



HEXTAR GLOBAL BERHAD

(Company No. 206220-U)

(Formerly known as Halex Holdings Berhad)

(Incorporated in Malaysia)

Interim Report For the 6-months Financial Period Ended 30 June 2019


HEXTAR GLOBAL BERHAD (206220-U)

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(Incorporated in Malaysia)

Interim Report for the 6-months Financial Period Ended 30 June 2019
Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths) Current Year Quarter 30/6/2019 RM'000	(3-mths) Preceding Year Quarter 30/6/2018 RM'000	(6-mths) Current Period to-Date 30/6/2019 RM'000	(6-mths) Preceding Period to-Date 30/6/2018 RM'000
Revenue	55,851	18,229	73,429	33,710
Cost of sales	(45,468)	(17,000)	(60,162)	(29,999)
Gross profit	10,383	1,229	13,267	3,711
Other income	848	101	1,078	428
Net gain arising from changes in fair value of biological assets	-	62	-	900
Selling and marketing expenses	(1,862)	(1,643)	(2,763)	(3,086)
Administrative and other expenses	(5,548)	(2,492)	(7,292)	(5,866)
Impairment of goodwill	(23,987)	-	(23,987)	-
Finance costs	(1,118)	(600)	(1,654)	(1,026)
Share of results of joint venture	28	-	28	-
Loss before taxation	(21,256)	(3,343)	(21,323)	(4,939)
Less: Taxation	(920)	105	(1,126)	(114)
Loss after taxation	(22,176)	(3,238)	(22,449)	(5,053)
Other comprehensive (expenses)/income:-				
Realisation of revaluation on property, plant and equipment	-	(14)	-	(27)
Foreign currency translation	(5)	(2)	(3)	8
Other comprehensive expenses for the financial period	(5)	(16)	(3)	(19)
Total comprehensive expenses for the financial period	(22,181)	(3,254)	(22,452)	(5,072)
Loss for the financial period attributable to:-				
Owners of the Parent	(22,176)	(3,238)	(22,449)	(5,053)
Total comprehensive expenses attributable to:-				
Owners of the Parent	(22,181)	(3,254)	(22,452)	(5,072)
Loss per share				
Basic (sen)	(2.70)	(3.06)	(2.74)	(4.77)
Diluted (sen)	n/a	n/a	n/a	n/a

The unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2019

Unaudited Condensed Statements of Financial Position

	Unaudited as at 30/6/2019 RM'000	Audited as at 31/12/2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	92,521	59,617
Investment in joint venture	2,701	-
Investment properties	5,249	4,134
Other investments	74	26
Intangible assets	1,134	-
Goodwill	7,449	-
Prepayment	6,235	-
Total non-current assets	115,363	63,777
Current assets		
Inventories	72,883	18,200
Trade receivables	148,800	10,971
Other receivables, deposits and prepayments	2,717	20,835
Current tax assets	853	792
Deposits with licensed banks	115	71
Amount due from related companies	137	-
Cash and bank balances	15,409	6,161
Total current assets	240,914	57,030
Asset classified as held for sale	-	1,600
TOTAL ASSETS	356,277	122,407
EQUITY AND LIABILITIES		
Equity		
Share capital	85,838	54,988
Share premium	84,075	-
Treasury shares	-	(18)
Revaluation reserve	7,671	15,904
Exchange reserve	(2)	104
Retained profits/(Accumulated losses)	20,626	(8,854)
Total equity attributable to parent	198,208	62,124
Non-current liabilities		
Term loans	33,916	28,687
Finance lease payables	731	-
Deferred tax liabilities	9,668	2,948
Total non-current liabilities	44,315	31,635

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2019

Unaudited Condensed Statements of Financial Position (Cont'd)

	Unaudited as at 30/6/2019 RM'000	Audited as at 31/12/2018 RM'000
Current liabilities		
Trade payables	27,177	3,525
Other payables and accruals	4,348	2,910
Provision	60	1,394
Amount owing to related companies	57	5,504
Amount owing to joint venture	674	-
Term loans	5,191	2,544
Finance lease payables	246	-
Bills payable	75,018	12,145
Bank overdrafts	-	626
Current tax liabilities	913	-
Derivative liabilities	70	-
Total current liabilities	113,754	28,648
Total liabilities	158,069	60,283
TOTAL EQUITY AND LIABILITIES	356,277	122,407
No. of ordinary shares in issue ('000)	820,652	105,973
Net assets per share attributable to equity holders of the Company (RM)	0.24	0.59

