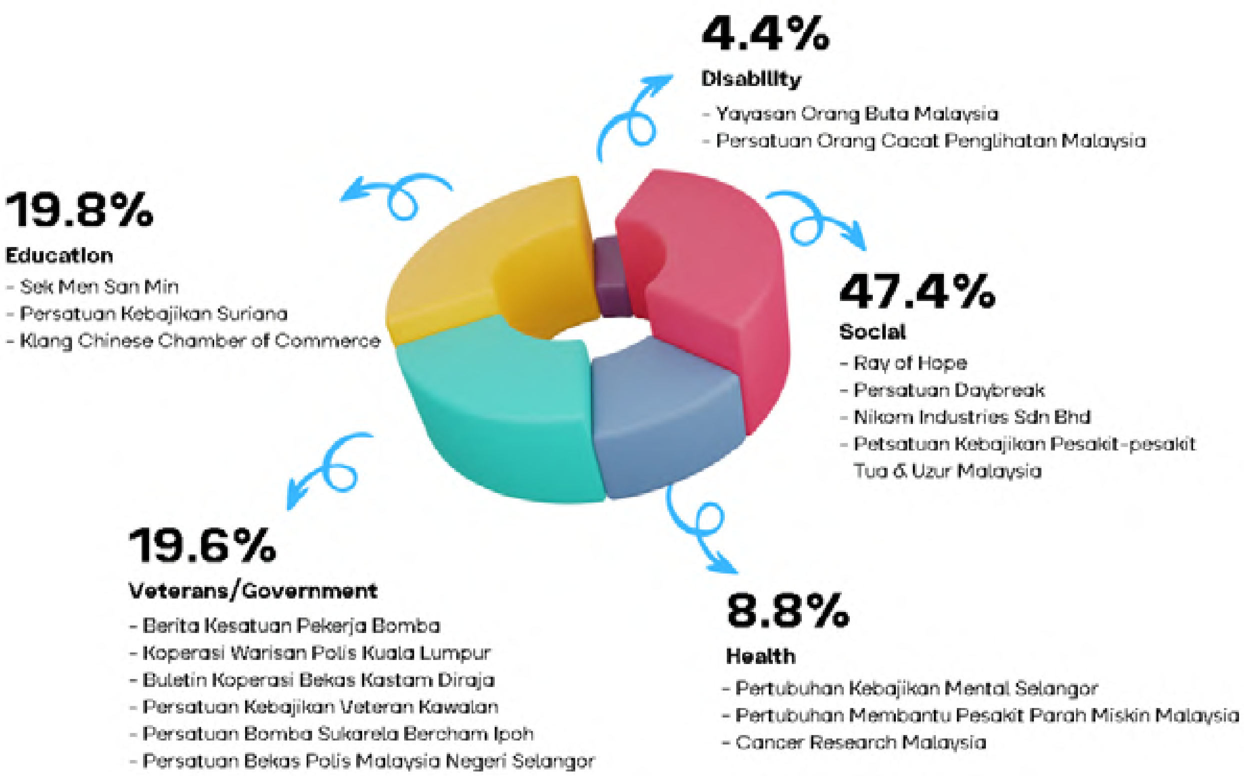
As responsible community members and business operators, Hexcare and the Group carries out its corporate social responsibilities (CSR) in good faith, contributing monetary support and assistance to various deserving charities and organisations.

SOCIAL PILLAR (CONT'D)

Social (SC5) – Giving Back to Society (Cont'd)

Our Performance

In FYE2024, a total of RM45,000 in cash donations and non-monetary contributions-in-kind were made, which aided approximately 859 members of the community. In 2023 and 2024, our employees demonstrated their commitment to community service by actively volunteering their time at elderly care homes and children's homes, as well as participating in blood donation drives. These contributions were distributed across the following focus groups:



Sustainability Statement
(cont'd)

SOCIAL PILLAR (CONT'D)

Social (SC5) – Giving Back to Society (Cont'd)

Our Performance (Cont'd)

Various contributions and charitable acts carried out by Hexcare in 2024

SOCIAL PILLAR (CONT'D)

Social (SC6) – Human Rights

GRI 406-1, 408-1, 409-1

Our assessment

Human rights is a key focus of the United Nations Sustainable Development Goals that emphasizes gender equality, specifically on women's empowerment and human rights. At Hexcare, our advancement to this goal channels our efforts toward protecting human rights and fostering a culture that is free from any discrimination in the form of nationality, gender, race, religion, age, sexual orientation or disability. Our commitment also extends to our supply chain network, where we uphold high ethical standards and prohibit human rights abuses across our upstream as well as downstream operations. By integrating these principles throughout our Group processes, we strive to create a workplace and a world where everyone's rights are regarded, respected and upheld.

Our approach

Hexcare does not employ child or under-aged labour, neither does it promote forced labour in its operations. The Group's Human Resource division takes counter-measures during the hiring process by screening for age using official identification documents such as valid identity cards or passports of workers to verify their ages during the recruitment process. All of our employees meet the current minimum legal recruitable age of 18 years.

In compliance with the new Employment Act (Amendment) 2022 enforced since 01 January 2023, Hexcare has reduced the maximum weekly working hours from 48 to 45, aligning with International Labour Organisation (ILO) conventions to safeguard worker welfare as we recognise that living wages are an important part of empowering the community and eradicating poverty and inequality. There are no forced or contractual overtime hours in the Group's workforce. This allows employees to cover their basic needs and that also allows them to attain financial independence. The Group's Labour Rights Policy, which outlines the various rights of our employees is available in both English and Malay, published on the company's website and communicated effectively to all employees.

An employee's freedom of association and participation in the formation, membership and lawful activities of a trade union, workers' association, or workers' council, and the rights to bargain collectively in accordance with and within the Trade Union Act 1959, the Industrial Relations Act 1967, and the Immigration Act 1956/63 of Malaysia is a respectable right of any employee. Hexcare did not and will not discriminate or take any disciplinary or punitive actions on employees and workers who exercise these rights.

We are committed to upholding human rights, and this dedication is reflected in our Human Rights-related policies which outline our approach to managing and mitigating potential negative human rights impacts, including:

- Human Rights Policy;
- Policy on Workplace Discrimination; and
- Policy on Workplace Harassment

These policies guide our efforts to foster a workplace that respects and protects the rights of all individuals.

Our Performance

Human Rights Violations Complaints

In FYE2024, there were no incidences of non-compliance to labour laws and regulations that resulted in any fines, reprimands or penalties imposed by any regulatory authorities, both in Malaysia and overseas. At Hexcare, we honour and champion human rights simply because they embody key values in our society such as fairness, equality, dignity and respect – values that immeasurably sustain humankind.

	FYE2024	FYE2023	FYE2022
No. of substantiated complaints involving human rights violations	NIL	NIL	NIL

Sustainability Statement
(cont'd)

GRI CONTENT INDEX

Statement of Use: Hextar Healthcare Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024, in reference to the applicable GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard: Not applicable

GRI Content Index			
GRI Indicator	**Disclosure**	**Location**	**Omission & Explanation**
GRI 2: General Disclosures 2021			
The organisation and its reporting principles			
2-1	Organisational details	SS Page 24	
2-2	Entities included in the organisation's sustainability reporting	SS Page 24	
2-3	Reporting period, frequency and contact point	SS Page 24	
2-4	Restatement of Information	SS Page 25-26	
2-5	External Assurance	SS Page 24	
Activities and workers			
2-6	Activities, value chain and other business relationships	SS Pages 36-38	
2-7	Employees	SS Pages 59-62	
2-8	Workers who are not employees	SS Page 60	
Governance			
2-9	Governance structure and composition	BODP & KSMP (Pages 10 - 13)	
2-10	Nomination and selection of the highest governance body	Board Charter - https://ir2.chartnexus.com/hexcare/docs/cg/Board-Charter.pdf	
2-11	Chair of the highest governance body	Board Charter - https://ir2.chartnexus.com/hexcare/docs/cg/Board-Charter.pdf	
2-12	Role of the highest governance body in overseeing the management of impacts	Board Charter - https://ir2.chartnexus.com/hexcare/docs/cg/Board-Charter.pdf	
2-13	Delegation of responsibility for managing impacts	KSMP (Pages 13)	
2-14	Role of the highest governance body in sustainability reporting	SS Page 47	
2-15	Conflicts of interest	Conflict Of Interest Policy - https://ir2.chartnexus.com/hexcare/docs/cg/CONFLICT-OF-INTEREST-POLICY.pdf	
2-16	Communication of critical concerns	SS Page 29-30	
2-17	Collective knowledge of the highest governance body	CGOS (Pages 86-93)	

Sustainability Statement
(cont'd)

GRI CONTENT INDEX (CONT'D)

GRI Content Index			
GRI Indicator	Disclosure	Location	Omission & Explanation
GRI 2: General Disclosures 2021			
Governance (Cont'd)			
2-18	Evaluation of the performance of the highest governance body	CGOS (Pages 86-93)	
2-19	Remuneration policies	Remuneration Policy - https://ir2.chartnexus.com/hexcare/docs/cg/REMUNERATION-POLICY.pdf	
2-20	Process to determine remuneration	CGOS (Pages 86-93)	
2-21	Annual total compensation ratio	-	Not applicable
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	SS Page 24	
2-23	Policy commitments	SS Page 40	
2-24	Embedding policy commitments	SS Page 40	
2-25	Processes to remediate negative impacts	SS Pages 51-71	
2-26	Mechanisms for seeking advice and raising concerns	SS Pages 51-71	
2-27	Compliance with laws and regulations	SS Pages 24-25	
2-28	Membership associations	-	Not applicable
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	SS Pages 29-30	
2-30	Collective bargaining agreements	-	Not applicable
GRI 3: Material Topicxs 2021			
3-1	Process to determine material topics	SS Page 31	
3-2	List of material topics	SS Page 32	
3-3	Management of material topics	SS Pages 33-34	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	MDA (Pages 16-23)	
201-2	Financial implications and other risks and opportunities due to climate change	SS Pages 33-34, 47	
201-3	Defined benefit plan obligations and other retirement plans	-	Not applicable
201-4	Financial assistance received from government	-	Not applicable

Sustainability Statement
(cont'd)

GRI CONTENT INDEX (CONT'D)

GRI Content Index			
GRI Indicator	**Disclosure**	**Location**	**Omission & Explanation**
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	SS Page 59	
202-2	Proportion of senior management hired from the local community	SS Page 60	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	SS Page 37	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	SS Page 37	
205-2	Communication and training about anti-corruption policies and procedures	SS Page 68	
205-3	Confirmed incidents of corruption and actions taken	SS Page 37	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	SS Page 42	
302-2	Energy consumption outside of the organisation	-	Not applicable
302-3	Energy intensity	SS Page 43	
302-4	Reduction of energy consumption	SS Page 42	
302-5	Reductions in energy requirements of products and services	-	Not applicable
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	-	Not applicable
303-2	Management of water discharge-related impacts	-	Not applicable
303-3	Water withdrawal	SS Page 45	
303-4	Water discharge	SS Page 45	
303-5	Water consumption	SS Page 45	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	SS Page 49	
305-2	Indirect (Scope 2) GHG emissions	SS Page 49	
305-3	Other indirect (Scope 3) GHG emissions	SS Page 50	
305-4	GHG emissions intensity	-	Not applicable
305-5	Reduction of GHG emissions	SS Page 49	

GRI CONTENT INDEX (CONT'D)

GRI Content Index			
GRI Indicator	**Disclosure**	**Location**	**Omission & Explanation**
GRI 305: Emissions 2016			
305-6	Emissions of ozone-depleting substances (ODS)	-	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Not applicable
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	SS Page 48	
306-2	Management of significant waste-related impacts	SS Page 48	
306-3	Waste generated	SS Page 48	
306-4	Waste diverted from disposal	SS Page 48	
306-5	Waste directed to disposal	SS Page 48	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	SS Page 61	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	Not applicable
401-3	Parental leave	Our Suatainability (Website) - https://hextarhealthcare.com/our-sustainability/	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	SS Page 53	
403-2	Hazard identification, risk assessment, and incident investigation	SS Page 53	
403-3	Occupational health services	SS Page 54	
403-4	Worker participation, consultation, and communication on occupational health and safety	SS Page 54	
403-5	Worker training on occupational health and safety	SS Page 55	
403-6	Promotion of worker health	SS Page 54	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SS Page 54	
403-8	Workers covered by an occupational health and safety management system	SS Page 54	
403-9	Work-related injuries	SS Page 56	
403-10	Work-related ill health	-	Not applicable

Sustainability Statement
(cont'd)

GRI CONTENT INDEX (CONT'D)

GRI Content Index			
GRI Indicator	**Disclosure**	**Location**	**Omission & Explanation**
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	SS Page 63	
404-2	Programs for upgrading employee skills and transition assistance programs	SS Pages 64-67	
404-3	Percentage of employees receiving regular performance and career development reviews	-	Not applicable
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	SS Page 39, 60	
405-2	Ratio of basic salary and remuneration of women to men	SS Page 59	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	SS Pages 40, 71	
GRI 408: Child Labour 2016			
408-1	Operations and suppliers at significant risk for incidents of child labour	SS Page 71	
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	SS Page 71	
GRI 410: Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	SS Page 66	
GRI 412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	SS Page 53	
412-2	Employee training on human rights policies or procedures	SS Pages 40, 66	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	Not applicable
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	SS Pages 68-70	
413-2	Operations with significant actual and potential negative impacts on local communities	-	Not applicable

GRI CONTENT INDEX (CONT'D)

GRI Content Index			
GRI Indicator	**Disclosure**	**Location**	**Omission & Explanation**
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SS Page 40	

Note:
SS - Sustainability Statement
MDA - Management Discussion and Analysis
CGOS - Corporate Governance Overview Statement
BODP - Board of Directors' Profile
KSMP - Key Senior Management Profile

Sustainability Statement
(cont'd)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Managers	Percentage	100.00 *	0.00	0.00
Executives	Percentage	100.00 *	9.40 *	10.40
Non-executives	Percentage	100.00 *	32.30 *	8.10
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	26,000.00	268,000.00	45,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	450	5,330	859
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Managers Under 30	Percentage	0.20 *	0.10 *	0.20
Managers Between 30-50	Percentage	2.70 *	2.50 *	2.80
Managers Above 50	Percentage	1.90 *	1.90 *	2.20
Executives Under 30	Percentage	1.50 *	1.00 *	1.50
Executives Between 30-50	Percentage	4.00 *	3.90 *	5.10
Executives Above 50	Percentage	0.60 *	1.70 *	0.60
Non-executives Under 30	Percentage	40.60 *	41.60 *	35.00
Non-executives Between 30-50	Percentage	41.30 *	39.50 *	43.80
Non-executives Above 50	Percentage	7.20 *	7.80 *	8.80
Gender Group by Employee Category				
Managers Male	Percentage	2.60 *	2.30 *	2.30
Managers Female	Percentage	2.20 *	2.30 *	2.80
Executives Male	Percentage	2.90 *	3.00 *	3.10
Executives Female	Percentage	3.20 *	3.60 *	4.20
Non-executives Male	Percentage	56.50 *	59.50 *	60.40
Non-executives Female	Percentage	32.60 *	29.30 *	27.20
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	100.00	66.70	66.70
Female	Percentage	0.00	33.30	33.30
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	40.00 *	16.70 *	16.70
Above 50	Percentage	60.00 *	83.30 *	83.30
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	97,388.00 *	119,224.00 *	69,662.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.81 *	2.04 *	1.17
Bursa C5(c) Number of employees trained on health and safety standards	Number	473 *	557 *	501
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Managers	Hours	239 *	891 *	672
Executives	Hours	932 *	1,834 *	1,633
Non-executives	Hours	6,856 *	5,133 *	4,465
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.80	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Managers	Number	No Data Provided	8 *	6
Executives	Number	No Data Provided	8 *	14
Non-executives	Number	No Data Provided	441 *	303
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2022	2023	2024
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.10 *	97.10 *	96.20
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	622.000000	820.000000	659.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	901.60 *	709.80 *	708.70
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	365.60 *	198.10 *	340.50
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	536.00 *	511.70 *	368.20
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	26,792.00 *	26,297.00 *	17,223.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	12,283.00 *	11,366.00 *	7,356.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,794.00 *	3,333.00 *	2,749.00

Internal assurance External assurance No assurance (*)Restated

Sustainability Statement
(cont'd)

ASSURANCE STATEMENT

Grant Thornton

The Board of Directors
Hextar Healthcare Berhad
Lot 138201
Off ¾ Mile
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Independent Limited Assurance Report on Subject Matter Information in Hextar Healthcare Berhad's Sustainability Statement 31 December 2024

We, Grant Thornton Consulting Sdn Bhd ("Grant Thornton") were engaged by Hextar Healthcare Berhad ("Hexcare") to provide limited assurance on selected material sustainability indicators ("Subject Matter Information") as reported by Hexcare in its Sustainability Statement for the year ended 31 December 2024 ("Sustainability Statement").

The scope of our work was limited to the material sustainability matters presented in the Sustainability Statement and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter Information below and their related disclosures; nor did it include information reported outside of the Sustainability Statement.

Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information presented in the Sustainability Statement has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Hexcare's Sustainability Statement, as presented below.

Underlying Subject Matter	Units	Page location of Annual Report
Anti-Bribery and Anti-Corruption		
Training on anti-corruption by employee category	Percentage %	Page 68
Operations assessed for corruption-related risks	Percentage %	Page 37
Confirmed incidents of corruption and action taken	Cases	Page 37
Health and Safety		
Lost time incident rate	Rate	Page 56
Number of work-related fatalities	Number	Page 56
Number of employees trained on health and safety standards	Number	Page 55

Corporate Advisory **grantthornton.com.my**

ASSURANCE STATEMENT (CONT'D)

Grant Thornton

Independent Limited Assurance Report on Subject Matter Information in Hextar Healthcare Berhad's Sustainability Statement 31 December 2024 (cont'd)

Subject Matter Information (cont'd)

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Hexcare's Sustainability Statement, as presented below (cont'd).

