



**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**

201101044580 (972700-P)  
(Incorporated in Malaysia)

**Interim Financial Report**  
**For the Second (2nd) Quarter Ended**  
**28 February 2021**

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND (2ND) QUARTER ENDED 28 FEBRUARY 2021**

	<-- Individual Quarter -->		←- Cumulative Quarter -->	
	Unaudited 28.02.2021 RM'000	Audited 29.02.2020 RM'000	Unaudited 28.02.2021 RM'000	Audited 29.02.2020 RM'000
Revenue	20,291	22,035	57,783	54,791
Cost of Sales	(16,929)	(19,237)	(48,129)	(46,323)
Gross Profit	3,362	2,798	9,654	8,468
Other operating income	799	307	1,222	556
Administrative expenses	(3,570)	(3,254)	(6,205)	(6,148)
Selling and distribution expenses	(1,597)	(2,113)	(3,738)	(4,104)
(Loss)/Profit from operations	(1,006)	(2,262)	933	(1,228)
Finance costs	(597)	(924)	(1,340)	(1,808)
Loss before taxation	(1,603)	(3,186)	(407)	(3,036)
Taxation	1,673	44	1,156	(4)
Profit/(Loss) for the financial period	70	(3,142)	749	(3,040)
Other comprehensive income:				
Foreign currency translation differences	2	(3)	17	11
Total comprehensive income/(loss) for the financial period	72	(3,145)	766	(3,029)
<b>(Loss)/Profit for the period attributed to:</b>				
- Owners of the company	(159)	(3,028)	469	(2,916)
- Non-controlling interest	229	(114)	280	(124)
	70	(3,142)	749	(3,040)
<b>Total comprehensive income/(loss) attributable to:</b>				
- Owners of the company	(157)	(3,031)	486	(2,905)
- Non-controlling interest	229	(114)	280	(124)
	72	(3,145)	766	(3,029)
(Loss)/Earnings per share:				
- Basic (sen)	(0.03)	(0.55)	0.08	(0.53)
- Diluted (sen)	(0.03)	(0.51)	0.08	(0.49)

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to the interim financial report.

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2021**

	<b>Unaudited as at 28.02.2021 RM'000</b>	<b>Audited as at 31.08.2020 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	57,916	60,015
Goodwill on consolidation	19,276	19,214
Trade receivables	-	11
Other receivables	125	275
	<u>77,317</u>	<u>79,515</u>
<b>CURRENT ASSETS</b>		
Inventories	18,532	19,672
Trade receivables	35,604	48,584
Other receivables, prepayments and deposits	2,042	12,149
Tax recoverable	2,544	927
Fixed deposit with licensed banks	11,760	9,444
Cash and bank balances	20,675	7,471
	91,157	98,247
Non-current assets held for sale	317	669
	<u>91,474</u>	<u>98,916</u>
<b>TOTAL ASSETS</b>	<b><u>168,791</u></b>	<b><u>178,431</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	75,918	75,918
Merger deficit reserve	(23,859)	(23,859)
Foreign currency translation reserves	6	(11)
Retained earnings	26,401	25,932
	78,466	77,980
Non-controlling interest	4,026	3,746
<b>TOTAL EQUITY</b>	<b><u>82,492</u></b>	<b><u>81,726</u></b>
<b>CURRENT LIABILITIES</b>		
Trade payables	12,556	27,169
Other payables	4,138	3,227
Contract liabilities	113	788
Lease liabilities	-	4
Bank borrowings	18,688	40,945
Tax payable	267	29
	<u>35,762</u>	<u>72,162</u>

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

---

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2021 (CONTINUED)**

	<b>Unaudited</b> <b>as at</b> <b>28.02.2021</b> <b>RM'000</b>	<b>Audited</b> <b>as at</b> <b>31.08.2020</b> <b>RM'000</b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	43,482	17,488
Deferred tax liabilities	7,055	7,055
	50,537	24,543
<b>TOTAL LIABILITIES</b>	<b>86,299</b>	<b>96,705</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>168,791</b>	<b>178,431</b>
<b>NET ASSET PER SHARE (sen)</b>	<b>14.12</b>	<b>14.04</b>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to this interim financial report.