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2019

Unaudited Condensed Statements of Cash Flows

	6-months ended 30/6/2019 RM'000	6-months ended 30/6/2018 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Loss before taxation	(21,323)	(4,939)
Adjustments for:-		
Amortisation of intangible assets	62	-
Depreciation of property, plant and equipment	944	440
Fair value gain on biological assets	-	(900)
Impairment loss:		
- trade receivables	56	-
- goodwill	23,987	-
Interest expenses	1,654	1,026
Unrealised loss/(gain) on foreign exchange	359	(135)
Gain on disposal of a property	(180)	-
Interest income	(55)	(262)
Reversal of impairment loss on trade receivables	(60)	-
Reversal of loss on disposal of property	(65)	-
Share of net profits of equity accounted joint venture	(28)	-
Operating profit/(loss) before working capital changes	5,351	(4,770)
Changes in working capital:-		
Biological assets	-	1,133
Inventories	806	1,180
Receivables	3,249	(14,300)
Payables	(1,456)	(6,623)
Related companies	8,084	4,903
	10,683	(13,707)
Cash from/(for) operations	16,034	(18,477)
Tax paid	(1,326)	27
Net cash from/(for) operating activities	14,708	(18,450)

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report.



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Unaudited Condensed Statements of Cash Flows (Cont'd)

	6-months ended 30/6/2019 RM'000	6-months ended 30/6/2018 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	6,180	-
Interest received	55	262
Proceeds from disposal of property, plant and equipment	1,780	28
Purchase of intangible assets	(37)	-
Purchase of property, plant and equipment	(1,260)	(7,273)
Placement of deposits with licensed banks	(2)	-
Decrease in pledged fixed deposit with licensed bank	-	1,757
Net cash from/(for) investing activities	6,716	(5,226)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	5,440
Interest paid	(1,654)	(1,026)
Net (decrease)/increase of bank borrowings	(8,545)	2,102
Repayment of finance lease payables	(63)	(70)
Repayment of term loans	(1,285)	(1,089)
Net cash (for)/from financing activities	(11,547)	5,357
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	9,877	(18,319)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(3)	8
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	5,535	22,466
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	15,409	4,155
CASH AND CASH EQUIVALENTS COMPRISE		
Deposits with licensed banks	115	70
Cash and bank balances	15,409	4,785
Bank overdraft	-	(630)
	15,524	4,225
Less: Deposits pledged to licensed banks	(115)	(70)
	15,409	4,155

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report.



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Unaudited Condensed Statements of Changes in Equity

	<----- Non-distributable ----->				<----- Distributable ----->		
	Share Capital RM'000	Revaluation Reserve RM'000	Share Premium RM'000	Exchange Reserve RM'000	Treasury Shares RM'000	Accumulated Losses/ Retained Profits RM'000	Total RM'000
As at 1/1/2019	54,988	15,904	-	104	(18)	(8,854)	62,124
Loss after taxation for the financial period	-	-	-	-	-	(22,449)	(22,449)
Other comprehensive expenses for the financial period:							
- Foreign currency translation	-	-	-	(3)	-	-	(3)
Total comprehensive expenses for the financial period	-	-	-	(3)	-	(22,449)	(22,452)
Contributions by and distributions to owners of the Company:							
- Issuance of new shares	578,890	-	-	-	-	-	578,890
- Adjustment on acquisition	(548,040)	(8,207)	84,075	(103)	18	69,806	(402,451)
- Distribution to owners of the Company	-	-	-	-	-	(17,903)	(17,903)
Total transactions with owners	30,850	(8,207)	84,075	(103)	18	51,903	158,536
Realisation of revaluation surplus	-	(26)	-	-	-	26	-
As at 30/6/2019	85,838	7,671	84,075	(2)	-	20,626	198,208

The unaudited Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report.



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Unaudited Condensed Statements of Changes in Equity (Cont'd)

	<----- Non-distributable ----->				<----- Distributable ----->		Total RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Share Premium RM'000	Exchange Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	
As at 1/1/2018	54,988	18,817	-	116	(18)	(431)	73,472
Loss after taxation for the financial period	-	-	-	-	-	(5,053)	(5,053)
Other comprehensive income for the financial period:							
- Foreign currency translation	-	-	-	8	-	-	8
Realisation of revaluation surplus	-	(27)	-	-	-	27	-
As at 30/6/2018	54,988	18,790	-	124	(18)	(5,457)	68,427

The unaudited Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes attached to this interim financial report.