Underlying Subject Matter	Units	Page location of Annual Report
Diversity		
Employee by gender and age group, for each employee category	Percentage %	Page 61
Directors by gender and age group	Percentage %	Page 39
Labour Practices and Standards		
Total hours of training by employee category	Hours	Page 63
Employee that are contractors or temporary staff	Percentage %	Page 60
Total number of employee turnover by employee category	Number and Percentage %	Page 61
Total number of new hire by employee category	Number and Percentage %	Page 61
Substantial complaints concerning human rights violations	Number	Page 71
Energy Management		
Total energy consumption	Gigajoules	Page 42
Supply chain management		
Proportion of spending on local suppliers	Percentage %	Page 37
Water		
Total volume of water consumption	m^3	Page 45
Data privacy and security		
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Page 40
Community/Society		
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	Page 69
Total number of beneficiaries of the investment in communities	Number	Page 69
Waste Management		
Total waste generated, and breakdown of the following:		
Total waste diverted from disposal	Metric tonnes	Page 48
Total waste directed to disposal	Metric tonnes	Page 48

ASSURANCE STATEMENT (CONT'D)

GrantThornton

Independent Limited Assurance Report on Subject Matter Information in Hextar Healthcare Berhad's Sustainability Statement 31 December 2024 (cont'd)

Subject Matter Information (cont'd)

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Hexcare's Sustainability Statement, as presented below (cont'd).

Underlying Subject Matter	Units	Page location of Annual Report
Emissions Management		
Scope 1 emissions;	tCO_2-eq	Page 49
Scope 2 emissions;	tCO_2-eq	Page 49
Scope 3 emissions (only for category 6: business travel and category 7: employee commuting);	tCO_2-eq	Page 50

Our assurance is with respect to the year ended 31 December 2024 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the Hexcare's Sustainability Statement and, therefore, do not express any conclusion thereon.

Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Hexcare is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on Hexcare's sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Statement ("Reporting Criteria").

Board of Directors and Management's Responsibilities

The Directors and Management of Hexcare are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Statement and the Reporting Criteria and their contents

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to Hexcare.

ASSURANCE STATEMENT (CONT'D)

Grant Thornton

Independent Limited Assurance Report on Subject Matter Information in Hextar Healthcare Berhad's Sustainability Statement 31 December 2024 (cont'd)

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), *"Assurance Engagements other than Audits and Reviews of Historical Financial Information"* ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410, *"Assurance Engagements on Greenhouse Gas Statements"* ("ISAE 3410"). These standards requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of Hexcare and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;

Sustainability Statement
(cont'd)

Grant Thornton

Independent Limited Assurance Report on Subject Matter Information in Hextar Healthcare Berhad's Sustainability Statement 31 December 2024 (cont'd)

Work performed (cont'd)

- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected unit conversion factor calculations and other calculations used by Hexcare to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of Hexcare for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Statement and narrative accompanying the Subject Matter Information in the Sustainability Statement with regard to the Reporting Criteria, and for consistency with our findings.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Statement may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Statement, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to Hexcare in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to Hexcare those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than Hexcare for our work or this report, or for the conclusion we have reached.

Our report is released to Hexcare on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in the Hexcare's Sustainability Statement 31 December 2024) or in part, without our prior written consent.

Grant Thornton Consulting Sdn Bhd
Kuala Lumpur
Date: 25 April 2025

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

Sim Yee Fuan	(Chairman, Independent Non-Executive Director)
Doris Cheng Chin Ching	(Member, Independent Non-Executive Director)
Lim Siew Eng	(Member, Independent Non-Executive Director)

MEETINGS OF THE AUDIT COMMITTEE

1. The Chairman of the Audit Committee shall report on each meeting to the Board of Directors and the Secretary of the Audit Committee shall be the Company Secretary;

2. The Secretary of the Audit Committee shall be entrusted with the circulation of the agenda and notice of meetings prior to each meeting and shall record all proceedings and minutes of Audit Committee meetings;

3. The quorum for an Audit Committee meeting shall be at least two members and the majority of members present must be independent directors;

4. Audit Committee meetings shall be held not less than four times a year and internal or external auditors may attend the meetings upon the invitation of the Audit Committee;

5. At least twice a year, the Audit Committee shall meet with the external auditors without the presence of any executive directors and management of the Company to deliberate on the audit plans, summaries of findings and any other matters directly affecting the Company and the Group; and

6. Four Audit Committee meetings were held during the financial year ended 31 December 2024. The attendance record of each member is as follows:-

Name	Attendance	Percentage
Sim Yee Fuan	4/4	100%
Doris Cheng Chin Ching	4/4	100%
Lim Siew Eng	4/4	100%

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The main activities of the Audit Committee in the financial year ended 31 December 2024 were as follows:

1. Reviewed the adequacy and relevance of the scope, functions, resources, audit plans and results of audit processes, with the external and internal auditors;

2. Reviewed the audit reports and major findings prepared by the external and internal auditors, and management's responses thereto;

3. Reviewed the quarterly financial reports and year-end financial statements of the Company and of the Group and thereafter submitting them to the Board of Directors for consideration and approval;

4. Discussed and reviewed with the External Auditors the applicability and impact of new accounting standards and financial reporting regimes issued by the Malaysian Accounting Standards Board;

Audit Committee Report
(cont'd)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

5. Reported to the Board of Directors any significant issues and concerns discussed during the Committee's meetings with external and internal auditors, and where appropriate, made the necessary recommendations to the Board;

6. Reviewed the Company's and the Group's compliance with the listing requirements of Bursa Malaysia Securities Berhad;

7. Considered and recommended to the Board of Directors for approval, the audit fees payable to the external and internal auditors; and

8. Prepared the Audit Committee Report for inclusion in the Company's Annual Report.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to Baker Tilly Monteiro Heng Governance Sdn Bhd, a professional advisory services firm, who reports directly to the Audit Committee. The primary role of the internal audit function is to support the Audit Committee by providing independent and objective reports on the state of internal controls and compliances within the Group, with recommendations for improvements where control weaknesses are detected. The findings and recommendations of the internal auditors are presented to Management, who ensure that necessary corrective actions are taken within specific timeframes, and to the Audit Committee on a quarterly basis. The internal auditors also conduct appropriate follow-up audits from time to time.

The internal auditors carry out their function in accordance with their risk-based audit methodologies, closely consistent with the Internal Audit Standards set forth in the International Professional Practices Framework issued by the Institute of Internal Auditors. Their approach typically consists of the following phases:
(i) Identify areas of risks, review existing policies and procedures to evaluate effectiveness of internal controls;
(ii) Systems documentation, walk-through and gap analysis;
(iii) Detailed testing and validation; and
(iv) Reporting.

The internal audit activities for the financial year ended 31 December 2024 covered the following areas of the Group's subsidiary companies, Rubberex (M) Sdn Berhad ("RMSB") and Rubberex Alliance Sdn Bhd ("RASB"):

	Audit Area	Subsidiary Companies
1.	Sales to Receipt Management	RMSB
2.	Human Resource Management and Payroll Function	RMSB and RASB
3.	Environmental, Health & Safety	RMSB
4.	Procurement to Payment Management	RMSB and RASB

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of Hextar Healthcare Berhad ("Hexcare" or the "Company") is pleased to present this Corporate Governance Overview Statement for the financial year ended 31 December 2024, highlighting its corporate governance practices carried out during the year as guided by the principles set out in the Malaysian Code on Corporate Governance 2021 and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

This Statement highlights the key corporate governance practices of the Group during the financial year, with references to the following three principles:
(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement should be read in conjunction with the Group's Corporate Governance Report ("CG Report") which has been uploaded on the Company's websites: www.hextarhealthcare.com and www.rubberex.com.my, and announced on Bursa Securities.

BOARD LEADERSHIP AND EFFECTIVENESS

Principal Duties

The Board takes full responsibility for the overall performance of the Company and the Group by setting the vision and objectives and by directing the policies, strategic action plans and stewardship of the Group's resources. It focuses mainly on strategies, financial performance and critical business issues.

In carrying out its responsibilities, the Board reviews the Group financial results, operational plans and strategic objectives formally on a quarterly basis and deliberates key management decisions. It also ensures that key information are reported to Bursa Securities in an accurate and timely manner.

The Company has a board charter which clearly outlines the structure of the Board, roles and responsibilities of directors, including independent directors and committee. It also states specifically the issues and strategic decisions to be undertaken by the Board each year including setting long term vision(s) for the Group, reviewing and approving dividend payments, Group budgets, directors' remuneration packages, quarterly financial results to Bursa Securities and other corporate announcements.

Composition of the Board

The Board comprises six (6) Directors i.e. one (1) Managing Director, one (1) Executive Director and four (4) Independent Non-Executive Directors. This is in compliance with Paragraph 15.02(1) of the Listing Requirements which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, as Independent Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which could interfere with the exercise of their independent judgements.

Of the six (6) Directors on the Board, two (2) are female, a ratio of 33.3%, which also complies with the Listing Requirements to have at least one (1) woman Director on the Board.

Within the Board, there were two active working committees, namely the Audit Committee and the Nomination and Remuneration Committee, who meet regularly and are delegated specific responsibilities to support the Board in discharging its corporate governance reporting duties throughout the financial year ended 31 December 2024. These committees are each chaired by a capable board member of caliber and credibility.

Although a relatively small Board, it provides an effective blend of entrepreneurship, business and professional expertise. The Board has at least four regularly scheduled meetings annually. Board meetings bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

Corporate Governance Overview Statement
(cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training

All directors, including non-independent directors, have attended and completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. The directors, either collectively or individually, have also attended various public talks and training sessions to keep abreast with developments in the business environment as well as to assist them in discharging their duties more effectively, including the Mandatory Accreditation Programme Part II: Leading for Impact required of company directors to be completed on/by August 2025. In addition, some of the training sessions attended by the directors in the financial year include:

1.	Roadmap for E-Invoicing Implementation and Transformation Strategies	May 2024
2.	Board Ethics: Growing Concerns from New Technology, Stakeholder Interests and Conflicts of Interests	October 2024
3.	Audit Oversight Board Conversation with Audit Committees	November 2024
4.	2025 Budget Seminar	November 2024
5.	MFRS 18 Presentation and Disclosure in Financial Statements	December 2024

Board Meetings

Four Board Meetings were held during the financial year ended 31 December 2024. The attendance record of each director during the year was as follows:

Name	Attendance	Percentage
Liew Jee Min @ Chong Jee Min (Chairman)	4/4	100%
Khoo Chin Leng	4/4	100%
Goh Hsu-Ming	4/4	100%
Sim Yee Fuan	4/4	100%
Doris Cheng Chin Ching	4/4	100%
Lim Siew Eng	4/4	100%

The primary role of the Chairman is to instill good corporate governance practices, leadership and effectiveness of the Board. The Chairman also primarily leads the members in board meetings, guides the formulation of company policies, risk management practices and corporate affairs. He is supported by other board members as well as the Managing Director and Executive Director who contribute their knowledge, objectivity and experience towards the execution of policies and monitoring of Group operations.

Appointment and Nomination of Directors

The Nomination and Remuneration Committee comprises the following directors:

Doris Cheng Chin Ching (Chairperson)
Lim Siew Eng
Sim Yee Fuan

The Nomination and Remuneration Committee is tasked with reviewing and recommending to the Board for approval, the appropriate size, composition, mix of skills and experience, competency and diversity (including gender diversity) of the Board and Board Committees to facilitate effective decision-making after taking into consideration the scope and nature of the operations of the Group.

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Appointment and Nomination of Directors (Cont'd)

The Nomination and Remuneration Committee also identifies, considers and recommends to the Board suitable candidates for appointment of Directors. The Committee does not solely rely on recommendations from existing board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the Committee shall:-

(a) assess the candidates' expertise, skills, knowledge, experience, professionalism, commitment, contribution, performance, integrity, competence and character;
(b) consider board diversity including age and gender;
(c) in the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and
(d) in the case of candidates filling seats in respect of the Audit Committee in particular, ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.

In discharging its duties during the year, the Nomination and Remuneration Committee carried out the following activities:
- Reviewed the composition of the Board in terms of the required mix of skills, relevant experience and other qualities that will bring value to the Group;
- Reviewed and assessed the Board Committees in terms of composition, size and structure in compliance with the provisions of relevant guidelines and regulations;
- Assessed each individual Director, the Board as a whole and the Committees' performance in carrying out their duties; and
- Reviewed and assessed the appointments of Directors standing for re-election at the forthcoming Annual General Meeting.

Re-election

Under the existing provisions of the Company's Constitution, one third of the directors are required to retire from office by rotation at least once every three years and subject to re-election at each Annual General Meeting.

Directors' Remuneration

The Nomination and Remuneration Committee reviews policies and procedures on remuneration of Directors to ensure that remuneration packages are determined on the basis of individual's merit, qualification and competence, after taking into consideration the complexity of Group's business and performance, individual's responsibilities, comparable market statistics, and their roles in addressing the company's material sustainability risks and opportunities and achieving sustainability targets. The Nomination and Remuneration Committee reviews and recommends remuneration packages of the Managing Director and Executive Director in accordance with the Company's policy guidelines, to the Board for approval.

In determining the remuneration packages of Directors, the Committee takes into consideration the following:-

(a) technical competency, skills, expertise and experience;
(b) qualification and professionalism;
(c) integrity;
(d) roles and responsibilities; and
(e) aligned with the business and risks strategies, and long-term objectives of the Group.

Corporate Governance Overview Statement
(cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Remuneration (Cont'd)

Fees for non-executive directors are determined by the full Board with the approval from shareholders at the Annual General Meeting. Individual directors affected are not involved in the approval of their own packages.

The details of the remuneration of directors of the Company comprising remuneration received or receivable from the Company and subsidiary companies during the financial year ended 31 December 2024 were as follows:-

1. Aggregate remuneration of directors of the Group and of the Company categorised into appropriate components:

	The Group		The Company	
	Emoluments RM'000	Fees RM'000	Emoluments RM'000	Fees RM'000
Executive Directors ^	2,242	–	–	–
Non-executive Directors	16	217	16	217
Total	**2,258**	**217**	**16**	**217**

^ including benefits-in-kind

Details of emoluments and fees paid to each individual director of the Company are as follows:-

	Emoluments RM'000	Allowances RM'000	Fees RM'000
Liew Jee Min @ Chong Jee Min	–	4	61
Khoo Chin Leng	787	–	–
Goh Hsu-Ming	614	–	–
Sim Yee Fuan	–	4	54
Doris Cheng Chin Ching	–	4	52
Lim Siew Eng	–	4	50
	1,401	**16**	**217**

2. The directors' emoluments and fees payable to the Directors of the Company falls into the following bands:

Range of remuneration	Executive	Non-executive
Below RM50,000	–	1
RM50,001 to RM100,000	–	3
RM600,001 to RM700,000	1	–
RM700,001 to RM800,000	1	–

3. The remuneration of the top five(5) senior management of the Group, including the Managing Director and Executive Directors, falls into the following bands:

Range of remuneration	
RM350,001 to RM400,000	2
RM550,001 to RM600,000	1
RM600,001 to RM650,000	1
RM750,001 to RM800,000	1

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Supply of information

All Board members are supplied with information in a timely manner. Board reports are circulated at least five working days prior to the Board Meetings to enable the Directors to obtain further information and explanation, where necessary, before the meetings.

The Board reports provide, amongst others, periodical financial and corporate information, significant operational, financial and corporate issues, performance of business units and management proposals that require Board's approval.

The Board has the services of two Company Secretaries who ensure that notices of meetings are duly distributed, both for the Company's own records and for the purposes of meeting statutory requirements as well as obligations arising from the Listing Requirements. The Company Secretaries are also charged with highlighting all issues that they feel ought to be brought to the Board's attention. During the Board of Directors' and other committee meetings, the Company Secretaries are jointly tasked with preparing the minutes to be signed off by the Chairman and distributed to all directors within a reasonable timeframe.

Besides the Company Secretaries, independent directors also have unrestricted access to the financial officers and internal auditors of the Company.

In exercising their duties, Board committees are entitled to obtain professional opinions or advice from external consultants such as investment bankers, valuers, human resource consultants and others.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Company has an Audit Committee whose composition meets the Listing Requirements i.e. three independent directors forming the majority and a member that is a qualified accountant. The Chairman of the Audit Committee is Sim Yee Fuan, an independent non-executive director. The Audit Committee meets periodically to carry out its functions and duties pursuant to its terms of reference. Other Board members also attend meetings upon the invitation of the Audit Committee.

Prior to the presentation of the quarterly financial statements to the Board and to the shareholders, the Audit Committee deliberates on the true and fairness of the information presented to ensure that the financial statements are prepared in accordance with the Malaysian Financial Reporting Standards and the provisions of the Companies Act, 2016, in Malaysia. Thereafter, the Audit Committee will recommend that the financial statements be approved by the Board and issued to shareholders.

Relationship with External Auditors

The Audit Committee meets with the external auditors at least twice during the year and maintains an appropriate relationship that is both formal and transparent. These meetings are carried out without the presence of any executive directors and management of the Company and of the Group to deliberate on the audit plans, summaries of findings and any other matters directly affecting the Company and the Group. At these meetings and throughout the financial year, the Audit Committee assesses the competency and independence of the external auditor and if satisfactory, recommends for re-appointment to the Board, who will then seek shareholders' approval at the Company's Annual General Meeting.

Yearly, the external auditors also duly declare to the Audit Committee and to the Board that they are in compliance with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

Corporate Governance Overview Statement
(cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control

The Board acknowledges the importance of having an adequate system of internal control and risk management within the Group. The key elements of the Group's internal control system are highlighted in the Statement of Risk Management and Internal Control on pages 95 and 96 of the Annual Report.

Internal Audit

The Group's internal audit function is outsourced to Baker Tilly Monteiro Heng Governance Sdn Bhd ("Baker Tilly"), who reports functionally to the Audit Committee. The Internal Auditor meets at least quarterly with the Audit Committee and provides the Committee with objective reports on the state of internal controls within the Group.

The Internal Auditor presented their findings and reported to the Audit Committee on their observations and issued recommendations to improvements on certain audit processes and controls. It is also guided by the principals set up under the Group's Risk Management framework. The Audit Committee assesses the performance of the Internal Auditor yearly and reports to the Board of Directors on the adequacy and relevance of the scope, functions, competency, authority and resources of the internal audit function to carry out its work.

The Audit Committee and Board of Directors are adequately satisfied with the competence, professionalism and impartiality of the Internal Auditor in carrying out their duties. For the financial year just ended, the Board and the Company are also of the view that the internal control systems of the Group are appropriate and adequate.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Shareholders

A comprehensive Annual Report is published and sent to all shareholders at the end of each financial year. Through the Chairman's Statement, Directors' Report, financial highlights and key performance indicators, the shareholders are informed about the operations of the Group. On a quarterly basis, the Company also releases to Bursa Securities, details of the Group's performance for the information of the public and shareholders.