HEXTAR INDUSTRIES BERHAD  
(Formerly known as SCH Group Berhad)  
201101044580 (972700-P)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND (2ND) QUARTER ENDED 28 FEBRUARY 2021**

	<i>←-- Attributable to the Owners of the Company --→</i>				<b>Total</b> RM'000	<b>Non</b> <b>Controlling</b> <b>Interest</b> RM'000	<b>Total</b> <b>Equity</b> RM'000
	<b>Share</b> <b>Capital</b> RM'000	<b>Merger</b> <b>Reserve</b> RM'000	<b>Translation</b> <b>Reserve</b> RM'000	<b>Retained</b> <b>Earnings</b> RM'000			
<b>Unaudited</b>							
Balance as at 1 September 2020	75,918	(23,859)	(11)	25,932	77,980	3,746	81,726
Profit for the financial period	-	-	-	469	469	280	749
Other comprehensive income for the financial period	-	-	17	-	17	-	17
Total comprehensive income for the financial period	-	-	17	469	486	280	766
Balance as at 28 February 2021	75,918	(23,859)	6	26,401	78,466	4,026	82,492

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND (2ND) QUARTER ENDED 28 FEBRUARY 2021 (CONTINUED)**

<b>Audited</b>	<b>Share Capital RM'000</b>	<b>Merger Reserve RM'000</b>	<b>Translation Reserve RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>	<b>Non Controlling Interest RM'000</b>	<b>Total Equity RM'000</b>
Balance as at 1 September 2019	75,918	(23,859)	(8)	33,927	85,978	3,642	89,620
(Loss)/Profit for the financial year	-	-	-	(7,995)	(7,995)	104	(7,891)
Other comprehensive (loss)/income for the financial year	-	-	(3)	-	(3)	-	(3)
Total comprehensive (loss)/income for the financial year	-	-	(3)	(7,995)	(7,998)	104	(7,894)
Balance as at 31 August 2020	75,918	(23,859)	(11)	25,932	77,980	3,746	81,726

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to this interim financial report.

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND (2ND) QUARTER ENDED 28 FEBRUARY 2021**

	<b>Unaudited 6 months ended 28.02.2021 RM'000</b>	<b>Unaudited 6 months ended 29.02.2020 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before taxation	(407)	(3,036)
Adjustment for:		
Bad debts written off	4	-
Depreciation of property, plant and equipment	2,384	2,548
Property, plant and equipment written off	-	2
Unrealised gain on foreign exchange	(110)	-
Gain on disposal of property, plant and equipment	(439)	(1)
Reversal of impairment on inventory	-	(24)
Reversal of impairment on trade receivables	(305)	(49)
Interest expenses	1,340	1,808
Interest income	(129)	(187)
Operating profit before working capital changes	2,338	1,061
<b>Changes in working capital:</b>		
Inventories	1,140	1,761
Trade and other receivables	14,267	3,696
Trade and other payables	(15,295)	(1,207)
	112	4,250
Cash generated from operations	2,450	5,311
Interest received	129	187
Interest paid	(1,340)	(1,808)
Tax paid	(268)	(540)
	(1,479)	(2,161)
Net cash generated from operating activities	971	3,150

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND (2ND) QUARTER ENDED 28 FEBRUARY 2021 (CONTINUED)**