**Interim Report for the 6-months Financial Period Ended 30 June 2019****A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING****1. Basis of Preparation**

This interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This unaudited interim financial report should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2018. For the financial year up to 31 December 2018 and including the financial period ended 30 June 2019, the Group prepared its financial statements in accordance with the Malaysian Financial Reporting Standards (“MFRS”).

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of Hextar Global Berhad (“Hextar” or the “Company”) and its subsidiaries (the “Group”) since the financial year ended 31 December 2018.

2. Significant Accounting Policies

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The following are accounting standards, amendments and IC interpretations of the MFRS that have been issued by the MASB but are not yet effective and have not been adopted by the Group:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations when they become effective in the respective financial periods.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.



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3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report for the Company's preceding annual audited financial statements for the financial year ended 31 December 2018 were not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's agriculture business is sensitive to prolonged extreme weather conditions.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review and financial period to-date.

6. Material Changes in Estimates

There were no material changes in estimates of amount reported that have a material effect on the current quarter under review and financial period to-date except as disclosed in the financial statements.

7. Details of Changes in Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current quarter under review and financial period to-date.

8. Dividend

There were no dividends proposed or paid during the quarter under review.



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9. Segmental Reporting

6-months ended 30 June 2019

	Investment Holding RM'000	Agriculture RM'000	Consumer Products RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	-	59,680	13,535	214	-	73,429
Inter-segment sales	1,373	642	2,132	33	(4,180)	-
Total	1,373	60,322	15,667	247	(4,180)	73,429
Results						
Segment results	(1,233)	6,626	(1,009)	311	(24,447)	(19,752)
Finance costs	(831)	(767)	(56)	-	-	(1,654)
Finance income	1	39	9	6	-	55
Share of result of joint venture	-	28	-	-	-	28
(Loss)/Profit before taxation	(2,063)	5,926	(1,056)	317	(24,447)	(21,323)
Taxation	-	(1,178)	24	-	28	(1,126)
(Loss)/Profit after taxation	(2,063)	4,748	(1,032)	317	(24,419)	(22,449)

6-months ended 30 June 2018

	Investment Holding RM'000	Agriculture RM'000	Consumer Products RM'000	Horticulture & Agro-biotechnologies RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue							
External sales	-	17,580	14,085	2,045	-	-	33,710
Inter-segment sales	1,938	1,596	19	-	-	(3,553)	-
Total	1,938	19,176	14,104	2,045	-	(3,553)	33,710
Results							
Segment results	(117)	916	(4,250)	(579)	(47)	(97)	(4,174)
Finance costs	(631)	(256)	(139)	-	-	-	(1,026)
Finance income	209	43	7	2	-	-	261
(Loss)/Profit before taxation	(539)	703	(4,382)	(577)	(47)	(97)	(4,939)
Taxation	(179)	4	5	56	-	-	(114)
(Loss)/Profit after taxation	(718)	707	(4,377)	(521)	(47)	(97)	(5,053)



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10. Valuation of Property, Plant and Equipment

The values of property, plant and equipment have been brought forward without amendments from the Company's previous annual audited financial statements for the financial year ended 31 December 2018.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period under review other than the following:-

- (a) On 30 April 2019, the Company completed the acquisition of the entire equity interest in Hextar Chemicals Limited for an aggregate purchase consideration of RM596,794,275 through issuance and allotment of 714,679,564 new ordinary shares in Hextar Global Berhad (formerly known as Halex Holdings Berhad) at an issue price of RM0.81 per consideration share and RM17,903,828 in cash.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

- (i) Fair Value of Purchase Consideration

	Group and Company
	As at
	30/4/2019
	RM'000
Cash	17,904
Ordinary shares issued at RM0.81 per share	578,890
Total purchase consideration	<u>596,794</u>

- (ii) Identifiable Assets Acquired and Liabilities Assumed

	Group
	As at
	30/4/2019
	RM'000
Property, plant and equipment	59,633
Investment properties	5,249
Other investments	26
Inventories	18,429
Trade receivables	14,486
Other receivables	20,616
Tax recoverable	886
Cash and cash equivalents	7,737
Trade payables	(5,077)
Other payables	(2,592)
Provision	(150)
Deferred tax liabilities	(2,948)
Amount owing to related companies	(13,496)
Term loans	(30,371)
Finance lease payable	(168)
Bills payables	(10,409)
Fair value of net identifiable assets acquired and liabilities assumed	<u>61,851</u>



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11. Changes in the Composition of the Group (Cont'd)

(iii) Goodwill Arising from Acquisition

	Group As at 30/4/2019 RM'000
Deemed cost of combination	85,838
Less: Fair value of identifiable net assets acquired (item (ii) above)	<u>(61,851)</u>
Goodwill from the acquisition of subsidiary	<u>23,987</u>

12. Contingent Liabilities

The contingent liabilities are as follows:

	Company	
	As at 30/6/2019 RM'000	As at 31/12/2018 RM'000
Guarantees given to financial institutions for facilities granted to subsidiaries	<u>54,290</u>	<u>57,953</u>

13. Capital Commitments

There were no material capital commitments entered into and not provided for by the Group during the current quarter under review.