In addition, any other material business matters affecting the Group or new corporate developments, if any, are also announced to Bursa Securities within the appropriate timeframe.

Annual General Meetings

The Annual General Meeting is also a means of communicating with shareholders. At the Meeting, shareholders and investors are invited to raise any questions they may have pertaining to Group operations and interact with Management, key officers, internal auditors and external auditors of the Group.

Notices for the Annual General Meeting are distributed at least twenty-eight days in advance, through an announcement on Bursa Securities' website and publication in at least one major newspaper in circulation in Malaysia. The Company's Annual General Meeting is usually held at a hotel, with ample parking spaces and other amenities. Shareholders are entitled to appoint a proxy or proxies or the Chairman to vote on their behalf at the Annual General Meeting.

The Twenty-Eighth Annual General Meeting ("28th AGM") of the Company which was held on 27 May 2024 was conducted by way of a fully virtual online meeting platform via TIIH 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 and was attended by all the Directors of the Company.

The conduct of the Company's forthcoming 29th Annual General Meeting shall be at a physical venue in Ipoh, Perak i.e. at Impiana Hotel Ipoh, 18 Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak, Malaysia at 12:00 p.m. The venue of the Meeting has adequate space and seatings for shareholders to participate, engage with the Board of Directors and senior management, and vote during the Meeting.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds from Private Placement Exercise

On 03 August 2023, the Company announced an extension of time and variation to the utilisation of proceeds raised from the Private Placement exercise in August 2021 amounting to RM66.6 million. As of 31 December 2024, the status of utilisation of the proceeds was as follows:

	Proposed Utilisation RM'000	Variation in utilisation of proceeds RM'000	Proceeds Un-utilised as of 31 December 2024 RM'000	Intended timeframe for utilisation
Acquisition of double-formers nitrile disposable glove production lines	66,024	–	–	–
Working capital	–	15,744	–	Immediate
Fixed or short-term deposits – earmarked for future investments^	–	50,280	3,500	To be determined
Estimated expenses	558	–	–	–
Total	**66,582**	**66,024**	**3,500**	

^ RM46.8 million had been partially utilised in the Group's property investment division, as well as in the purchase of property, plant and equipment.

On 02 April 2024, the Company obtained approval for a proposed Private Placement of 100,191,000 new ordinary shares. Following that, a total of 100,191,000 Placement Shares has been issued during the year, with total net proceeds of RM20.0 million raised.

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation
Working Capital	19,838	19,838	Within 24 months
Estimated expenses	200	200	Immediate
Total	**20,038**	**20,038**	

Share Buy-backs

The Company did not carry out any share-back exercises in the financial year just ended.

As of 31 December 2024, the Company's total number of issued share capital net of treasury shares was 1,102,110,781 shares.

Corporate Governance Overview Statement
(cont'd)

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

Audit and Non-Audit Services

	The Group RM	The Company RM
Fees paid/payable:		
Auditors of the Company:		
Statutory audit	340,000	103,000
Non-audit services	32,000	32,000
Other auditors:		
Statutory audit	47,063	–

Fees for non-audit services included the review of the Company's Statement of Risk Management and Internal Control ("SORMIC") and Sustainability Statement.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the directors and/or substantial shareholders or contracts relating to loans entered into by the Company and its subsidiaries either still subsisting at the end of the financial year or entered into since the end of the financial year.

Corporate Social Responsibility (CSR)

The Company and Group are committed to the ISO 14001 Environmental Management Systems and Standards accreditation where various efforts are implemented and/or intensified to minimise any adverse effects of the manufacturing processes to the environment. In addition, the Company also made some donations to various charities and welfare organisations in the financial year ended 31 December 2024, details of which are disclosed in the Company's Sustainability Statement of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement is prepared in compliance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires the Board of Directors of public listed companies to include in its Annual Report, a "statement about the state of internal control of the listed issuer as a group".

The Board of Directors of Hextar Healthcare Berhad is committed to maintaining a sound system of risk management and internal control in the Group and is pleased to provide the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2024.

BOARD RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control systems. This includes the establishment of an appropriate control environment and risk management framework as well as continually reviewing the adequacy and integrity of the said systems to safeguard our stakeholders' interests and the Group's assets. The system of risk management and internal controls covers finance, operations, management information systems and compliance with relevant laws, both local and foreign, all other statutory regulations, policies and procedures.

Whilst acknowledging its responsibilities, the Board of Directors is also aware of the limitations that are inherent in any systems of internal control and risk management, therefore such systems are designed to manage rather than totally eliminate the risks of failure to achieve business objectives. Accordingly, such systems can only provide reasonable rather than absolute assurance against material losses, misstatements or breaches of laws and/or regulations.

RISK MANAGEMENT FRAMEWORK

The Group's risk management and internal control framework is a continually updated and ongoing process for identifying, evaluating and managing significant risks impacting the Group. The implementation of the risk management and internal control systems are operated within the Group by qualified personnel and supported by Management throughout the financial year. The Board of Directors, with the assistance of its Audit Committee, has also received assurance from senior Management that the Group's risk management and internal control systems are operating adequately and effectively at the present time.

INTERNAL AUDIT

The Internal Audit function is an independent out-sourced division in the Group that reports functionally to the Audit Committee. The Internal Auditor meets at least quarterly with the Audit Committee and provides the Committee with objective reports on the state of internal controls within the Group. If necessary, the Internal Auditor also carries out ad-hoc audit assignments under the direction of the Audit Committee.

Statement on Risk Management and Internal Control
(cont'd)

OTHER KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM

The Group's internal control system is designed primarily to facilitate the achievement of the Group's business objectives and comprise, among others, the following salient features:-

- **Organisation structure**
  The organisation structure of the Group includes defined lines of responsibility and delegation of authority to the Committees of the Board as well as authority limits for management and operating units;

- **Group policies and procedures**
  The Group's policies and procedures are set in place to ensure controls are present in authorisation limits as well as compliance to current laws and regulations. These policies and procedures are clearly communicated to employees and include an expected code of conduct and discipline to which employees acknowledge at the time of employment;

- **Budgeting and monitoring processes**
  The operating subsidiary companies within the Group draw up an annual budget plan prior to the commencement of each new financial year that is seen and approved by Management before a Group Annual Budget is compiled and presented to the Board of Directors for consideration. Actual operating results are compared to the forecasted results regularly with variances reviewed and management action taken, where necessary. The Board of Directors is also informed of such variances on a quarterly basis;

- **Financial Performance Review**
  Regular and comprehensive information are provided to Management, covering financial results and key business indictors such as sales, production volumes, profit margins and cash flow performance;

- **Audit Committee**
  The Audit Committee comprises non-executive members of the Board of Directors, all of whom are independent, and a member that is a qualified accountant. The Audit Committee has full and unrestricted access to any information pertaining to the Group and has direct communication access to both the internal and external auditors of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In accordance to paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditor has reviewed this Statement in accordance with the scope set out in the Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3") issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in the review of the integrity of the system of risk management and internal control of the Group.

CONCLUSION

The Board has received assurance from the Managing Director that to the best of his knowledge the risk management and internal control of the Group are operating effectively and adequately in all material respects, for the year under review up to the date of approval of this statement. The Board has appraised and confirmed the risk management and internal control system is satisfactory and the control issues highlighted by both Internal and External Auditors have not resulted in any material losses, contingencies or uncertainties that would require disclosure in this report.

This statement was reviewed and approved by the Board in accordance with a resolution of the Board of Directors dated 25 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board, the provisions of the Companies Act 2016.

The Directors are also responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2024 set out on pages 110 to 179 of the Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are reasonable and prudent. Having made adequate enquiries, the Directors have prepared the financial statements on a going concern basis.

The Directors acknowledge the responsibility for ensuring that the Group and the Company keep accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company which enables them to ensure that the financial statements comply with the Companies Act, 2016. The Directors have overall responsibilities for taking such steps so as to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities

This Statement is made in accordance with a resolution of the Board of Directors dated 25 April 2025.

STATEMENT OF SHAREHOLDINGS
as at 27 March 2025

SHARE CAPITAL

Total Number of Issued Shares	:	1,193,383,881 ordinary shares (including 91,273,100 treasury shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 27 MARCH 2025
(As per Records of Depositors)

Size of Holding	No. of shareholders	No. of Shares Held	% of Shares Held
1 to 99	293	4,351	0.00
100 to 1,000	3,491	2,389,502	0.22
1,001 to 10,000	12,714	63,768,291	5.79
10,001 to 100,000	6,968	219,725,596	19.94
100,001 to <5% of shares	859	472,583,557	42.88
5% and above of shares	3	343,639,484	31.18
Total	**24,328**	**1,102,110,781***	**100.00**

Note:
* *Calculated based on the total number of issued shares (less Treasury Shares of 91,273,100) of 1,102,110,781 Shares.*

SUBSTANTIAL SHAREHOLDERS AS AT 27 MARCH 2025
(As per Register of Substantial Shareholders)

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows: -

No.	Name of Substantial Shareholders	No. of Shares held Direct	%	No. of Shares held Indirect	%
1	Hextar Rubber Sdn Bhd	252,171,566	22.88	–	–
2	Dato' Ong Choo Meng	–	–	252,171,566^	22.88^
3	Revongen Corporation Sdn Bhd	132,467,918	12.02	–	–

Note:
^ *Deemed Interest by virtue of his shareholding in Hextar Rubber Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act")*

Statement of Shareholdings
(cont'd)

DIRECTORS' INTERESTS IN SHARES AS AT 27 MARCH 2025
(As per Register of Directors' Shareholdings)

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:

No.	Name of Director	No. of Shares held Direct	%	No. of Shares held Indirect	%
1	Liew Jee Min @ Chong Jee Min	–	–	–	–
2	Khoo Chin Leng	58,486	0.01	6,396[(1)]	0.00[(1)]
3	Goh Hsu-Ming	–	–	–	–
4	Sim Yee Fuan	–	–	–	–
5	Doris Cheng Chin Ching	–	–	–	–
6	Lim Siew Eng	–	–	–	–

Note:

(1) *Deemed Interest by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Act.*

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE RECORD OF DEPOSITORS AS AT 27 MARCH 2025)

No.	Name of Shareholders	No. of Shares	%
1	M & A NOMINEE (TEMPATAN) SDN BHD - TEH & LEE FOR REVONGEN CORPORATION SDN BHD	132,467,918	12.02
2	HLB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR HEXTAR RUBBER SDN BHD (PJCAC)	126,817,522	11.51
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR HEXTAR RUBBER SDN BHD	84,354,044	7.65
4	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR HEXTAR RUBBER SDN BHD (M3918B)	41,000,000	3.72
5	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	15,962,000	1.45
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI	15,000,000	1.36
7	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK	11,000,000	1.00
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD - OLYMPIA TIER SDN. BHD	10,250,000	0.93
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB FOR NG AH CHAI (PB)	10,000,000	0.91
10	DIAMOND SILK INTERNATIONAL SDN BHD	9,589,457	0.87

Statement of Shareholdings
(cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)
(ACCORDING TO THE RECORD OF DEPOSITORS AS AT 27 MARCH 2025)

No.	Name of Shareholders	No. of Shares	%
11	CHAI KOON KHOW	9,154,800	0.83
12	TEW SENG KIEA	8,800,000	0.80
13	LAW ENG LIM	6,609,235	0.60
14	CHAI ANN KUO	5,476,600	0.50
15	MOK YAU CHOY	5,371,000	0.49
16	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ONG XENG THOU	5,024,200	0.46
17	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE (MY1325)	4,567,100	0.41
18	CHAH CHING BOO	4,161,100	0.38
19	LAW ENG LIM	3,990,000	0.36
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN POW CHOO @ WONG SENG ENG (6000090)	3,750,000	0.34
21	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ONG CHIN HONG	3,678,700	0.33
22	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG CHEE CHONG	3,400,000	0.31
23	KON CHOI YING	3,338,914	0.30
24	SABRI BIN ABD HAMID	3,300,000	0.30
25	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR YEOW YUEN FAT (MQ0617)	3,100,000	0.28
26	LOW CHU MOOI	2,900,000	0.26
27	LIM MEI MEI	2,900,000	0.26
28	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ERIC TAN CHWEE KUANG	2,600,000	0.24
29	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN PEI SHIUN	2,600,000	0.24
30	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG HIN SEONG	2,581,900	0.23
	Total	**543,744,490**	**49.34**

DIRECTORS' REPORT

The Directors of Hextar Healthcare Berhad hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

There have been no significant changes in the nature of these principal activities during the financial year.

The principal activities of its subsidiaries are disclosed in Note 17 to the financial statements.

FINANCIAL RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
(Loss)/Profit for the year	(13,920,087)	5,130,604

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

i) 28,500,000 new ordinary shares at an issue price of RM0.21 per ordinary share for a total cash consideration of RM5,985,000 for working capital purposes.
ii) 27,700,000 new ordinary shares at an issue price of RM0.215 per ordinary share for a total cash consideration of RM5,955,500 for working capital purposes.
iii) 43,991,000 new ordinary shares at an issue price of RM0.185 per ordinary share for a total cash consideration of RM8,138,333 for working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Directors' Report
(cont'd)

TREASURY SHARES

Treasury shares related to ordinary shares of the Company are repurchased and are held by the Company in accordance with the requirement of Section 127(4)(b) of the Companies Act, 2016. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

As of the end of the reporting period, the Company held a total of 91,273,100 treasury shares. Further details are disclosed in Note 26(b) to the financial statements.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Liew Jee Min @ Chong Jee Min
Khoo Chin Leng
Goh Hsu-Ming
Doris Cheng Chin Ching
Lim Siew Eng
Sim Yee Fuan

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Name of Directors	**Subsidiaries**
Khoo Chin Leng	RM, DG, RA, RSSL
Sabri bin Abd Hamid	RM, DG, RA, RSSL
Lim Chee Lip	RDISB, RESB, RISB
Goh Hsu-Ming	RDISB, RESB, RISB
Koay Jin Kheng (Appointed on 1 August 2024)	RDISB
Law Eng Lim (Resigned on 5 August 2024)	RDISB

Denotes:

RM	Rubberex (M) Sdn. Berhad
DG	Diamond Grip (M) Sdn. Bhd.
RSSL	Rubberex Spain, S.L.
RA	Rubberex Alliance Sdn. Bhd.
RDISB	Reszon Diagnostics International Sdn. Bhd.
RESB	Rubberex Empire Sdn. Bhd.
RISB	Rubberex International Sdn. Bhd.

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were Directors as of the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			
	Balance as of 1.1.2024	Bought	Sold	Balance as of 31.12.2024
Shares in the Company				
Registered in the name of Director				
Khoo Chin Leng	48,486	–	–	48,486
Indirect interests				
Khoo Chin Leng*	6,396	–	–	6,396

* Deemed interested through spouse's shareholding in the Company.

None of the other Directors in office at the end of the financial year held shares or had beneficial interests in the shares of the Company or of its subsidiaries during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Group and of the Company are as follows:

	The Group RM	The Company RM
Directors' fees	217,370	217,370
Salaries, allowances and bonuses	2,023,906	16,000
Contributions to the Employees' Provident Fund	182,533	–
	2,423,809	233,370
Benefits-in-kind*	51,950	–

* Represents estimated monetary value of benefits-in-kind received and receivable by the Directors other than in cash from the Group.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than as disclosed in Note 22 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company of which the Director has a substantial financial interest.

Directors' Report
(cont'd)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and other officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and other officers of the Company. The amount of indemnity coverage and insurance premium paid during the year amounted to RM10,000,000 and RM17,500 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision has been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

As of the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

As of the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

(a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Directors' Report
(cont'd)

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 37 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

The events after the reporting period are disclosed in Note 38 to the financial statements.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees payable to the Auditors and its local affiliate by the Group and the Company for the financial year ended 31 December 2024 amounted to RM372,000 and RM135,000 respectively. Further details are disclosed in Note 11 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors dated 25 April 2025.