	<b>Unaudited 6 months ended 28.02.2021 RM'000</b>	<b>Unaudited 6 months ended 29.02.2020 RM'000</b>
<b>Cash Flow From Investing Activities</b>		
Acquisition of subsidiaries, net of cash acquired	(93)	-
Profit guarantee received	10,217	-
Purchase of property, plant and equipment	(368)	(945)
Proceed from disposal of property, plant and equipment	1,059	46
Net cash from/(used in) investing activities	<u>10,815</u>	<u>(899)</u>
<b>Cash Flow From Financing Activities</b>		
Repayment of lease liabilities	(560)	(243)
Repayment of term loan	(3,680)	(3,701)
Changes on bills payable	7,974	2,994
Placement in fixed deposits pledged	-	3,401
Net cash from financing activities	<u>3,734</u>	<u>2,451</u>
Net increase in cash and cash equivalents	15,520	4,702
Cash and cash equivalents at beginning of the financial period	16,895	12,859
Exchange rate adjustment	-	-
Cash and cash equivalents at end of the financial period	<b><u>32,415</u></b>	<b><u>17,561</u></b>
<b>Cash and cash equivalents at end of the financial period comprises:</b>		
- Fixed deposits placed with licensed banks	5,160	6,805
- Cash and bank balances	27,275	10,861
	<u>32,435</u>	<u>17,666</u>
Less: Fixed deposits pledged with licensed banks	(20)	(105)
	<b><u>32,415</u></b>	<b><u>17,561</u></b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to this interim financial report.



**NOTES TO THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the ACE Listing Requirements ("Listing Requirement").

The interim financial statements should be read in conjunction with the audited financial statements of Hextar Industries Berhad ("the Group") for the financial year ended 31 August 2020 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 August 2020, except for the adoption of the new MFRS, amendments to MFRSs and IC Interpretation as below:

Amendments to MFRS 3: Definition of a Business  
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform  
Amendments to MFRS 108 and MFRS 101: Definition of Material

The adoption above mentioned standards did not have any material impact on this interim financial report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**A2. Auditors' report of preceding annual audited financial statements**

The auditors' report on the preceding year audited financial statements was not subject to any qualification.

**A3. Seasonal or cyclical factors**

The businesses of the Group were not affected by seasonal or cyclical factors.

**A4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

**A5. Material changes in estimates**

There were no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial quarter and financial year-to-date.

**A6. Debt and equity securities**

There were no issuances, cancellations, repurchases, resales, repayments of debts and/or securities, shares held as treasury shares or the resale of treasury shares during the financial period ended 28 February 2021.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

---

**A8. Segmental information**

The Group's revenue was derived from four (4) main business segments, namely the following: -

**6-months ended 28 February 2021**

	Investment Holding RM'000	Fertilisers RM'000	Heavy Equipment RM'000	Equipment Rental RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	-	34,676	9,536	13,571	-	57,783
Inter-segment sales	2,000	-	-	36	(2,036)	-
<b>Total</b>	<b>2,000</b>	<b>34,676</b>	<b>9,536</b>	<b>13,607</b>	<b>(2,036)</b>	<b>57,783</b>
<b>Results</b>						
Segment results	1,115	623	136	893	(1,963)	804
Finance costs	(749)	(333)	(121)	(139)	2	(1,340)
Finance income	74	41	8	6	-	129
Profit/(Loss) before taxation	440	331	23	760	(1,961)	(407)
Taxation	-	1,456	(7)	(293)	-	1,156
Profit after taxation	440	1,787	16	467	(1,961)	749

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**6-months ended 29 February 2020**

	Investment Holding RM'000	Fertilisers RM'000	Heavy Equipment RM'000	Equipment Rental RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	-	34,349	13,850	6,592	-	54,791
Inter-segment sales	1,000	-	2	557	(1,559)	-
<b>Total</b>	<b>1,000</b>	<b>34,349</b>	<b>13,852</b>	<b>7,149</b>	<b>(1,559)</b>	<b>54,791</b>
<b>Results</b>						
Segment results	732	(235)	(466)	(289)	(1,157)	(1,415)
Finance costs	(1,007)	(559)	(229)	(19)	6	(1,808)
Finance income	71	9	98	9	-	187
Loss before taxation	(204)	(785)	(597)	(299)	(1,151)	(3,036)
Taxation	-	-	-	(4)	-	(4)
Loss after taxation	(204)	(785)	(597)	(303)	(1,151)	(3,040)

**A9. Dividend Paid**

No dividend was paid during the current quarter under review.

**A10. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

**A11. Capital commitments**

There were no material capital commitments as at the date of this report.

**A12. Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current financial period.

**A13. Contingent liabilities and contingent assets**

There were no contingent assets as at the date of this financial report.