....	)	
KHOO CHIN LENG	)	
	)	DIRECTORS
....	)	
LIEW JEE MIN @ CHONG JEE MIN	)	

Ipoh
25 April 2025

INDEPENDENT AUDITORS' REPORT
to the Members of Hextar Healthcare Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HEXTAR HEALTHCARE BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 110 to 179.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, are of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters are addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Group

Key Audit Matters	How the matters were addressed
Impairment assessment of property, plant and equipment of the Group During the financial year, a subsidiary namely, Rubberex Alliance Sdn. Bhd. ("RASB") recorded operating losses due to persistent oversupply of nitrile disposable gloves in the global market which translated into lowered average selling prices and depressed plant utilisation. Based on management's assessment, there are indications of impairment in relation to plant and machinery, lab equipment, including certain factory and auxiliary equipment and electrical installation of RASB. As of 31 December 2024, the carrying amounts of property, plant and equipment that was assessed for impairment as mentioned above of RASB, was RM100.6 million.	Our audit procedures, amongst others, included the following: Inquired of management and obtained their assessment on indicators for impairment. Obtained management's impairment workings, i.e. the value-in-use computation which was based on the Discounted Cash Flows ("DCF") method. Evaluated whether the DCF method (i.e. valuation technique) and significant assumptions used (i.e. revenue growth rates, discount rate and perpetual growth rate) were appropriate in the context of the financial reporting framework. Compared information used to develop the significant assumptions against other independent internal or external information for reasonableness. Evaluated the competency, capability and objectivity of the management personnel tasked to build the value-in-use valuation. Engaged internal valuation specialist to assess the discount rate applied in the value-in-use valuation by benchmarking against industry peer data.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the Other Information. The Other Information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report
(cont'd)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and were therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

Other Matters

1. The financial statements of the Group and the Company for the financial year ended 31 December 2023 were audited by another auditors who expressed an unmodified opinion on those financial statements on 25 April 2024.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANT (AF 0737)

ANTONY LEONG WEE LOK
(NO: 03381/06/2026 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
25 April 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2024

		The Group		The Company	
			Restated		
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Revenue	4	146,949,828	154,763,612	–	–
Investment revenue	6	482,033	1,724,800	120,874	180,407
Other gains and losses	7	3,989,544	(956,933)	6,426,396	–
Other operating income	9	2,352,437	660,447	–	–
Changes in inventories of work-in-progress, finished and trading goods		8,820,522	(17,235,293)	–	–
Purchase of finished and trading goods		(28,103,766)	(6,940,692)	–	–
Raw materials and consumables used		(61,411,969)	(75,350,605)	–	–
Depreciation of property, plant and equipment	14	(15,493,834)	(17,227,141)	–	–
Depreciation of right-of-use assets	16	(1,471,784)	(2,207,488)	–	–
Impairment loss on investment in a subsidiary	17	–	–	–	(37,324,816)
Impairment losses on property, plant and equipment	14	–	(7,921,323)	–	–
Net measurement of financial instruments	21	810,780	(5,084,634)	–	–
Amortisation of prepaid lease payments	15	(334,310)	(334,320)	–	–
Directors' remuneration	8	(2,423,809)	(3,241,295)	(233,370)	(237,370)
Employee benefit expenses	8	(30,833,232)	(35,578,713)	–	–
Finance costs	10	(526,499)	(822,608)	–	–
Other operating expenses		(39,445,193)	(57,798,689)	(1,183,296)	(929,233)
Share of loss of an associate	18	(2,342,085)	(89,974)	–	-
(Loss)/Profit before tax	11	(18,981,337)	(73,640,849)	5,130,604	(38,311,012)
Tax income	12	5,061,250	9,263,967	–	–
(Loss)/Profit for the year		(13,920,087)	(64,376,882)	5,130,604	(38,311,012)

Statements of Profit or Loss and Other Comprehensive Income (cont'd)

	Note	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(13,920,087)	(64,376,882)	5,130,604	(38,311,012)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(1,870,363)	1,850,370	–	–
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain on investment in equity instrument designated as at fair value through other comprehensive income ("FVTOCI")	19	–	413,121	–	–
Fair value loss on other assets designated as at fair value through other comprehensive income ("FVTOCI")	23	(38,647,582)	–	(38,647,582)	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(40,517,945)	2,263,491	(38,647,582)	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(54,438,032)	(62,113,391)	(33,516,978)	(38,311,012)
Loss per share					
Basic and diluted (sen per share)	13	(1.33)	(6.43)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
as of 31 December 2024

	Note	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	174,166,973	186,154,034	–	–
Prepaid lease payments	15	16,336,101	15,973,613	–	–
Right-of-use assets	16	2,819,624	4,113,047	–	–
Investments in subsidiaries	17	–	–	27,441,027	27,441,027
Investment in an associate	18	177,567,941	179,910,026	–	–
Other investments	19	1,057,725	1,057,725	–	–
Deferred tax assets	12	12,854,691	6,611,017	–	–
Total non-current assets		384,803,055	393,819,462	27,441,027	27,441,027
Current assets					
Inventories	20	63,862,326	57,294,132	–	–
Trade and other receivables	21	36,673,949	81,916,780	–	62,635,736
Amount owing by subsidiaries	22	–	–	199,044,594	193,844,412
Current tax assets		18,091,177	16,526,348	424,495	382,805
Other assets	23	26,474,877	2,688,290	24,014,254	1,000
Other financial assets	24	2,692	16,253	–	–
Deposits, cash and bank balances	25	9,217,257	26,057,090	3,038,065	3,524,029
Total current assets		154,322,278	184,498,893	226,521,408	260,387,982
Total assets		539,125,333	578,318,355	253,962,435	287,829,009

Statements of Financial Position
(cont'd)

	Note	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	26(a)	361,386,681	341,307,848	361,386,681	341,307,848
Treasury shares	26(b)	(48,190,897)	(48,190,897)	(48,190,897)	(48,190,897)
Reserves	27	194,873,738	249,311,770	(59,626,919)	(26,109,941)
Total equity		508,069,522	542,428,721	253,568,865	267,007,010
Non-current liabilities					
Borrowings	28	–	128,261	–	–
Hire-purchase payables	29	114,762	498,274	–	–
Lease liabilities	30	1,688,516	2,943,586	–	–
Deferred tax liabilities	12	1,932,795	1,671,795	–	–
Total non-current liabilities		3,736,073	5,241,916	–	–
Current liabilities					
Trade and other payables	31	16,316,090	21,790,210	–	6,426,396
Amount owing to a subsidiary	22	–	–	–	14,063,118
Amount owing to a director	32	–	50,060	–	–
Borrowings	28	392,169	91,600	–	–
Hire-purchase payables	29	280,172	605,581	–	–
Lease liabilities	30	1,251,824	1,370,976	–	–
Current tax liabilities		129,434	91,000	–	–
Other liabilities	33	8,950,049	6,648,291	393,570	332,485
Total current liabilities		27,319,738	30,647,718	393,570	20,821,999
Total liabilities		31,055,811	35,889,634	393,570	20,821,999
Total equity and liabilities		539,125,333	578,318,355	253,962,435	287,829,009

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the Year Ended 31 December 2024

The Group	Note	Share capital RM	Treasury shares RM	Investment reserve RM	Translation reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
		Attributable to Owners of the Company		Non-distributable			Distributable Reserve	
Balance as of 1 January 2023		341,307,848	(48,190,897)	–	138,616	–	311,286,545	604,542,112
Loss for the year		–	–	–	–	–	(64,376,882)	(64,376,882)
Other comprehensive income for the year		–	–	413,121	1,850,370	–	–	2,263,491
Total comprehensive income/(loss) for the year		–	–	413,121	1,850,370	–	(64,376,882)	(62,113,391)
Balance as of 31 December 2023		341,307,848	(48,190,897)	413,121	1,988,986	–	246,909,663	542,428,721
Transaction with owners:								
Issuance of new shares	26(a)	20,078,833	–	–	–	–	–	20,078,833
Loss for the year		–	–	–	–	–	(13,920,087)	(13,920,087)
Other comprehensive loss for the year		–	–	–	(1,870,363)	(38,647,582)	–	(40,517,945)
Total comprehensive loss for the year		–	–	–	(1,870,363)	(38,647,582)	(13,920,087)	(54,438,032)
Balance as of 31 December 2024		361,386,681	(48,190,897)	413,121	118,623	(38,647,582)	232,989,576	508,069,522

Statements of Changes in Equity
(cont'd)

The Company	Note	Share capital RM	Treasury shares RM	Fair value reserve RM	Reserve Retained earnings/ (Accumulated losses) RM	Net equity RM
		← Attributable to Owners of the Company				→
				Non-distributable	Distributable	
Balance as of 1 January 2023		341,307,848	(48,190,897)	–	12,201,071	305,318,022
Loss and total comprehensive loss for the year		–	–	–	(38,311,012)	(38,311,012)
Balance as of 31 December 2023		341,307,848	(48,190,897)	–	(26,109,941)	267,007,010
Transaction with owners:						
Issuance of new shares	26(a)	20,078,833	–	–	–	20,078,833
Profit for the year		–	–	–	5,130,604	5,130,604
Other comprehensive loss for the year		–	–	(38,647,582)	–	(38,647,582)
Total comprehensive loss for the year		–	–	(38,647,582)	5,130,604	(33,516,978)
Balance as of 31 December 2024		361,386,681	(48,190,897)	(38,647,582)	(20,979,337)	253,568,865

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the Year Ended 31 December 2024

The Group	Note	2024 RM	Restated 2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(18,981,337)	(73,640,849)
Adjustments for:			
Inventories written down to net realisable values		24,687,348	29,616,241
Depreciation of property, plant and equipment		15,493,834	17,227,141
Impairment losses on property, plant and equipment		–	7,921,323
(Reversal)/Loss allowances on receivables - net		(810,780)	5,084,634
Inventories written off		633,139	2,041,205
Depreciation of right-of-use assets		1,471,784	2,207,488
Gain on remeasurement of right-of-use assets		(111,892)	–
Loss on disposal of property, plant and equipment		187,017	1,216,867
Prepaid expenses written off		25,800	889,800
Finance costs		526,499	822,608
Property, plant and equipment written off		268,428	656,649
Amortisation of prepaid lease payments		334,310	334,320
Rental deposit paid forfeited		–	294,004
Bad debts written off		–	50,538
Investment revenue		(482,033)	(1,724,800)
Unrealised gain on foreign exchange		(90,729)	(315,819)
Advance payments received forfeited		–	(200,779)
Gain arising from termination of leases		–	(76,352)
Interest income		(82,488)	(34,909)
Fair value gain on financial asset designated as at FVTPL		–	(19,357)
Fair value gain on financial derivatives		(2,692)	(16,253)
Share of loss of an associate		2,342,085	89,974
Gain from derecognition of contingent consideration		(6,426,396)	–
Operating profit/(loss) before working capital changes		18,981,897	(7,576,326)
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		(33,128,597)	(5,350,739)
Trade and other receivables		(4,452,292)	(172,280)
Other assets		175,767	(160,765)
Other financial assets		16,253	2,507
(Decrease)/Increase in:			
Trade and other payables		1,849,566	(1,046,436)
Amount owing to a Director		(50,060)	–
Other liabilities		2,301,758	182,300
Cash used in operations		(14,305,708)	(14,121,739)
Income tax refunded		684,281	120,800
Income tax paid		(3,627,572)	(9,338,929)
Net cash used in operating activities		(17,248,999)	(23,339,868)

Statements of Cash Flows
(cont'd)

The Group (Cont'd)	Note	2024 RM	Restated 2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment revenue received		482,033	1,710,663
Proceeds from disposal of property, plant and equipment		478,527	1,275,366
Movement of fixed deposits pledged to licensed banks		(12,664)	71,452
Interest income received		82,488	34,909
Fair value change of financial asset designated as at FVTPL		–	19,357
Consideration paid for acquisition of an associate		–	(37,142,740)
Advance to associate company		(12,897,000)	–
Purchase of property, plant and equipment	35(a)(i)	(5,150,682)	(5,403,346)
Net cash used in investing activities		(17,017,298)	(39,434,339)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Proceeds from issuance of new shares	26(a)	20,078,833	–
Repayment of lease liabilities	35(b)	(1,435,998)	(1,958,810)
Finance costs paid		(526,499)	(822,608)
Drawdown of bills payable		283,000	–
Repayment of hire-purchase payables	35(b)	(708,921)	(682,478)
Repayment of term loans	35(b)	(110,692)	(646,941)
Net cash from/(used in) financing activities		17,579,723	(4,110,837)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(16,686,574)	(66,885,044)
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR		25,649,690	92,328,071
Effect of exchange rate changes on the balance of cash held in foreign currencies		(165,923)	206,663
END OF YEAR	35(c)	8,797,193	25,649,690

Statements of Cash Flows

(cont'd)

The Company	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		5,130,604	(38,311,012)
Adjustments for:			
Impairment loss on investment in a subsidiary		–	37,324,816
Investment revenue recognised in profit or loss		(120,874)	(180,407)
Gain from derecognition of contingent consideration		(6,426,396)	–
Operating loss before working capital changes		(1,416,666)	(1,166,603)
Movements in working capital:			
Increase in other assets		(25,100)	–
Increase/(Decrease) in other liabilities - accrued expenses		61,085	(145,306)
Cash used in operations		(1,380,681)	(1,311,909)
Income tax refunded		–	120,800
Income tax paid		(41,690)	(53,332)
Net cash used in operating activities		(1,422,371)	(1,244,441)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Advance to)/Repayment from subsidiaries - net		(5,200,182)	1,744,504
Investment revenue received		120,874	180,407
Net cash (used in)/from investing activities		(5,079,308)	1,924,911
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment to a subsidiary - Net	35(b)	(14,063,118)	(7,957,915)
Proceeds from issuance of new shares	26(a)	20,078,833	–
Net cash from/(used in) financing activities		6,015,715	(7,957,915)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(485,964)	(7,277,445)
CASH AND CASH EQUIVALENTS AS OF:			
BEGINNING OF YEAR		3,524,029	10,801,474
END OF YEAR	35(c)	3,038,065	3,524,029

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding.

The information on the name, country of incorporation and place of business, principal activities and proportion of ownership interest and voting power held by the Company in each subsidiary is as disclosed in Note 17.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Lot 138201, Off 3/4 Mile, Jalan Bercham, Kawasan Perindustrian Bercham, 31400 Ipoh, Perak Darul Ridzuan, Malaysia.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 April 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements
(cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices is active market for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Group and of the Company have established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all value are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs

In the current year, the Group and the Company adopted all of the new and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2024.

Their adoption have not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial year.

Effective for annual reporting period beginning on or after 1 January 2025
- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Effective for annual reporting period beginning on or after 1 January 2026
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments Disclosures)
- Amendments that are part of Annual Improvement-Volume 11:
  - Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
  - Amendments to MFRS 7 Financial Instruments: Disclosures
  - Amendments to MFRS 9 Financial Instruments
  - Amendments to MFRS 10 Consolidated Financial Statements
  - Amendments to MFRS 107 Statement of Cash Flows
- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity

Effective for annual reporting period beginning on or after 1 January 2027
- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

Deferred to a date to be determined by the MASB
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company upon its first adoption, except for:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier.

Notes to the Financial Statements
(cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 Significant Accounting Estimate and Judgements

2.6.1 Estimation uncertainty

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 4 to 50 years and reviews the useful lives of depreciable assets at the end of each reporting period. At 31 December 2024, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in the adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment and right-of-use assets at end of the reporting date are disclosed in Notes 14 and 16 to the financial statements.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group and the Company are not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Inventories

Inventories are measured at the weighted average cost. In estimating the net realisable value, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to economic and technological changes, which may cause fluctuations in selling prices and, consequently, affect the Group's profitability.

The carrying amount of the Group's inventories at the end of the reporting date are disclosed in Note 20 to the financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 Significant Accounting Estimate and Judgements (Cont'd)

2.6.1 Estimation uncertainty

Leases – Estimating the incremental borrowing rate

The Group cannot readily determines the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Allowance for expected credit losses ("ECL") of receivables

The Group and the Company reviews the recoverability of their receivables, include trade and other receivables, and amounts due from a subsidiary company and related companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's history, existing market conditions at the end of each reporting period.

The Group and the Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group's and the Company's provision for income taxes and deferred tax liabilities. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.6.2 Significant management judgement

There are no significant areas of estimation uncertainty and critical judgement in applying policies that have any significant effect on the amount recognised in the financial statements.

Notes to the Financial Statements
(cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Subsidiaries and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company and its subsidiaries:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries

Investment in subsidiaries, which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

As of acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or deferred tax liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Business Combinations (Cont'd)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with MFRS 9 *Financial Instruments* or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Investment in An Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associate is incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investment in an associate is carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of investment. Losses of an associate in excess of the Group's interests in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated statement of profit or loss.

When a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Revenue Recognition

Contract with customers

Revenue from sale of glove products is recognise at the point of time where control of the goods have been transferred to the customer.

Contracts with export sales are mainly negotiated on free-on-board ("FOB") or cost-insurance-freight ("CIF") terms. For local sales, gloves are delivered via lorries or other forms of inland transportation locally. To a lesser extent, the Group also carries out trading activities with goods purchased from third parties and shipped or delivered directly to customers. Depending on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer.

If shipping or similar handling costs are charged to customers, this implies that the seller is ultimately responsible for the delivery of the goods up to the customer's final destination, hence, such billings are also recognised as revenue.

Revenue is measured at the fair value of the consideration for the goods received or receivable, net of any sales tax, value-added tax or trade discounts. No element of financing is included in the selling prices as the consideration is received or receivable on a cash basis or within short credit terms of up to 180 days.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Segment Reporting

For management purposes, the Group is organised into operating segments that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Group's other components. The Group's reporting segments were identified based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group's reportable segments are strategic business operations that are managed separately based on the Group's management and internal reporting structure.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land and capital work-in-progress are not depreciated. Capital work-in-progress comprises contractors' payments and directly attributable costs incurred in preparing these assets for their intended use. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets, other than freehold land and capital work-in-progress, over their estimated useful lives, after taking into account their estimated residual values using the straight-line method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Property, Plant and Equipment (Cont'd)

The annual depreciation rates are as follows:

Factory buildings	2%
Plant and machinery	5% to 25%
Factory auxiliary and office equipment, furniture and fittings	5% to 28%
Electrical installation	5% to 10%
Motor vehicles	10% to 20%
Renovation	10%

The estimated useful lives, residual values and depreciation method are reviewed as of the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, Plant and Equipment under Hire Purchase Arrangements

Assets acquired under hire-purchase arrangements, which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the assets under hire purchase at the inception of the respective arrangements.

Finance costs, which represent the difference between the total hire purchase commitments and the fair values of the assets acquired, are charged to profit or loss over the term of the relevant hire purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid as of the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or a rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and to remove a leased asset, to restore the site on which it is located or to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS *137 Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Leases (Cont'd)

The Group as a lessee (Cont'd)

The right-of-use assets, including prepaid leased payments, are presented as a separate line in the statement of financial position. Leasehold land that normally has an indefinite economic life and where the title is not expected to pass to the lessee by the end of the lease period is treated as an operating lease. The payments made on entering into or acquiring a leasehold interest represent right-of-use assets and are amortised over the remaining lease periods ranging from 46 to 99 years.

The Group applies MFRS 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Assets' policy.

Variable rents that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'other operating expenses' in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "Weighted Average" method. The cost of raw materials, packing materials, trading goods, parts and consumables comprise the original purchase price plus cost incurred in bringing the inventories to their present location and condition. The cost of finished goods comprises the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. REVENUE

The following is an analysis of the Group's and of the Company's revenue for the year:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Sale of manufactured products	91,770,672	133,156,045	–	–
Sale of trading products	55,179,156	21,607,567	–	–
	146,949,828	154,763,612	–	–
Timing of revenue recognition:				
Goods transferred at a point in time	146,949,828	154,763,612	–	–

Revenue from sale of manufactured and trading products are recognised at a point in time when goods have been transferred and accepted by customers, net of discount.

Notes to the Financial Statements
(cont'd)

5. SEGMENT REPORTING

The segment reporting is presented in a manner which is consistent with internal reporting provided to the chief operating decision maker, which is the Managing Director of the Group and senior management.