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

---

**A14. Material events subsequent to the end of the quarter**

There were no other material events subsequent to the end of current quarter and financial year-to-date that have not been reflected in this interim financial report.

**A15. Related party transactions**

Transaction with companies in which a Director has interest for the current quarter ended 28 February 2021 was as follows: -

	<b>&lt;-- Individual Quarter --&gt;</b>		<b>&lt;-- Cumulative Quarter --&gt;</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>28.02.2021</b>	<b>29.02.2020</b>	<b>28.02.2021</b>	<b>29.02.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Income</u>				
Sales of industrial products and spare parts	98	9	148	29
Sales of fertilisers goods	628	140	1,597	4,382
Sales or rental of rental equipment	405	39	1,189	144
<u>Expenditure</u>				
Rental of factory	(169)	(169)	(338)	(338)
Hiring of lorry	(49)	(49)	(98)	(98)
Purchase of fertilisers	(1,668)	(3,747)	(3,429)	(5,178)
Acquisition of subsidiary	-	-	(180)	-

The transactions were carried out in the ordinary course of business and on normal commercial terms.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1. Review of performance**

	<b>Quarter ended 28.02.2021 ("Q2/21") RM'000</b>	<b>Quarter ended 29.02.2020 ("Q2/20") RM'000</b>	<b>Changes RM'000</b>	<b>Changes (%)</b>
Revenue	20,291	22,035	(1,744)	-7.9%
Loss before tax	(1,603)	(3,186)	1,583	49.7%
Profit/(Loss) after tax	70	(3,142)	3,212	102.2%

**Comparison between Q2/21 with Q2/20**

For the Q2/21, the Group achieved revenue of RM20.3mil, a decrease of RM1.7 mil as compared to corresponding quarter Q2/20 principally due to the business disruption from the movement control order ("MCO"). Despite lower revenue achieved in the Q2/21, the loss before tax was lower as compared to corresponding quarter (Q2/20) due to higher profit margin achieved, recognition of gain from the disposal of property (RM360k) and reversal of doubtful debts (RM283k) in the current quarter under review. With the tax refund from Inland Revenue of RM1.7million, the Group reported a profit after tax of RM70k as compared to loss after tax of RM3.1 million reported in the corresponding quarter.

	<b>Year-to-date 28.02.2021 ("YTD-21") RM'000</b>	<b>Year-to-date 29.02.2020 ("YTD-20") RM'000</b>	<b>Changes RM'000</b>	<b>Changes (%)</b>
Revenue	57,783	54,791	2,992	5.5%
Loss before tax	(407)	(3,036)	2,629	86.6%
Profit/(Loss) after tax	749	(3,040)	3,789	124.6%

**Comparison between YTD-21 with YTD-20**

For the YTD-21, the Group achieved revenue of RM57.8 million, an increase of 5.5% as compared to corresponding period YTD-20 contributed by the new venture in the trading of industrial battery in the equipment rental division. The Group reported lower loss before tax of RM0.4million as compared to corresponding period's loss before tax of RM3.0million principally due to higher revenue achieved, gain from disposal of property, reversal of doubtful debts and lower finance cost in the financial period under review.

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

---

**B3. Comparison with immediate preceding quarter's results**

	<b>Quarter ended 28.02.2021 ("Q2/21") RM'000</b>	<b>Quarter ended 30.11.2020 ("Q1/21") RM'000</b>	<b>Changes RM'000</b>	<b>Changes (%)</b>
Revenue	20,291	37,492	(17,201)	-45.9%
(Loss)/ Profit before tax	(1,603)	1,196	(2,799)	-234.0%
Profit after tax	70	679	(609)	-89.7%

For the current quarter under review, the Group achieve revenue RM20.3 mil, a decrease of RM17.2 mil as compared to preceding quarter Q1/21. The decrease in revenue principally due to the lower revenue from fertilisers division and trading of industrial battery. The decrease in revenue mainly due to the demand of fertilisers supply is seasonal low attributable to the raining season and festive holiday season in Q2/21. For the trading of industrial battery, the new orders have been temporary postponed to next quarter due to the disruption from MCO. With the lower revenue in second quarter FY'21, the Group incurred a loss before tax of RM1.6 mil which has been fully offset by tax refund of RM1.7mil due to over provision in prior years.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**B3. Prospects**