The Group's reportable segments are segregated into the following operating activities:

- Gloves operation
- Medical devices operation
- Investment holding

Business segments by operating activities

The following is an analysis of the Group's revenue and results by reportable segments:

The Group **2024**	**Gloves operation RM**	**Medical devices operation RM**	**Investment holding RM**	**Eliminations RM**	**Total RM**
Revenue	161,670,335	9,828,217	709,900	(25,258,624)	146,949,828
Results					
Segment results	(22,613,313)	460,276	5,255,705	(2,039,539)	(18,936,871)
Investment revenue					482,033
Finance costs					(526,499)
Loss before tax					(18,981,337)
Tax income					5,061,250
Loss for the year					(13,920,087)
Assets					
Segment assets	298,327,889	12,831,498	227,965,946	–	539,125,333
Liabilities					
Segment liabilities	28,209,785	2,438,956	407,070	–	31,055,811
Other information					
Capital expenditure	5,150,682	–	–	–	5,150,682
(Reversal of)/Inventories written down to net realisable values	26,681,301	(1,993,953)	–	–	24,687,348
Inventories written off	–	633,139	–	–	633,139
Depreciation and amortisation charges	15,849,481	1,450,447	–	–	17,299,928
Reversal of loss allowances on receivables - net	90,220	(901,000)	–	–	(810,780)

5. SEGMENT REPORTING (CONT'D)

Business segments by operating activities (Cont'd)

The following is an analysis of the Group's revenue and results by reportable segments (Cont'd):

The Group (Cont'd)

2023	Gloves operation RM	Medical devices operation RM	Investment holding RM	Eliminations RM	Total RM
Revenue	177,454,446	8,199,240	709,898	(31,599,972)	154,763,612
Results					
Segment results	(39,052,751)	(32,440,850)	(40,674,477)	37,625,037	(74,543,041)
Investment revenue					1,724,800
Finance costs					(822,608)
Loss before tax					(73,640,849)
Tax income					9,263,967
Loss for the year					(64,376,882)
Assets					
Segment assets	306,342,490	13,386,123	258,589,742	–	578,318,355
Liabilities					
Segment liabilities	25,808,699	3,279,554	6,801,381	–	35,889,634
Other Information					
Capital expenditure	6,201,604	25,034	–	–	6,226,638
Inventories written down to net realisable values	21,305,885	8,310,356	–	–	29,616,241
Inventories written off	187,725	1,853,480	–	–	2,041,205
Depreciation and amortisation charges	16,425,932	3,329,713	192,436	(179,132)	19,768,949
Impairment losses on property, plant and equipment	–	7,921,323	–	–	7,921,323
Loss allowances on receivables - net	2,500,000	84,634	2,500,000	–	5,084,634

Notes to the Financial Statements
(cont'd)

5. SEGMENT REPORTING (CONT'D)

For the purposes of monitoring segment performance and allocation of resources between segments, all assets and liabilities that are allocated to reportable segments are managed on a group basis.

Revenue from sales to external customers by location of customers are as follows:

	The Group	
	2024 RM	**2023 RM**
Europe	59,440,428	86,805,791
Asia	41,268,985	8,829,580
North and South America	29,857,917	37,584,683
Rest of the world	16,382,498	21,543,558
	146,949,828	154,763,612

6. INVESTMENT REVENUE

	The Group		The Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Interest income from:				
Fixed and short-term deposits	482,033	1,387,503	120,874	180,407
Others	–	304,490	–	–
Income from money market fund	–	32,807	–	–
	482,033	1,724,800	120,874	180,407

The following is an analysis of investment revenue by category of assets:

	The Group		The Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Financial assets measured at:				
Amortised cost	483,033	1,691,993	120,874	180,407
FVTPL	–	32,807	–	–
	482,033	1,724,800	120,874	180,407

7. OTHER GAINS AND LOSSES

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Unrealised gain on foreign exchange	90,729	315,819	–	–
Gain arising from termination of leases	–	76,352	–	–
Fair value gain on financial asset designated as at FVTPL	–	19,357	–	–
Fair value gain on financial derivatives designated as at FVTPL	2,692	16,253	–	–
Realised loss on foreign exchange	(2,343,256)	(167,847)	–	–
Loss on disposal of property, plant and equipment	(187,017)	(1,216,867)	–	–
Gain from derecognition of contingent consideration	6,426,396	–	6,426,396	–
	3,989,544	(956,933)	6,426,396	–

8. DIRECTORS' REMUNERATION AND EMPLOYEE BENEFIT EXPENSES

Included in employee benefit expenses are the following:

	The Group 2024 RM	The Group 2023 RM
Salaries, allowances and bonuses	28,046,552	32,692,308
Statutory contributions	2,786,680	2,886,405
	30,833,232	35,578,713

Notes to the Financial Statements
(cont'd)

8. DIRECTORS' REMUNERATION AND EMPLOYEE BENEFIT EXPENSES (CONT'D)

Details of remuneration of Directors of the Group and of the Company are as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company:				
Salaries, allowances and bonuses	1,278,265	1,499,820	–	–
Statutory contributions	94,972	124,956	–	–
	1,373,237	1,624,776	–	–
Executive directors of the subsidiaries:				
Salaries and bonuses	729,641	1,231,380	–	–
Statutory contributions	87,561	147,769	–	–
	817,202	1,379,149	–	–
Non-executive directors:				
Fees	217,370	217,370	217,370	217,370
Allowances	16,000	20,000	16,000	20,000
	233,370	237,370	233,370	237,370
	2,423,809	3,241,295	233,370	237,370

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group amounted to RM51,950 (2023: RM75,900).

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly which includes executive directors of the Group and certain members of senior management of the Group.

The remuneration of members of key management personnel (other than the executive directors) of the Group during the year are as follows:

	The Group	
	2024 RM	2023 RM
Short-term employee benefits	1,552,744	1,329,645
Statutory contributions	186,416	159,857
	1,739,160	1,489,502

The estimated monetary value of benefits-in-kind received and receivable by members of key management personnel otherwise than in cash from the Group amounted to RM22,200 (2023: RM22,200).

9. OTHER OPERATING INCOME

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Sales of scraps	65,168	89,914	–	–
Insurance compensation	1,376,954	219,771	–	–
Incentive from government	–	42,195	–	–
Gain on remeasurement of lease liabilities	111,892	–	–	–
Miscellaneous income	293,137	24,277	–	–
Interest income from current account	82,488	34,909	–	–
Rental income	422,798	48,602	–	–
Advance payment received forfeited	–	200,779	–	–
	2,352,437	660,447	–	–

10. FINANCE COSTS

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Interest on:				
Term loans	17,504	45,235	–	–
Bank overdrafts	–	7,327	–	–
Bills payable	16,081	–	–	–
Lease liabilities (Note 30)	181,586	358,817	–	–
Hire-purchase payables	51,030	88,850	–	–
Bank charges and commitment fees	260,298	322,379	–	–
Total interest expenses for financial liabilities that are not designated as at FVTPL	526,499	822,608	–	–

Notes to the Financial Statements
(cont'd)

11. (LOSS)/PROFIT BEFORE TAX

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration related to:				
Statutory audit:				
- Grant Thornton Malaysia PLT	340,000	–	103,000	–
- Other auditors	47,063	372,909	–	90,000
Assurance-related services:				
- Grant Thornton Malaysia PLT	5,000	–	5,000	–
- Grant Thornton Consulting Sdn. Bhd.	27,000	–	27,000	–
- Other auditors	–	3,000	–	3,000
Expense relating to short-term leases	691,907	725,607	–	–
Property, plant and equipment written off	268,428	656,649	–	–
Loss on disposal of property, plant and equipment	187,017	1,216,867	–	–
Prepaid expenses written off	25,800	889,800	–	–
Rental deposit paid forfeited	–	294,004	–	–

12. TAX INCOME

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Tax income comprises:				
Current income tax expense:				
Malaysian	1,253,081	1,265,600	–	–
Foreign	137,343	–	–	–
Adjustment recognised in the current year in relation to the income tax of prior year	34,320	155,167	–	–
	1,424,744	1,420,767	–	–
Deferred tax relating to origination and reversal of temporary differences:				
Current year:				
Malaysian	(6,325,441)	(10,410,968)	–	–
Foreign	–	(620,766)	–	–
Adjustment recognised in the current year in relation to the deferred tax of prior year	(160,553)	347,000	–	–
	(6,485,994)	(10,684,734)	–	–
Total tax income	(5,061,250)	(9,263,967)	–	–

12. TAX INCOME (CONT'D)

The tax income for the year can be reconciled to the accounting (loss)/profit as follows:

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
(Loss)/Profit before tax	(18,981,337)	(73,640,849)	5,130,604	(38,311,012)
(Loss)/Profit calculated at 24% (2023: 24%)	(4,555,521)	(17,673,804)	1,231,345	(9,194,643)
Tax effects of:				
Expenses that are not deductible in determining taxable profit	2,177,455	3,067,670	203,499	9,117,643
Movements of deferred tax assets not recognised	(37,000)	4,781,000	–	–
Utilisation of deferred tax assets not recognised in prior year	(1,414,000)	–	–	–
Loss not available for off-set against future taxable profit	107,492	77,000	107,492	77,000
Share of loss of an associate	562,100	22,000	–	–
Income that is not taxable in determining taxable profit	(1,775,643)	(15,000)	(1,542,336)	–
Effect of different tax rates in other jurisdictions	–	(25,000)	–	–
	(4,935,117)	(9,766,134)	–	–
Adjustment recognised in the current year in relation to the income tax of prior year	34,420	155,167	–	–
Adjustment recognised in the current year in relation to the deferred tax of prior year	(160,553)	347,000	–	–
Tax income recognised in profit or loss	(5,061,250)	(9,263,967)	–	–

Malaysian income tax rate remained at 24% (2023: 24%) for the year of assessment 2024. Taxation for other jurisdiction is calculated at the rate prevailing in that jurisdiction.

Notes to the Financial Statements
(cont'd)

12. TAX INCOME (CONT'D)

Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	The Group 2024 RM	The Group 2023 RM
Deferred tax assets	12,854,691	6,611,017
Deferred tax liabilities	(1,932,795)	(1,671,795)
	10,921,896	4,939,222

The movements in deferred tax assets/(liabilities) during the year are as follows:-

	Balance as of 1 January RM	Recognised in profit or loss RM	Net foreign currency exchange differences RM	Balance as of 31 December RM
The Group				
2024				
Deferred tax assets/(liabilities)				
Property, plant and equipment, right-of-use asset	(19,010,795)	6,429,967	–	25,440,762
Unrealised gains on inventories	139,277	(90,038)	–	49,239
Unrealised foreign exchange differences	(75,000)	(16,000)	–	(91,000)
Unutilised tax losses and unabsorbed tax capital allowances	18,772,740	11,731,999	(503,320)	30,001,419
Inventories written down to net realisable values	5,113,000	1,290,000	–	6,403,000
	4,939,222	6,485,994	(503,320)	10,921,896
2023				
Deferred tax assets/(liabilities)				
Property, plant and equipment, right-of-use asset	(23,734,795)	4,724,000	–	(19,010,795)
Unrealised gains on inventories	360,309	(221,032)	–	139,277
Unrealised foreign exchange differences	81,000	(156,000)	–	(75,000)
Unutilised tax losses and unabsorbed tax capital allowances	10,944,145	7,382,766	445,829	18,772,740
Inventories written down to net realisable values	6,158,000	(1,045,000)	–	5,113,000
	(6,191,341)	10,684,734	445,829	4,939,222

12. TAX INCOME (CONT'D)

Deferred tax assets/(liabilities) recognised in the financial statements are in respect of the tax effects on the followings:

	2024 RM	2023 RM
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment, right-of-use assets and lease liabilities	(25,722,795)	(24,064,795)
Unrealised foreign exchange differences	(91,000)	(9,000)
	(25,813,795)	(24,073,795)
Offsetting	23,881,000	22,402,000
Deferred tax liabilities after offsetting	(1,932,795)	(1,671,795)
Deferred tax assets (before offsetting):		
Property, plant and equipment, right-of-use assets and lease liabilities	398,033	513,000
Unutilised tax losses and unabsorbed tax capital allowances	32,092,419	27,496,740
Inventories written down to net realisable values	7,919,000	7,108,000
Unabsorbed reinvestment allowances	169,000	169,000
Unabsorbed green investment allowance	1,070,000	–
Unrealised gains on inventories	49,239	139,277
	41,697,691	35,426,017
Offsetting	(23,881,000)	(22,402,000)
	17,816,691	13,024,017
Deferred tax assets recognised	(12,854,691)	(6,611,017)
Deferred tax assets not recognised	4,962,000	6,413,000

As mentioned in Note 3, the tax effects of deductible temporary differences which would give rise to deferred tax assets are generally recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 31 December 2024, the amounts of deductible temporary differences, unused tax losses and unused tax credits which are not recognised in the financial statements due to uncertain availability of future taxable income, are as follows:

	2024 RM	2023 RM
Deferred tax assets not recognised:		
Unutilised tax losses and unabsorbed tax capital allowances	13,877,000	16,614,000
Inventories written down to net realisable values	6,316,000	8,310,000
Property, plant and equipment	480,000	1,091,000
Unabsorbed reinvestment allowances	–	706,000
	20,673,000	26,721,000
Tax effect at 24%	4,962,000	6,413,000

Notes to the Financial Statements
(cont'd)

12. TAX INCOME (CONT'D)

The unutilised tax losses of the Group are expected to be disregarded by the end of year of assessment:

	2024 RM	2023 RM
Year of Assessment		
2032	486,000	486,000
2033	40,243,000	39,574,000
2034	5,729,000	–
	46,458,000	40,060,000

The unabsorbed reinvestment allowances of the Group of RM706,000 (2023: RM779,000) will be disregarded by the end of year of assessment 2034.

13. LOSS PER SHARE

Basic earnings per share are calculated by dividing profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares and including mandatorily convertible instruments held by the Company.

The basic and diluted loss per share are calculated as follows:

	2024 RM	2023 RM
Loss for the year attributable to owners of the Company	(13,920,087)	(64,376,882)

	2024 Shares	2023 Shares
Weighted average number of ordinary shares in issue as of 31 December	1,044,750,114	1,001,919,781

	2024 Sen	2023 Sen
Basic and diluted loss per share	(1.33)	(6.43)

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Factory buildings RM	Plant and machinery RM	Factory, auxiliary and office equipment, furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Renovation RM	Capital work-in progress RM	Total RM
The Group									
Cost									
Balance as of 1 January 2023	3,545,041	73,706,253	299,150,434	24,916,220	8,102,514	5,423,061	685,126	11,829,118	427,357,767
Additions (Note 35 (a))	–	732,336	3,042,750	140,671	–	425,000	22,000	1,863,881	6,226,638
Disposals	–	–	(1,541,685)	(1,102,402)	–	(1,128,595)	–	–	(3,772,682)
Write offs	–	–	(915,032)	(153,644)	(42,793)	(121,500)	(227,956)	–	(1,460,925)
Reclassifications	–	154,500	12,843,331	–	–	–	–	(12,997,831)	–
Net foreign currency exchange differences	–	–	–	68,813	–	–	–	–	68,813
Balance as of 31 December 2023	3,545,041	74,593,089	312,579,798	23,869,658	8,059,721	4,597,966	479,170	695,168	428,419,611
Additions (Note 35 (a))	–	72,665	4,477,439	508,440	17,500	–	–	74,638	5,150,682
Disposals	–	–	(337,275)	(12,046)	–	(679,381)	–	–	(1,028,702)
Write offs	–	–	(2,300,561)	–	–	–	–	–	(2,300,561)
Reclassifications	–	9,222	63,786	–	–	–	–	(73,008)	–
Transfer to prepaid lease payments	–	–	–	–	–	–	–	(696,798)	(696,798)
Net foreign currency exchange differences	–	–	–	(78,210)	–	–	–	–	(78,210)
Balance as of 31 December 2024	3,545,041	74,674,976	314,483,187	24,287,842	8,077,221	3,918,585	479,170	–	429,466,022

Notes to the Financial Statements
(cont'd)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Factory buildings RM	Plant and machinery RM	Factory, auxiliary and office equipment, furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Renovation RM	Capital work-in progress RM	Total RM
The Group (Cont'd)									
Accumulated depreciation and impairment losses									
Balance as of 1 January 2023	–	20,568,718	178,086,387	15,664,019	1,526,384	2,297,812	49,583	951,000	219,143,903
Charge for the year	–	1,337,224	13,411,037	1,359,390	416,549	411,416	291,525	–	17,227,141
Impairment losses for the year	–	–	7,799,423	–	121,900	–	–	–	7,921,323
Disposals	–	–	(312,630)	(192,030)	–	(775,789)	–	–	(1,280,449)
Write offs	–	–	(622,968)	(27,801)	(4,415)	(121,500)	(27,592)	–	(804,276)
Reclassifications	–	–	951,000	–	–	–	–	(951,000)	–
Net foreign currency exchange differences	–	–	–	57,935	–	–	–	–	57,935
Balance as of 31 December 2023	–	21,905,942	199,312,249	16,861,513	2,060,418	1,811,939	313,516	–	242,265,577
Charge for the year	–	1,349,289	11,967,514	1,255,101	399,485	356,791	165,654	–	15,493,834
Disposals	–	–	(93,933)	(5,578)	–	(263,647)	–	–	(363,158)
Write offs	–	–	(2,032,133)	–	–	–	–	–	(2,032,133)
Net foreign currency exchange differences	–	–	–	(65,071)	–	–	–	–	(65,071)
Balance as of 31 December 2024	–	23,255,231	209,153,697	18,045,965	2,459,903	1,905,083	479,170	–	255,299,049
Carrying amount									
Balance as of 31 December 2024	3,545,041	51,419,745	105,329,490	6,241,877	5,617,318	2,013,502	–	–	174,166,973
Balance as of 31 December 2023	3,545,041	52,687,147	113,267,549	7,008,145	5,999,303	2,786,027	165,654	695,168	186,154,034

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

During the financial year, the Group announced that a fire outbreak had occurred at its subsidiary's factory located at Lot 138201, Off ¾ Mile, Jalan Bercham, Kawasan Perindustrian Bercham, 31400 Ipoh, Perak. The incident resulted in damage to the Group's property, plant and equipment amounting to RM229,428.

Included in property, plant and equipment of the Group are the following assets under hire-purchase financing arrangements:

	Cost RM	Accumulated depreciation RM	amount RM
The Group			
2024			
Plant and machinery	1,789,159	919,992	869,167
Motor vehicles	168,679	62,764	105,915
	1,957,838	982,756	975,082
2023			
Plant and machinery	2,289,659	1,255,131	1,034,528
Motor vehicles	511,471	168,730	342,741
	2,801,130	1,423,861	1,377,269

Impairment losses recognised in the year

Rubberex Alliance Sdn. Bhd. ("RASB")

RASB recorded operating losses for the current and prior financial years due to exceptionally low production utilisation rate as a result of lowered market demand and decreased average selling prices for nitrile disposable gloves.