**Fertilisers**

As a result of tight supply-demand dynamics, crude palm oil (CPO) price has been steady climb since early of May 2020, poised above the level of RM4,000 a tonne. The deficit in the global supply of vegetable oils as unfavourable weather disrupts production of soy, sunflower, and rapeseed oil encouraging demand switch to cheaper palm oil would support CPO prices in 2021. This will further enhance the buying power of fertilisers for smallholders and individual planters and keeping the prospect of fertilisers division in bright spot.

Smith Zander forecasts the demand of fertiliser in Malaysia to be increase by 5.65% from RM5.24 billion in 2020 to RM5.54 billion in 2021. The demand for fertiliser is mainly driven by the growth of the agriculture industry particularly in the oil palm plantations. Notwithstanding the temporary disruptions caused by the COVID-19 pandemic and imposition of the nationwide movement restrictions, the recovery of the fertilisers industry will be driven by B20 and B30 biodiesel programme implementing in Malaysia and Indonesia respectively. The programme is expected to increase the local consumption of palm oil and reduce greenhouse gas emissions for a cleaner environment. B20 biodiesel is currently available in Langkawi, Labuan and Sarawak. Hence, the increasing availability and the promotion of the usage of biodiesel for the transportation sector is expected to drive the oil palm plantation activities.

**Heavy Equipment**

Despite the movement control order has causing temporary disruption in our business, however, the financial impact is minimal as compared to the first lockdown in 2020. Heavy Equipment has seen that, to-date, the construction and quarry related activities have progressively resumed after the relaxation of MCO. Therefore, we expect the demand for its heavy equipment and spare parts supplies for the construction and quarry industries will be improve in the near term.

**Equipment Rental**

The unprecedented COVID-19 had also affected the operations of Equipment Rental business as many organisers had cancelled or postponed their events. In view of the vaccine is currently available worldwide, we looking forward for the recovery of outdoor activities and events in the near term. The Equipment Rental division has also ventured into the trading of industrial batteries and its accessories in mid-2020 in order to mitigate the impact of COVID-19. The Group plans to expand this business to, amongst others, telecommunication and power supply companies in Malaysia and South East Asia.

Barring any unforeseen circumstances, HIB's strategy to focus on its core fertiliser business whilst at the same time expand its trading of industrial products (especially the industrial battery and its accessories/parts) should augur well for the prospects of the Group in long term.

**B4. Profit forecast**

The Group does not have any profit forecast in the public documents.



**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**B5. Taxation**

	<-- Individual Quarter -->		←- Cumulative Quarter -->	
	Unaudited	Unaudited	Unaudited	Audited
	28.02.2021	29.02.2020	28.02.2021	29.02.2020
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current financial year	42	(44)	559	-
- (Over)/ under provision in prior years	(1,715)	-	(1,715)	4
	<u>(1,673)</u>	<u>(44)</u>	<u>(1,156)</u>	<u>4</u>

The Group had submitted tax revision for the year of assessment 2013 to 2018 result in the tax refund of RM1.7mil due to over provision in prior years.

**B6. Status of corporate proposals announced**

On 6 November 2020, the Board of Directors of Hextar Industries Bhd ("the Company") proposes to undertake the following: -

- i. proposed consolidation of every 3 ordinary shares in SCH into 1 consolidated SCH Share ("Proposed Share Consolidation");
- ii. proposed rights issue of new SCH Shares ("Rights Shares") to raise gross proceeds of up to RM155 million ("Proposed Rights Issue"); and
- iii. proposed exemption to Hextar Holdings Sdn Bhd ("Hextar") and persons acting in concert with it to undertake a mandatory offer for the remaining SCH Shares not already owned by them arising from the subscription by Hextar of the Rights Shares pursuant to the irrevocable undertakings. ("Proposed Exemption")

On 12 January 2021, the Company announced that Bursa Securities had via its letter dated 12 January 2021, approved the Proposed Share Consolidation and Proposed Right Issue with conditions.