As the indication of impairment continues to exist in current year, the Directors have undertaken an impairment review by establishing the recoverable amounts of the plant and machinery, including certain factory and auxiliary equipment and capital work-in-progress of RASB, using the value-in-use model. Based on the review, no impairment losses are recognised during the financial year.

The principal assumptions used for the impairment review are as follows:

- Discount rate - A pre-tax discount rate of 13.40% (2023: 15.35%) was used in the calculation of recoverable amounts that reflects the current market assessment and the risks specific to RASB.
- Perpetual growth rate - 2.00% (2023: 2.10%), that reflects the inflation rate, was used in the calculation of terminal value, including maintainable capital expenditure.
- Revenue growth rates - Based on management's expectations of revenue, drawing from past experience and current assessment of the market and industry growth.

Notes to the Financial Statements
(cont'd)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment losses recognised in the year (Cont'd)

Rubberex Alliance Sdn. Bhd. ("RASB") (Cont'd)

Sensitivity to changes in key assumptions

The sensitivity analysis below has been determined based on reasonably possible changes of the key assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% (2023: 0.25%) higher/lower, the impairment losses would increase by RM14,238,781 (2023: RM2,464,917) or decrease by RM17,228,930 (2023: RM2,742,389).
- If the perpetual growth rate is 0.5% higher/lower, the impairment losses would decrease by RM5,898,622 (2023: RM3,661,281) or increase by RM5,402,939 (2023: RM3,228,110).

15. PREPAID LEASE PAYMENTS

The Group	Leasehold land 2024 RM	2023 RM
At cost		
Balance as of beginning of year	17,445,437	17,445,437
Addition	696,798	–
Balance as of end of year	18,142,235	17,445,437
Accumulated amortisation		
Balance as of beginning of year	1,471,824	1,137,504
Amortisation	334,310	334,320
Balance as of end of year	1,806,134	1,471,824
Carrying amount		
Balance as of end of year	16,336,101	15,973,613

16. RIGHT-OF-USE ASSETS

The Group	Factories and warehouse 2024 RM	2023 RM
Cost		
Balance as of beginning of year	9,941,612	8,570,807
Additions	41,987	2,604,822
Remeasurement	331,623	125,823
Termination of leases	–	(1,781,523)
Net foreign currency exchange differences	(607,392)	421,683
Balance as of end of year	9,707,830	9,941,612
Accumulated depreciation		
Balance as of beginning of year	5,828,565	4,465,887
Charge during the year	1,471,784	2,207,488
Termination of leases	–	(1,136,904)
Net foreign currency exchange differences	(412,143)	292,094
Balance as of end of year	6,888,206	5,828,565
Carrying amount		
Balance as of end of year	2,819,624	4,113,047

The lease terms of the right-of-use assets ranged from 2 to 5 (2023: 2 to 5) years. The maturity analysis of lease liabilities is disclosed in Note 30.

	2024 RM	2023 RM
The Group		
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	(1,471,784)	(2,207,488)
Expense relating to short-term leases	(691,907)	(917,767)
Interest expense on lease liabilities (Note 30)	(181,586)	(358,817)
Gain arising from termination of leases	–	76,352
Gain on remeasurement of leases	111,892	–

The total cash outflows for leases, including short-term leases, amount to RM2,309,491 (2023: RM3,235,394).

Notes to the Financial Statements
(cont'd)

17. INVESTMENTS IN SUBSIDIARIES

	The Company 2024 RM	2023 RM
Cost		
Balance as of beginning/end of year	64,765,843	64,765,843
Accumulated impairment losses		
Balance as of beginning of year	37,324,816	–
Additions	–	37,324,816
Balance as of end of year	37,324,816	37,324,816
	27,441,027	27,441,027
Unquoted shares:		
In Malaysia	27,441,027	27,441,027

The subsidiaries are as follows:

Name of Company	Country of incorporation and Place of business	Proportion of Ownership Interest and Voting Power Held 2024 %	2023 %	Principal Activities
Direct subsidiaries				
Rubberex (M) Sdn. Berhad ("RMSB")	Malaysia	100	100	Manufacturing and sale of household and industrial rubber gloves.
Diamond Grip (M) Sdn. Bhd. ("DGSB")	Malaysia	100	100	Investment holding.
Rubberex Empire Sdn. Bhd.	Malaysia	100	100	Investment holding.
Rubberex International Sdn. Bhd.	Malaysia	100	100	Trading and sale of gloves and In-Vitro Diagnostic ("IVD") medical devices.
Reszon Diagnostics International Sdn. Bhd. ("RDISB")	Malaysia	100	100	Manufacturing and sale of In-Vitro Diagnostic ("IVD") medical devices.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The subsidiaries are as follows: (Cont'd)

Name of Company	Country of incorporation and Place of business	Proportion of Ownership Interest and Voting Power Held 2024 %	2023 %	Principal Activities
Direct subsidiaries (Cont'd)				
Held through RMSB				
Rubberex Spain, S.L.*	Spain	100	100	Trading of gloves, household items, kitchen items and personal protective products.
Held through DGSB				
Rubberex Alliance Sdn. Bhd.	Malaysia	100	100	Manufacturing and sale of disposable gloves

* Audited by auditors other than member firms of Grant Thornton International Limited.

Impairment review of investment in a subsidiary

In the previous years, RDISB recorded a loss which is considered as a triggering event for impairment review on the carrying amount of its investment cost.

The recoverable amount of the investment cost is determined using RDISB as a whole as one CGU. Recognising that the recoverable amount of the investment cost is sensitive to changes in assumptions over future discount rates and cashflow projections which require significant judgement, the directors have performed a detailed impairment review and ensured that the judgement used are consistent with both market and operating model. Based on the review, impairment losses of RM37,324,816 was recognised in the previous year.

The principal assumptions used for the impairment review are as follows:

- Discount rate - A pre-tax discount rate of 13.90% was used in the calculation of recoverable amounts that reflects the current market assessment and the risks specific to RDISB.
- Perpetual growth rate - 2.10%, that reflects the inflation rate, was used in the calculation of terminal value, including maintainable capital expenditure.
- Revenue growth rates - Based on management's expectations of revenue, drawing from past experience and current assessment of the market and industry growth.

Notes to the Financial Statements
(cont'd)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment review of investment in a subsidiary (Cont'd)

Sensitivity to changes in key assumptions

The sensitivity analysis below has been determined based on reasonably possible changes of the key assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1.1% higher/0.4% lower, the impairment losses would increase by RM106,364 or decrease by RM27,789.
- If the perpetual growth rate is 0.5% higher/lower, the impairment losses would decrease by RM19,852 or increase by RM39,804.

In the previous year, the Company undertook the following transactions:

On 31 May 2022, the Company entered in a conditional share sale agreement to acquire 500,000 ordinary shares in Reszon Diagnostics International Sdn. Bhd. ("RDISB"), representing the entire equity interest in RDISB for a total purchase consideration up to RM180 million. The purchase consideration is satisfied via a combination of cash (30%) and new ordinary shares issued by the Company (70%) and is subjected to an annual profit guarantee of RM50 million for each of the financial years ended 31 December 2022 and 2023 respectively.

In the event that RDISB's cumulative profit after tax for financial year ended 31 December 2022 and 2023 exceeds the profit guarantee of RM100 million, the vendors shall be entitled to receive a one-off cash incentive ("Performance Bonus") which may increase the total purchase consideration. The Performance Bonus shall be capped at RM45 million and payable in proportion to the excess in profit guarantee attained by RDISB ("PG Surplus"). Such PG Surplus attained by RDISB shall be capped at RM30 million.

The acquisition was completed on 31 October 2022. As of date of acquisition, the Company had recognised cost of investment of RM40,804,974 based on the following:

(a) Actual cash paid out and new ordinary shares of the Company released to the vendors of RDISB which were computed based on the audited profit after tax ("PAT") of RDISB for financial year ended 31 December 2022; and
(b) Estimated cash to be paid out and new ordinary shares of the Company to be released to the vendors of RDISB which were computed based on the forecast PAT of RDISB for financial year ended 31 December 2023. The unpaid portion of the purchase consideration was recognised as contingent consideration liability and disclosed under Note 31.

During the financial year, the share sale agreement with the vendors of RDISB lapsed as the profit guarantee condition was not fulfilled. As a result, the new ordinary shares previously issued and held in escrow account, as disclosed in Note 21 to the financial statements, were no longer required to be released to the vendors.

Accordingly, the escrow account has been reclassified to other assets, and the contingent consideration liability has been reversed and recognised in other income. The escrow account is measured at fair value through other comprehensive income ("FVTOCI"), as disclosed in Note 23 to the financial statements.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries 2024	2023
Manufacturing and sale of household and industrial rubber gloves	Malaysia	1	1
Manufacturing and sale of disposable gloves	Malaysia	1	1
Manufacturing and sale of In-Vitro Diagnostic ("IVD") medical devices	Malaysia	1	1
Trading of gloves, household items, kitchen items and personal protective products	Spain	1	1
Trading and sale of gloves and of In-Vitro Diagnostic ("IVD") medical devices	Malaysia	1	1
Investment holding companies	Malaysia	2	2
		7	7

18. INVESTMENTS IN AN ASSOCIATE

	The Group 2024 RM	2023 RM
Unquoted shares, at cost	180,000,000	180,000,000
Share of post-acquisition results	(2,432,059)	(89,974)
	177,567,941	179,910,026

Notes to the Financial Statements
(cont'd)

18. INVESTMENTS IN AN ASSOCIATE (CONT'D)

The associate of the Group is as follows:

Name of Company	Country of incorporation and Place of business	Proportion of Ownership Interest and Voting Power Held 2024 %	2023 %	Principal Activities	Financial Year End
Held through Rubberex Empire Sdn. Bhd.					
Alliance Empire Sdn. Bhd. ("AESB")*	Malaysia	20	20	Letting out properties and parking space and mall management	31 December

* Not audited by Grant Thornton Malaysia PLT

The interest in the associate of the Group is analysed as follows:

	The Group 2024 RM	2023 RM
Share of net assets	147,566,023	149,908,108
Goodwill on consolidation	30,001,918	30,001,918
	177,567,941	179,910,026

Summarised financial information in respect of the associate of the Group is set out below:

	The Group 2024 RM	2023 RM
Current assets	10,738,706	190,564
Non-current assets	803,144,711	758,206,008
Current liabilities	76,053,303	8,856,030
Revenue	4,144,393	3,244,237
Loss and total comprehensive loss for the year	(11,776,106)	(323,420)

18. INVESTMENTS IN AN ASSOCIATE (CONT'D)

A reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

	The Group	
	2024	**2023**
	RM	**RM**
Net assets of the associate	737,830,114	749,540,542
Proportion of the Group's ownership interest	20%	20%
	147,566,023	149,908,108
Goodwill on acquisition	30,001,918	30,001,918
Carrying amount of the Group's interest in the associate	177,567,941	179,910,026

19. OTHER INVESTMENTS

	The Group	
	2024	**2023**
	RM	**RM**
Investment in equity instrument classified as at FVTOCI:		
Unquoted shares held outside Malaysia:		
Balance as of beginning of year	1,057,725	644,604
Fair value gains	–	413,121
Balance as of end of year	1,057,725	1,057,725

The Group's investment in equity instrument is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, the Directors of the Group have elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for medium to long-term purposes and realising its performance potential in the long run.

The fair value of investment in unquoted shares is determined based on the prices paid for the recent subscription of shares in the investee company.

Notes to the Financial Statements
(cont'd)

20. INVENTORIES

	The Group	
	2024 RM	**2023 RM**
Finished and trading goods	54,807,858	48,466,647
Raw materials	3,902,788	3,421,480
Packing materials	4,237,955	4,031,782
Work-in-progress	118,931	107,290
Parts and consumables	794,794	1,266,933
	63,862,326	57,294,132

The cost of inventories of the Group recognised as an expense during the year was RM179,771,544 (2023: RM200,546,041).

Included in cost of inventories recognised are the following:

	The Group	
	2024 RM	**2023 RM**
Inventories written down to net realisable values	(24,687,348)	(29,616,241)
Inventories written off	(633,139)	(2,041,205)

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Trade receivables	20,846,892	20,577,968	–	–
Less: Loss allowances	(1,770,055)	(2,580,835)	–	–
	19,076,837	17,997,133	–	–
Other receivables	22,597,112	6,283,911	–	–
Less: Loss allowances	(5,000,000)	(5,000,000)	–	–
	17,597,112	1,283,911	–	–
Escrow account	–	62,635,736	–	62,635,736
	36,673,949	81,916,780	–	62,635,736

21. TRADE AND OTHER RECEIVABLES (CONT'D)

The movements of loss allowances are as follows:

	The Group	
	2024 RM	2023 RM
Balance as of beginning of year	7,580,835	2,701,120
Additions	90,220	5,412,649
Reversal	(901,000)	(328,015)
Written off	–	(204,919)
Balance as of end of year	6,770,055	7,580,835

The currency profile of trade and other receivables is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Euro	9,180,113	6,032,859	–	–
United States Dollar	11,140,911	11,377,471	–	–
Ringgit Malaysia	16,182,311	64,230,451	–	62,635,736
Swiss Franc	170,614	275,518	–	–
Great Britain Pound	–	481	–	–
	36,673,949	81,916,780	–	62,635,736

Trade receivables comprise amounts receivable for the sale of goods. The credit periods granted on sale of goods ranged from cash to 90 days (2023: cash to 90 days). No interest is charged on overdue trade receivables.

In the previous year, trade and other receivables of the Group included amounts owing by related parties amounting to RM19,432. Related party transactions are disclosed in Note 22.

Included in other receivables of the Group are funds placed with a third party registered Peer-To-Peer (P2P) Financing Platform amounting to RM5,000,000 (2023: RM5,000,000) which are unsecured, bear interest rates ranging from 10.13% - 11.03% (2023: 10.13% - 11.03%) per annum and have maturity terms ranging from 90 to 120 days (2023: 90 to 120 days). In the previous year, loss allowances of RM5,000,000 have been recognised for funds placed with P2P Financing Platform. Management assessed the ECL for these funds based on correspondences with the fund manager on the timing of pay back in terms of principals and interests.

Escrow account has been reclassified to other assets during the financial year, as disclosed in Note 23 to the financial statements.

The Group applies the simplified approach to measure ECL. This entails recognising a lifetime expected loss allowance for all trade and other receivables. Loss rates are determined based on grouping of receivables sharing the same credit risk characteristics and past due days.

Notes to the Financial Statements
(cont'd)

21. TRADE AND OTHER RECEIVABLES (CONT'D)

Management assesses the ECL for portfolios of trade receivables based on customer segments, historical information on payment patterns, terms of payment, concentration maturity, and information about the general economic situation in the countries in which the trade receivables operate. For other receivables, except for the funds placed with P2P Financing Platform, management did not perform any assessment for ECL due to the nature of other receivables which comprised mainly advance payments made to suppliers for purchase of goods.

No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group will only write off a receivable when there is information indicating that the receivable is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the receivable has been placed under liquidation or has entered into bankruptcy proceedings.

Included in trade receivables of the Group are receivables with total carrying amount of RM3,132,864 (2023: RM3,329,353) which are past due at the end of the reporting period for which the Group has not recognised a loss allowance as there have not been significant changes in their credit quality and the probability of default are assessed as remote. The Group does not hold any collateral over these balances nor does it has a legal right to offset against any amounts owed by the Group to the counterparties.

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed by management at least twice a month.

Ageing of trade receivables which are past due at the end of the reporting period is as follows:

	The Group	
	2024	2023
	RM	RM
Debts past due but not impaired:		
Number of days past due:		
1 - 30 days	2,182,370	2,128,152
31 - 60 days	735,363	1,535,655
61 - 90 days	197,639	(65,229)
More than 90 days	17,492	(269,225)
	3,132,864	3,329,353
Debts past due and impaired:		
Number of days past due:		
More than 90 days	1,770,055	2,580,835

Ageing of other receivables which are past due at the end of the reporting period is as follows:

Debts past due and impaired:		
Number of days past due:		
More than 90 days	5,000,000	5,000,000

22. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the related parties and their relationships with the Group are as follows:

Name of related party	Relationships
Hextar Industrial Chemicals Sdn. Bhd. Hextar Chemicals Sdn Bhd Hextar Mitai Sdn. Bhd. Chempro Technology (M) Sdn. Bhd. Binasat Sdn. Bhd.	Companies in which a substantial shareholder of the Company has substantial financial interests.
Revongen Corporation Sdn. Bhd. Biosyntech Malaysia Group Sdn. Bhd. Revon Media Sdn. Bhd.	Companies in which a Director of the subsidiary, is also a Director and/or has substantial financial interests.
Speedy Assay Sdn. Bhd. Green Afforestation International Network Sdn. Bhd. Ecopeneer Sdn. Bhd.	Subsidiaries of Revongen Corporation Sdn. Bhd.
Revenlogy Sdn. Bhd. Vivantis Technologies Sdn. Bhd. Pop Bio Sdn. Bhd. Spygene Laboratories Sdn. Bhd. Bio. Etc. Pte. Ltd. Halvec Laboratories Sdn. Bhd. Hercuvan Lab Systems Sdn. Bhd.	Subsidiaries of Biosyntech Malaysia Group Sdn. Bhd.
Gain Green Development Sdn. Bhd. Greenery Generation Sdn. Bhd. United Paulownia Plantation Sdn. Bhd.	Subsidiaries of Green Afforestation International Network Sdn. Bhd.

The amounts owing by/(to) subsidiaries, arose mainly from advances and expenses paid on behalf which are unsecured and interest-free.

The amounts owing by/(to) subsidiaries, classified as current assets/(liabilities), are repayable upon demand and will be settled in cash.

The amounts owing by/(to) subsidiaries are denominated in Ringgit Malaysia.

During the financial year, transactions undertaken by the Group and the Company with their related parties are as follows:

	The Group	
	2024 RM	2023 RM
Subsidiaries		
Advances granted, net of repayment	(24,113,300)	(41,144,000)

Notes to the Financial Statements
(cont'd)

22. RELATED PARTY TRANSACTIONS (CONT'D)

The transactions with subsidiaries are aggregated as these transactions are similar in nature.