The Company had conducted Extraordinary General Meeting ("EGM") on 26 February 2021 to obtain shareholders' approval for the multiple proposals above. All the resolutions for the proposals as prescribed in the Notice of EGM were duly passed by the shareholders of the Company by way of poll via remote participation and voting at the EGM of the Company.

On 9 March 2021, the Company announced that Securities Commission had vide its letter dated 8 March 2021, approved the application for the Proposed Exemption under paragraph 4.08(1)(b) of the Rules.

On 12 March 2021, the Company consolidated 555,511,720 ordinary shares into 185,169,736 Consolidated Shares pursuant to the Proposed Share Consolidation. Consequently, pursuant to the provision of the Deed Poll, 205,839,310 Warrant had been adjusted into 68,612,509 Consolidated Warrant.

There were no corporate proposals that were announced but not completed as at the date of this report, other than those disclosed above.

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

---

**B7. Borrowings**

The Group's borrowings were as follows: -

	<b>Unaudited as at 28.02.2021 RM'000</b>	<b>Audited as at 31.08.2020 RM'000</b>
<b>Secured</b>		
Bankers' acceptance	10,206	1,966
Hire purchases	1,449	2,006
Invoice financing	1,387	1,654
Term loans	49,128	52,807
<b>Total bank borrowings</b>	<b>62,170</b>	<b>58,433</b>
<b>Short Term</b>		
Bankers' acceptance	10,206	1,966
Invoice Financing	1,387	1,654
Hire purchases	273	468
Term loans	6,822	36,857
	<b>18,688</b>	<b>40,945</b>
<b>Long Term</b>		
Hire purchases	1,176	1,538
Term loans	42,306	15,950
	<b>43,482</b>	<b>17,488</b>

**B8. Changes in material litigation**

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

**B9. Dividend**

No dividend was proposed for the financial quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

---

**B10. Basic earnings per share/Diluted earnings per share**

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>28.02.2021</b>	<b>29.02.2020</b>	<b>28.02.2021</b>	<b>29.02.2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit attributable to ordinary equity holders of the Group	(159)	(3,028)	469	(2,916)
Weighted average number of ordinary shares in issue ('000)	555,512	555,512	555,512	555,512
Adjustment for dilutive effect on conversion of warrants ('000)	42,258	42,258	42,258	42,258
<b>Total</b>	<b>597,770</b>	<b>597,770</b>	<b>597,770</b>	<b>597,770</b>
Basic (loss)/ earnings per share (sen)	(0.03)	(0.55)	0.08	(0.53)
Diluted (loss)/earnings per share (sen)	(0.03)	(0.51)	0.08	(0.49)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**HEXTAR INDUSTRIES BERHAD**  
**(Formerly known as SCH Group Berhad)**  
**201101044580 (972700-P)**

**B11. Disclosure on selected expense/income items as required by the Listing Requirements**

	Individual Quarter Ended		Cumulative Quarter Ended	
	28.02.2021 RM'000	29.02.2020 RM'000	28.02.2021 RM'000	29.02.2020 RM'000
(Loss)/Profit before taxation is arrived at after charging/(crediting):-				
- Interest expenses	597	924	1,340	1,808
- Interest income	(71)	(75)	(129)	(187)
- Depreciation of property, plant and equipment	1,188	1,231	2,384	2,548
- Gain on disposal of property, plant and equipment	(359)	-	(439)	(1)
- Property, plant and equipment written off	-	1	-	2
- Bad debts written off	4	-	4	-
- Reversal of impairment loss on trade receivables	(283)	-	(305)	(49)
- Reversal of inventories written down	-	-	-	(24)
- Realised loss/(gain) on foreign exchange	80	(61)	178	(67)
- Unrealised gain on foreign exchange	(34)	-	(110)	-

**B12. Comparative figures**

Comparatives figures, where applicable, have been modified to conform to the current presentation.

**BY ORDER OF THE BOARD**  
**22 April 2021**