	The Group	
	2024 RM	2023 RM
Hextar Industrial Chemicals Sdn. Bhd.		
Purchase of goods	59,686	657,433
Sale of goods	–	71,609
Hextar Chemicals Sdn. Bhd.		
Purchase of goods	545	–
Biosyntech Malaysia Group Sdn. Bhd.		
Trade purchases	3,827	6,952
Upkeep of computer and software charges paid/payable	–	5,555
Purchase of property, plant and equipment	–	608
Rental received/receivable	16,603	–
Utilities received/receivable	2,372	–
Binasat Sdn. Bhd.		
Sale of goods	1,308,239	–
Revon Media Sdn. Bhd.		
Sale of property, plant and equipment	–	8,268
Speedy Assay Sdn. Bhd.		
Trade sales	76,240	140,781
Green Afforestation International Network Sdn. Bhd.		
Rental of office paid/payable	–	8,703
Upkeep expenses paid/payable	–	2,062
Cleaning charges paid/payable	–	464
Sale of small value assets	–	112
Ecopeneer Sdn. Bhd.		
Sale of property, plant and equipment	425	9,355
Sale of small value assets	–	8,230
Revenlogy Sdn. Bhd.		
Consultancy fees paid/payable	–	18,000

22. RELATED PARTY TRANSACTIONS (CONT'D)

	The Group	
	2024 RM	2023 RM
Vivantis Technologies Sdn. Bhd.		
Sale of small value assets	–	58,600
Sale of property, plant and equipment	–	50,781
Trade sales	60	3,683
Trade purchases	859	2,156
Salary sharing	8,695	–
Rental received/receivable	118,298	–
Utilities received/receivable	27,440	–
Upkeep of office received/receivable	7,465	–
Pop Bio Sdn. Bhd.		
Sale of property, plant and equipment	1,040	18,798
Sale of small value assets	–	168
Rental received/receivable	29,123	–
Utilities received/receivable	4,160	–
Spygene Laboratories Sdn. Bhd.		
Sale of property, plant and equipment	–	27,897
Trade purchases	1,867	–
Halvec Laboratories Sdn. Bhd.		
Patents and trademarks expenses paid/payable	–	17,090
Trade sales	–	136
Hercuvan Lab System Sdn. Bhd.		
Sale of small value assets	200	1,200
Rental received/receivable	15,048	–
Utilities received/receivable	2,150	–
Gain Green Development Sdn. Bhd.		
Legal fee paid/payable	–	30,130
Trade purchases	–	1,380
Sale of property, plant and equipment	–	900
Trade sales	952	816
Sale of small value assets	1,745	–
Greenery Generation Sdn. Bhd.		
Trade sales	272	272
Sale of small value assets	760	–

Notes to the Financial Statements
(cont'd)

22. RELATED PARTY TRANSACTIONS (CONT'D)

	The Group	
	2024	**2023**
	RM	**RM**
Plantzania Sdn. Bhd.		
Sale of property, plant and equipment	1,025	–
Rental received/receivable	8,818	–
Utilities received/receivable	1,260	–
Hextar Asset Management Sdn. Bhd.		
Training fee paid	5,120	–

23. OTHER ASSETS

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Escrow account	23,988,154	–	23,988,154	–
Deposits	1,580,166	1,391,783	7,190	1,000
Prepaid expenses	906,557	1,296,507	18,910	–
	26,474,877	2,688,290	24,014,254	1,000

The currency profile of other assets is as follows:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	25,865,354	2,411,910	24,014,254	1,000
Euro	609,523	276,380	–	–
	26,474,877	2,688,290	24,014,254	1,000

Escrow account of the Company comprised new ordinary shares issued by the Company in 2022 which were held in escrow account pursuant to the acquisition of RDISB in 2022 as mentioned in Note 17 to the financial statements.

The escrow account is measured at fair value through other comprehensive income ("FVTOCI").

24. OTHER FINANCIAL ASSETS

	The Group 2024 RM	The Group 2023 RM
Derivative financial assets		
Derivatives designated as at FVTPL		
- foreign currency forward contracts	2,692	16,253

The Group enters into foreign currency forward in the normal course of business to manage its exposure against foreign currency fluctuation on foreign receipts and payments.

25. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed and short-term deposits with licensed banks	3,920,064	17,787,400	3,000,000	3,500,000
Cash and bank balances	5,297,193	8,269,690	38,065	24,029
	9,217,257	26,057,090	3,038,065	3,524,029

The currency profile of fixed deposits, cash and bank balances of the Group is as follows:

	The Group 2024 RM	The Group 2023 RM
Ringgit Malaysia	7,444,883	23,386,631
Euro	837,973	2,316,685
United States Dollar	934,401	353,774
	9,217,257	26,057,090

Cash and bank balances of the Company are denominated in Ringgit Malaysia.

Notes to the Financial Statements
(cont'd)

25. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

The fixed and short-term deposits of the Group and of the Company have maturity periods and effective interest rates as follows:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
Fixed and short-term deposits:				
Maturity periods	12 months - 36 months	6 days - 12 months	12 months	6 days - 1 month
Effective interest rates (per annum)	2.20% - 3.65%	3.03% - 4.00%	3.65%	3.03%

Fixed deposits of RM420,064 (2023: RM407,400) have been pledged to certain licensed banks for credit facilities granted to the Company as disclosed in Note 28.

26. SHARE CAPITAL AND TREASURY SHARES

(a) Share Capital

	The Group and The Company			
	2024 Number of ordinary shares	**2023 Number of ordinary shares**	**2024 RM**	**2023 RM**
Issued and fully paid:				
Ordinary shares:				
Balance as of beginning of year	1,093,192,881	1,093,192,881	341,307,848	341,307,848
Issued during the year	100,191,000	–	20,078,833	–
Balance as of end of year	1,193,383,881	1,093,192,881	361,386,681	341,307,848

During the financial year, the Company issued:

i) 28,500,000 new ordinary shares at an issue price of RM0.21 per ordinary share for a total cash consideration of RM5,985,000 for working capital purposes.
ii) 27,700,000 new ordinary shares at an issue price of RM0.215 per ordinary share for a total cash consideration of RM5,955,500 for working capital purposes.
iii) 43,991,000 new ordinary shares at an issue price of RM0.185 per ordinary share for a total cash consideration of RM8,138,333 for working capital purposes.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

26. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Treasury Shares

	The Group and The Company			
	2024 Number of ordinary shares	2023 Number of ordinary shares	2024 RM	2023 RM
Ordinary shares:				
Balance as of beginning/end of year	91,273,100	91,273,100	48,190,897	48,190,897

Treasury shares related to ordinary shares of the Company that are repurchased and are held by the Company in accordance with the requirement of Section 127(4)(b) of the Companies Act, 2016. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

As of 31 December 2024, the number of ordinary shares in issue and fully paid after excluding the Treasury Shares was 1,102,110,781 (2023: 1,001,919,781).

27. RESERVES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable reserve:				
Translation reserve	118,623	1,988,986	–	–
Investment reserve	413,121	413,121	–	–
Fair value reserve	(38,647,582)	–	(38,647,582)	–
	(38,115,838)	2,402,107	(38,647,582)	–
Distributable reserve:				
Retained earnings/(Accumulated losses)	232,989,576	246,909,663	(20,979,337)	(26,109,941)
	194,873,738	249,311,770	(59,626,919)	(26,109,941)

Notes to the Financial Statements
(cont'd)

27. RESERVES (CONT'D)

(a) Translation reserve

Translation reserve represents the exchange differences arising on translation of financial statements of foreign subsidiary from its functional currency into Ringgit Malaysia that are taken up in other comprehensive income and accumulated in equity. Such exchange differences are recognised as income or expense in profit or loss, in the period in which the foreign subsidiary is disposed of.

(b) Investment reserve

The investment reserve of the Group arises from changes in fair value of investment in equity instrument designated as at FVTOCI.

(c) Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of other assets designated as at FVTOCI.

28. BORROWINGS

	The Group	
	2024	**2023**
	RM	**RM**
Secured:		
Term loan	109,169	219,861
Bills payable	283,000	–
	392,169	219,861
Less: Amount due within 12 months (shown under current liabilities)	(392,169)	(91,600)
Non-current portion	–	128,261

The non-current portion is repayable as follows:

	The Group	
	2024	**2023**
	RM	**RM**
Financial year ending December 31:		
2025	–	128,261

Borrowings of the Group are denominated in Ringgit Malaysia.

28. BORROWINGS (CONT'D)

The effective interest rates per annum are as follows:

	The Group 2024 %	2023 %
Term loans	7.39 - 7.70	7.00 - 11.15
Bank overdraft	8.92	7.24 - 8.70

The Group has five (5) term loans as follows:

(a) a five (5) year term loan of RMNil (2023: RM378,000) which is repayable by 60 monthly instalments commencing August 2017. The term loan has been fully settled in the previous year;
(b) a seven (7) year term loan of RMNil (2023: RM500,000) which is repayable by 84 monthly instalments commencing February 2018. The term loan has been fully settled in the previous year;
(c) a five (5) year term loan of RMNil (2023: RM400,000) which is repayable by 60 monthly instalments commencing May 2018. The term loan has been fully settled in the previous year;
(d) a five (5) year term loan of RMNil (2023: RM300,000) which is repayable by 60 monthly instalments commencing July 2019. The term loan has been fully settled in the previous year; and
(e) a five (5) year term loan of RM500,000 (2023: RM500,000) which is repayable by 60 monthly instalments commencing October 2020.

As of 31 December 2024, the Group and the Company have credit facilities of RM59,100,000 (2023: RM77,000,000) and RM30,000,000 (2023: RM30,000,000) respectively.

The Group's term loans and other credit facilities are guaranteed by the Company and certain subsidiaries except for the credit facilities of RM1,100,000 (2023: RM1,500,000) which are secured and guaranteed by:

(i) Fixed deposits of the subsidiary as mentioned in Note 25;
(ii) Corporate guarantee by certain related parties;
(iii) Credit Guarantee Corporation Malaysia Berhad for a limit of RM350,000 (2023: RM350,000); and
(iv) Personal guarantee by a related party of the subsidiary.

29. HIRE-PURCHASE PAYABLES

	The Group Minimum hire-purchase payments 2024 RM	2023 RM
Amount payable under hire-purchase arrangements:		
Within one year	294,481	656,636
In the second to fifth year inclusive	121,379	525,124
	415,860	1,181,760
Less: Future finance charges	(20,926)	(77,905)
Present value of hire-purchase payables	394,934	1,103,855

Notes to the Financial Statements
(cont'd)

29. HIRE-PURCHASE PAYABLES (CONT'D)

	The Group Present value of minimum hire-purchase payments 2024 RM	2023 RM
Amounts payable under hire-purchase arrangements:		
Within one year	280,172	605,581
In the second to fifth year inclusive	114,762	498,274
Present value of hire-purchase payables	394,934	1,103,855
Less: Amount due within 12 months (shown under current liabilities)	(280,172)	(605,581)
Non-current portion	114,762	498,274

The non-current portion is repayable as follows:

	The Group 2024 RM	2023 RM
Financial years ending December 31:		
2025	–	317,964
2026	76,542	117,485
2027	26,707	51,312
2028	11,513	11,513
	114,762	498,274

The terms for hire-purchase ranged from 2 to 7 years (2023: 2 to 7 years). For the financial year ended 31 December 2024, the effective hire-purchase interest rates ranged from 4.17% to 6.89% (2023: 4.17% to 6.89%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by the assets under hire-purchase.

Hire-purchase payables of the Group are denominated in Ringgit Malaysia.

30. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the financial year are as follows:

	2024 RM	2023 RM
Balance as of beginning of year	4,314,562	4,130,763
Additions	41,987	2,604,822
Remeasurement	219,731	125,823
Termination of leases	–	(720,971)
Accretion of interest (Note 10)	181,586	358,817
Settlements	(1,617,584)	(2,317,627)
Net foreign currency exchange differences	(199,942)	132,935
Balance as of end of year	2,940,340	4,314,562
Maturity analysis:		
Year 1	1,367,757	1,599,965
Year 2	1,367,763	1,404,965
Year 3	377,643	1,404,965
Year 4	–	385,654
	3,113,163	4,795,549
Less: Unearned interest	(172,823)	(480,987)
	2,940,340	4,314,562
Analysed as:		
Non-current	1,688,516	2,943,586
Current	1,251,824	1,370,976
	2,940,340	4,314,562

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's management.

The currency profile of lease liabilities of the Group is as follows:

	The Group	
	2024 RM	2023 RM
Ringgit Malaysia	894,740	1,368,585
Euro	2,045,600	2,945,977
	2,940,340	4,314,562

Notes to the Financial Statements
(cont'd)

31. TRADE AND OTHER PAYABLES

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Trade payables	10,300,357	9,365,846	–	–
Other payables	5,980,967	5,946,077	–	–
Contingent consideration	–	6,426,396	–	6,426,396
Taxes payable	34,766	51,891	–	–
	16,316,090	21,790,210	–	6,426,396

The currency profile of trade and other payables is as follows:

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Ringgit Malaysia	10,333,823	16,309,920	–	6,426,396
United States Dollar	4,315,892	2,195,555	–	–
Euro	1,665,927	2,047,389	–	–
Chinese Renminbi	448	1,237,113	–	–
Others	–	233	–	–
	16,316,090	21,790,210	–	6,426,396

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The credit periods granted to the Group for trade purchases ranged from cash to 90 days (2023: 90 days). No interest is charged on overdue trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Trade and other payables included amounts owing to related parties amounting to RM20,375 (2023: RM127,833). Related party transactions are disclosed in Note 22.

In the previous year, the Company recognised contingent consideration liability pursuant to the acquisition of RDISB as disclosed in Note 17 to the financial statements.

During the financial year, the contingent consideration liability has been reversed and recognised in other income due to the share sale agreement with the vendors of RDISB lapsed as the profit guarantee condition was not fulfilled.

32. AMOUNT OWING TO A DIRECTOR

The amount owing to a Director represents unsecured, non trade and interest-free advances that are repayable on demand.

33. OTHER LIABILITIES

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Accrued expenses	8,950,049	6,648,291	393,570	332,485

The currency profile of other liabilities of the Group and the Company are as follows:

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Ringgit Malaysia	7,446,324	5,830,545	393,570	332,485
Euro	1,503,725	817,746	–	–
	8,950,049	6,648,291	393,570	332,485

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group 2024 RM	The Group 2023 RM	The Company 2024 RM	The Company 2023 RM
Financial assets				
At amortised cost:				
Trade and other receivables	36,673,949	19,281,044	–	–
Amount owing by subsidiaries	–	–	199,044,594	193,844,412
Refundable deposits	1,580,166	1,391,783	7,190	1,000
Deposits, cash and bank balances	9,217,257	26,057,090	3,038,065	3,524,029
At FVTOCI:				
Investment in unquoted shares	1,057,725	1,057,725	–	–
At FVTPL:				
Derivatives - foreign currency forward contracts	2,692	16,253	–	–
Financial liabilities				
At amortised cost:				
Trade and other payables	16,281,324	21,738,319	–	6,426,396
Amount owing to a Director	–	50,060	–	–
Other liabilities - accrued expenses	8,950,049	6,648,291	393,570	332,485
Amount owing to a subsidiary	–	–	–	14,063,118
Borrowings	392,169	219,861	–	–
Hire-purchase payables	394,934	1,103,855	–	–
Lease liabilities	2,940,340	4,314,562	–	–

Notes to the Financial Statements
(cont'd)

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Categories of financial instruments (Cont'd)

Financial Risk Management Objectives and Policies

The operations of the Group and of the Company are subjected to a variety of financial risks, including market risk, credit risk, liquidity risk and cash flow risk. The principal objective of the Group and of the Company is to minimise their exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

(a) Market risk

The Group and the Company are exposed primarily to the risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's and the Company's exposure to market risks or the manner in which these risks are managed and measured.

(i) Foreign currency risk management

The Group transacts business in various foreign currencies mainly including United States Dollar ("USD"), Euro ("EUR"), Chinese Renminbi ("RMB") and Swiss Franc ("CHF") and therefore, are exposed to foreign exchange risk. The Group enters into foreign currency forward contracts to manage its exposure against foreign currency fluctuations on foreign receipts and payments.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities of the Group at the end of the reporting period are disclosed in Notes 21, 23, 25, 30, 31 and 33.

Foreign currency sensitivity analysis

The following table details the sensitivity of the Group to a 1.20% increase/decrease in RM against the relevant foreign currencies. This sensitivity rate is used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates in the next 12 months.

The following sensitivity analysis includes only outstanding foreign currency denominated monetary items. If the foreign currency denominated monetary items of the Group at the end of the reporting period were translated into Ringgit Malaysia with a 1.20% fluctuation in the exchange rates against the following relevant foreign currencies, the effect on profit net of tax in profit or loss and translation reserve are as follows:

	2024		2023	
	Profit or loss RM	Equity RM	Profit or loss RM	Equity RM
USD	84,514	–	66,700	26,665
CHF	1,556	–	2,513	–
CNY	(4)	–	(11,282)	–
EUR	42,064	191,889	5,820	297,238

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Categories of financial instruments (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Market risk (Cont'd)

(ii) Interest rate risk management

Interest rate risk is the risk that the fair values or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company finance their operations by a mixture of internal funds, banks and other borrowings. The Group and the Company regularly review the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration of the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group and the Company are to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The details of the Group's and the Company's deposits and borrowings are as disclosed in Notes 25 and 28 respectively.

Interest rate sensitivity analysis

The Group and the Company do not consider their exposure to interest rate risk from bank borrowings and interest-bearing assets significant as of 31 December 2024 due to insignificant fluctuations in the market interest rates. Therefore, interest rate sensitivity analysis is not disclosed.

(b) Credit risk management

The Group and the Company are exposed primarily to the risks of changes in foreign currency exchange rates and interest rates.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. The exposure of the Group to credit risk arises principally from its receivables and other financial assets while the exposure of the Company to credit risk arises from its intercompany balances, financial guarantees given to licensed banks for credit facilities granted to subsidiaries and other financial assets.

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Categories of financial instruments (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk management (Cont'd)

Receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

As the Group does not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

A significant portion of trade receivables are regular customers of the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Trade receivables with balances exceeding credit limits are monitored through the holding back of new shipment until the old debts plus the new orders are within the credit limit.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparties did not exceed (10) per cent of gross trade receivables at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit risk for other receivables which comprise mainly funds placed with P2P Financing Platform is assessed as higher due to uncertainty of recoverability. Thus, the Group closely monitors the maturity dates and the timing of pay back of these funds. In the previous year, loss allowances of RM5,000,000 have been recognised due to uncertainty of recoverability as disclosed under Note 21. For the remaining other receivables, the Group does not foresee any credit risk due to the nature of these other receivables which comprise mainly advance payments made to suppliers.

The ageing of trade receivables that are past due but not impaired is disclosed in Note 21.

Intercompany Balances

The Company provides unsecured advances to its subsidiaries. There is no fixed repayment term imposed on intercompany balances as the credit risk is managed on a Group basis by management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiaries, is minimal.

The Company measures the loss allowance for amount due from subsidiaries if there are indicators that the subsidiaries are having financial difficulties or inactive. At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

At the end of the reporting period, there was no indication that the balances due from subsidiaries are not recoverable.

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Categories of financial instruments (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Credit risk management (Cont'd)

Financial Guarantee

The Company provides unsecured financial guarantees to licensed banks in respect of credit facilities granted to subsidiaries. The Company monitors on an ongoing basis the trend of repayments made by the subsidiaries.

There is no exposure to credit risk as there is no outstanding balance of credit facilities of subsidiaries in which financial guarantees are given by the Company as of the end of the current and prior reporting periods.

Other Financial Assets

The credit risk on liquid funds are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity and cash flow risks management

Ultimate responsibility for liquidity and cash flow risks management rests with the Board of Directors, which has built an appropriate liquidity and cash flow risks management framework for the management of the short, medium and long-term funding and liquidity management requirements of the Group and of the Company. The Group and the Company manage liquidity and cash flow risks by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The Group and the Company expect that the cash generated from their operations, their existing credit facilities and the trade terms provided by their suppliers will be sufficient to meet the Group's and the Company's currently anticipated capital expenditure and working capital needs for at least the next 12 months. The Group and the Company may consider opportunities to obtain additional funds to support their working capital requirements and capital expenditures, or may seek to raise additional funds through equity financing.

The Group and the Company have credit facilities of approximately RM59,100,000 (2023: RM77,000,000) and RM30,000,000 (2023: RM30,000,000) of which RM58,817,000 (2023: RM76,500,000) and RM30,000,000 (2023: RM30,000,000) respectively remain unused at the end of the reporting period.

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Categories of financial instruments (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks management (Cont'd)

The maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations are as follows:

The Group **2024**	**On demand or within one year** **RM**	**One year to five years** **RM**	**Total contractual cash flows** **RM**	**Total carrying amounts** **RM**
Non-derivative financial liabilities:				
Trade and other payables	16,281,324	–	16,281,324	16,281,324
Other liabilities - accrued expenses	8,950,049	–	8,950,049	8,950,049
Borrowings	397,622	–	397,622	392,169
Hire-purchase payables	294,481	121,379	415,860	394,934
Lease liabilities	1,367,757	1,745,406	3,113,163	2,940,340
Total undiscounted non-derivative financial liabilities	27,291,233	1,866,785	29,158,018	28,958,816
2023				
Non-derivative financial liabilities:				
Trade and other payables	21,738,319	–	21,738,319	21,738,319
Amount owing to a Director	50,060	–	50,060	50,060
Other liabilities - accrued expenses	6,648,291	–	6,648,291	6,648,291
Borrowings	113,960	141,305	255,265	219,861
Hire-purchase payables	656,636	525,124	1,181,760	1,103,855
Lease liabilities	1,599,965	3,195,584	4,795,549	4,314,562
Total undiscounted non-derivative financial liabilities	30,807,231	3,862,013	34,669,244	34,074,948

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Categories of financial instruments (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity and cash flow risks management (Cont'd)

The maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations are as follows (Cont'd):

The Company 2024	On demand or within one year RM	Total contractual cash flows RM	Total carrying amounts RM
Non-derivative financial liabilities:			
Accrued expenses	393,570	393,570	393,570
Total undiscounted non-derivative financial liabilities	393,570	393,570	393,570
2023			
Non-derivative financial liabilities:			
Trade and other payables	6,426,396	6,426,396	6,426,396
Amount owing to a subsidiary	14,063,118	14,063,118	14,063,118
Accrued expenses	332,485	332,485	332,485
Total undiscounted non-derivative financial liabilities	20,821,999	20,821,999	20,821,999

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Gross settled: Foreign currency forward contracts	On demand or within one year RM	One year to five years RM	Total RM
2024			
- Gross inflows	567,627	–	567,627
2023			
- Gross inflows	4,697,443	–	4,697,443

Notes to the Financial Statements
(cont'd)

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remain unchanged from 2023.

The capital structure of the Group and the Company consists of net debt and equity. The Group and the Company are not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio as of the end of the reporting period is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Debts (i)	787,103	1,323,716	–	–
Deposits, cash and bank balances	(9,217,257)	(26,057,090)	(3,038,065)	(3,524,029)
Net (cash)	(8,430,154)	(24,733,374)	(3,038,065)	(3,524,029)
Equity (ii)	508,069,522	542,428,721	253,568,865	267,007,010
Net debt to equity ratio	Not applicable	Not applicable	Not applicable	Not applicable

(i) Debts are defined as bank borrowings and hire-purchase payables.
(ii) Equity includes all capital and reserve excluding treasury shares of the Group and the Company that are managed as capital.

Fair values of financial instruments

Foreign currency forward contracts

The notional amounts and estimated fair values of the Group's foreign currency forward contracts outstanding as of the end of the reporting period are as follows:

	Outstanding contract			
	Sell USD	Sell EUR	Sell CHF	Net
2024				
Foreign currency	127,000	–	–	
Notional value (RM)	567,627	–	–	
Fair value (RM)	2,692	–	–	2,692

34. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(d) Capital risk management (Cont'd)

Fair values of financial instruments *(Cont'd)*

Foreign currency forward contracts (Cont'd)

The notional amounts and estimated fair values of the Group's foreign currency forward contracts outstanding as of the end of the reporting period are as follows: (Cont'd)

	Outstanding contract			
	Sell USD	**Sell EUR**	**Sell CHF**	**Net**
2023				
Foreign currency	650,959	279,969	50,000	
Notional value (RM)	2,993,812	1,433,350	270,281	
Fair value (RM)	7,210	11,209	(2,166)	16,253

The fair values of foreign currency forward contracts, which are categorised as Level 2 in the fair value hierarchy, are calculated by reference to the current rates for contracts with similar maturity profiles.

Financial instruments carried at amortised cost

The fair values of short-term financial assets and financial liabilities approximate their respective carrying amounts due to the relatively short-term maturity of these financial instruments.

The fair values of term loans and hire-purchase payables, which are categorised as Level 2 in the fair value hierarchy, are estimated using discounted cash flow analysis based on the current borrowing rates for similar types of term loans and hire-purchase arrangements. There is no material difference between the carrying amounts and the estimated fair values of term loans and hire-purchase payables.

Financial instruments carried at FVTOCI

The fair value of investment in equity instrument, which was categorised as Level 3 in the fair value hierarchy, is disclosed under Note 19.

Financial instruments carried at FVTPL

The fair value of money market fund, which was categorised as Level 1 in the fair value hierarchy was disclosed under Note 25.

There were no transfers between Levels 1 and 2 in both 2024 and 2023.

Notes to the Financial Statements
(cont'd)

35. STATEMENT OF CASH FLOWS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group 2024 RM	The Group 2023 RM
Cash purchase	5,150,682	5,403,346
Advance payments recognised in other receivables	–	796,792
Balance outstanding recognised in other payables	–	26,500
	5,150,682	6,226,638

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes.

The Group	Note	As at 1.1.2024 RM	Financing cash flows RM	Non-cash changes RM	As at 31.12.2024 RM
Term loans	28	219,861	(110,692)	283,000	392,169
Hire-purchase payable	29	1,103,855	(708,921)	–	394,934
Lease liabilities	30	4,314,562	(1,435,998)	61,776	2,940,340

	Note	As at 1.1.2023 RM	Financing cash flows RM	Non-cash changes RM	As at 31.12.2023 RM
Term loans	28	866,802	(646,941)	–	219,861
Hire-purchase payable	29	1,786,333	(682,478)	–	1,103,855
Lease liabilities	30	4,130,763	(1,958,810)	2,142,609	4,314,562

35. **STATEMENT OF CASH FLOWS (CONT'D)**

(b) **Reconciliation of liabilities arising from financing activities (Cont'd)**

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes (cont'd).

The Company	Note	As at 1.1.2024 RM	Financing cash flows RM	Non-cash changes RM	As at 31.12.2024 RM
Amount owing to a subsidiary	22	14,063,118	(14,063,118)	–	–

	Note	As at 1.1.2023 RM	Financing cash flows RM	Non-cash changes RM	As at 31.12.2023 RM
Amount owing to a subsidiary	22	22,021,033	(7,957,915)	-	14,063,118

Non-cash changes comprised additions of leases, termination of leases and net foreign currency exchange differences.

(c) **Cash and cash equivalents**

Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposits with licensed banks	3,920,064	17,787,400	3,000,000	3,500,000
Cash and bank balances	5,297,193	8,269,690	38,065	24,029
	9,217,257	26,057,090	3,038,065	3,524,029
Less: Fixed deposits pledged to licensed banks	(420,064)	(407,400)	–	–
	8,797,193	25,649,690	3,038,065	3,524,029

Notes to the Financial Statements
(cont'd)

36. CAPITAL COMMITMENTS

As of the end of the reporting period, the Group has capital commitments in respect of the followings:

	2024 RM	2023 RM
Approved and contracted for:		
Property, plant and equipment	–	301,017

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 20 June 2024, the Company announced that a fire outbreak had occurred to the factory of Rubberex (M) Sdn. Berhad ("RMSB"), the wholly-owned subsidiary of the Company, located at Lot 138201, Off ¾ Mile, Jalan Bercham, Kawasan Perindustrian Bercham, 31400 Ipoh, Perak. The incident resulted in damage to the RMSB's property, plant and equipment.

Following this incident, RMSB submitted insurance claim amounting to approximately RM1.4 million under its comprehensive insurance coverage, which includes protection for property damage and business interruption.

On 24 January 2025, RMSB received the final and full settlement of the insurance claim amounting to approximately RM1.4 million.

38. EVENTS AFTER THE REPORTING PERIOD

a) On 13 January 2025, Rubberex Alliance Sdn. Bhd., the wholly-owned subsidiary of the Company entered into a sale and purchase agreement for the disposal of two parcels of vacant industrial lands, namely PT 34584 and PT 34587 measuring approximately 12,839 square metres and 35,260 square metres respectively for a total consideration of RM11,900,000. These parcels are located in Mukim of Sungai Terap, District of Kinta, State of Perak.

b) On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

   The Group notes that the US is one of its export markets for gloves. While the temporary suspension of the 24% tariff provides short-term relief, the continuation of the 10% baseline tariff may increase the cost burden for US importers and could potentially impact demand or pricing strategies. At this juncture, management does not expect the reciprocal tariff to have a material adverse impact on the Group's business operations or financial performance, as existing supply commitments and pricing mechanisms are being reviewed and adjusted accordingly.

   The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

39. COMPARATIVE INFORMATION

Certain comparative figures in the financial statements have been reclassified on the face of statement of cash flows to conform with current year presentation.

	As previously reported RM	Reclassification RM	As reclassified RM
Group			
2023			
Statement of profit or loss and other comprehensive income (extracted):-			
Net measurement of financial instruments	–	5,084,634	5,084,634
Other operating expenses	62,883,323	(5,084,634)	57,798,689
Statement of cash flows (extracted):-			
Cash Flows from Operating Activities			
Interest received	34,909	(34,909)	–
Cash Flows from Investing Activities			
Interest received	–	34,909	34,909

STATEMENT BY DIRECTORS

The Directors of **HEXTAR HEALTHCARE BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors dated 25 April 2025.

KHOO CHIN LENG

LIEW JEE MIN @ CHONG JEE MIN

Ipoh
25 April 2025

DECLARATION BY THE DIRECTOR

Primarily Responsible for the Financial Management of the Company

I, **KHOO CHIN LENG (IC No. 590509-07-5615)**, the Director primarily responsible for the financial management of **HEXTAR HEALTHCARE BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

KHOO CHIN LENG

Subscribed and solemnly declared by the
abovenamed at Ipoh, Perak
in this day of 25 April 2025

Before me,

WONG KIAN SHYAN (A292)
COMMISSIONER FOR OATH

PROPERTIES HELD BY THE COMPANY AND ITS SUBSIDIARIES

as at 31 December 2024

Location	Registered Owner	Tenure/ Expiry Date	Description of existing use	Land area (sq. m)	Date of Acquisition/ [Revaluation]	Age (years)/ Carrying amount (RM'000)
Lot 228174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Rubberex (M) Sdn Berhad	Freehold/–	Manufacturing, warehouse and office	37,258	[1996]	30.5/3,545
Lot 218274, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Diamond Grip (M) Sdn Bhd	Leasehold (60 years)/ 23 April 2055	Manufacturing, warehouse and office	32,382	1999	26.0/814
Lot 383268, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Diamond Grip (M) Sdn Bhd	Leasehold (99 years)/ 23 December 2106	Manufacturing, warehouse and office	12,141	2007	17.0/1,252
Lot 312174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Rubberex Alliance Sdn Bhd	Leasehold (86 years)/ 02 December 2101	Warehouse and office	8,496	2016	9.0/1,736
Lot 351408, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	Rubberex Alliance Sdn Bhd	Leasehold (86 years)/ 07 July 2103	Warehouse and office	8,092	2018	7.0/1,781
PT 34587, Mukim Sungai Terap, Daerah Kinta, Perak Darul Ridzuan, Malaysia.	Rubberex Alliance Sdn Bhd	Leasehold (60 years)/ 26 May 2067	Vacant	35,260	2021	2.0/8,503
PT 34584, Mukim Sungai Terap, Daerah Kinta, Perak Darul Ridzuan, Malaysia.	Rubberex Alliance Sdn Bhd	Leasehold (60 years)/ 26 May 2067	Vacant	12,839	2021	2.0/3,318
Factory buildings located at Lot 228174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	–	Manufacturing, warehouse and office	–	[1996]	30.5/4,902

Properties Held by the Company and its Subsidiaries
(cont'd)

Location	Registered Owner	Tenure/ Expiry Date	Description of existing use	Land area (sq. m)	Date of Acquisition/ [Revaluation]	Age (years)/ Carrying amount (RM'000)
Factory buildings located at Lot 218274, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	–	Manufacturing, warehouse and office	–	1999	26.0/14,730
Factory buildings located at Lot 383268, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	–	Manufacturing, warehouse and office	–	2007	17.0/868
Factory buildings located at Lot 312174, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	–	Manufacturing, warehouse and office	–	2016	9.0/1,154
Factory buildings located at Lot 351408, Mukim Hulu Kinta, Kawasan Perindustrian Bercham, Bercham, Ipoh, Perak Darul Ridzuan, Malaysia.	–	–	Manufacturing, warehouse and office	–	2018	7.0/29,766

HEXTAR HEALTHCARE BERHAD
Registration No. 199601000297 (372642-U)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	
No. of Shares Held	

*I/We ______________________________ [Full Name in Block Letters]

NRIC No. ______________________ of ______________________________

______________________________ [Full Address],

______________________ [Email Address] and, ______________________ [Contact No.], being a member(s) of HEXTAR HEALTHCARE BERHAD ("the Company"), hereby appoint

		% of shareholdings to be represented
Full Name in Block Letters		
Email Address		
NRIC No.		
Full Address		
Contact No.		

And/Or

		% of shareholdings to be represented
Full Name in Block Letters		
Email Address		
NRIC No.		
Full Address		
Contact No.		
		100%

or failing him/her, CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Twenty-Ninth Annual General Meeting ("29th AGM") of the Company to be held at The Room, Level 1, Impiana Hotel Ipoh, 18 Jalan Sultan Nazrin Shah, 30250 Ipoh, Perak, Malaysia on Thursday, 29 May 2025 at 12.00 p.m. or at any adjournment thereof to vote as indicated below:

Please indicate with an "X" in the space provided, how you wish your vote to be cast. If you do not do so, the proxy may vote or abstain at his/her discretion

Agenda	Ordinary Resolution	For	Against
Payment of Directors' Fees for the financial year ending 31 December 2025	1		
Payment of Directors' Benefits from 30 May 2025 until the next Annual General Meeting of the Company to be held in 2026	2		
Re-election of Mr Liew Jee Min @ Chong Jee Min as Director who retires pursuant to Clause 76(3) of the Company's Constitution	3		
Re-election of Ms Doris Cheng Chin Ching as Director who retires pursuant to Clause 76(3) of the Company's Constitution	4		
Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company	5		
AS SPECIAL BUSINESS:			
Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016	6		
Proposed Renewal of Share Buy-Back Authority	7		

....
Signature/Common Seal of Member^ Date

^ Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. For the purpose of determining a member who shall be entitled to attend the 29th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 20 May 2025. Only members whose name appears on the Record of Depositors as at 20 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company
3. Where A member of the Company who is entitled to participate at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.
4. Where a a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

Notes: (Cont'd)

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:
   (i) **In hard copy form**
   In the case of an appointment made in hard copy form, this form of proxy must be deposited with the Share Registrar of the Company, Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
   (ii) **By electronic means**
   The form of proxy can be electronically submitted with the Share Registrar of the Company via email at admin@aldpro.com.my.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in the form of proxy are completed, signed and dated accordingly.
10. Last date and time for lodging the Form of Proxy is **Tuesday, 27 May 2025 at 12.00 p.m.**
11. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company at Aldpro Corporate Services Sdn Bhd of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
    i) if the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
    ii) if the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
       a, at least two (2) authorised officers, of whom one shall be a director; or
       b, any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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AFFIX
STAMP

The Share Registrar of
HEXTAR HEALTHCARE BERHAD
Registration No. 199601000297 (372642-U)
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

2nd Fold Here

Fold This Flap For Sealing

HEXTAR HEALTHCARE BERHAD
199601000297 (372642-U)

Lot 138201, Off 3/4 Mile, Jalan Bercham, Kawasan Perindustrian Bercham, 31400 Ipoh,
Perak Darul Ridzuan, Malaysia.

Tel : 605-548 2723 | Fax : +605-548 2726
Email : info_hexcare@hextar.com

https://hextarhealthcare.com/