14. Material Events Subsequent to the End of the Interim Reporting Period

There was no material events subsequent to the end of the interim reporting period reported.



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15. Related Party Transactions

The following table provides information on the transactions which have been entered into with related parties during the 6-months ended 30 June 2019 and 30 June 2018.

	Note	Transaction Value		
		1/1/2019 - 30/4/2019 RM'000	1/5/2019 - 30/6/2019 RM'000	30/6/2018 RM'000
Sales of raw materials:-				
Hextar Chemicals Sdn. Bhd.	#	47	n/a	78
PT Dharma Guna Wibawa	#	n/a	2,591	n/a
PT Delta Giri Wacana	#	n/a	2,574	n/a
Vitallium Sdn Bhd	#	n/a	2,595	n/a
Hextar Fert Sdn. Bhd.	#	n/a	2	n/a
Sales of R&D services:-				
Vitallium Sdn. Bhd.	#	<u>n/a</u>	<u>50</u>	<u>n/a</u>
Purchase of raw materials:-				
Hextar Chemicals Sdn. Bhd.	#	2,457	n/a	4,744
Multifert Sdn. Bhd.	#	n/a	9	n/a
Purchase of R&D services:-				
Hextar R&D International Sdn. Bhd.	#	80	n/a	-
Purchase of management services:-				
Hextar Asset Management Sdn. Bhd.	#	<u>n/a</u>	<u>390</u>	<u>n/a</u>

#The directors and/or major shareholders of Hextar Global Berhad (formerly known as Halex Holdings Berhad) are directors and/or major shareholders of this company.

The outstanding balances arising from related party transactions as at 30 June 2019 and 31 December 2018 were as follows:-

	Outstanding balance	
	30/6/2019 RM'000	31/12/2018 RM'000
Total outstanding balances due from/(to) related parties included in:-		
Trade receivables	<u>137</u>	<u>161</u>
Trade payables	<u>(57)</u>	<u>(5,665)</u>

**Interim Report for the 6-months Financial Period Ended 30 June 2019****B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES****1. Review of Performance of the Group**

For the current quarter, the Group registered a total revenue of RM55.85 million, representing an increase of RM37.62 million or 206.4% as compared to the corresponding quarter of the preceding year. The increase was mainly due to the increase in revenue from the Agriculture segment as a result from the acquisition of Hextar Chemicals Limited.

On the year-to-date basis, the Group registered a total revenue of RM73.43 million, representing an increase of RM39.72 million or 117.8% as compared to the corresponding financial period of the preceding year. The increase was mainly due to the increase in revenue from the Agriculture segment as a result from the acquisition of Hextar Chemicals Limited.

For the current quarter, the Group recorded a loss before taxation of RM21.26 million against a loss before taxation of RM3.34 million in the corresponding quarter of the preceding year, representing an increase of loss before taxation by RM17.92 million or 536.5%. This was mainly due to impairment of goodwill on combination amounted to RM23.99 million arising from the application of reverse acquisition accounting method in accordance with MFRS3 in respect of the acquisition of Hextar Chemicals Limited as at 30 April 2019.

Notwithstanding on the above, for the current quarter, the Group recorded an operating profit before taxation of RM2.73 million should the Group exclude the one-off impairment of goodwill amounted to RM23.99 million.

For the cumulative financial period ended 30 June 2019, the Group recorded a loss before taxation of RM21.32 million against a loss before taxation of RM4.94 million in the corresponding financial period of the preceding year, representing an increase of loss before taxation by RM16.38 million or 331.6%. This was mainly due to impairment of goodwill on combination amounted to RM23.99 million arising from the application of reverse acquisition accounting method in accordance with MFRS3 in respect of the acquisition of Hextar Chemicals Limited as at 30 April 2019.

For the cumulative financial period ended 30 June 2019, without the abovementioned one-off impairment of goodwill, the Group recorded an operating profit before taxation of RM2.67 million.

2. Comparisons with the Immediate Preceding Quarter's Results

	(3-months) Current Quarter ended 30/6/2019 (RM'000)	(3-months) Preceding Quarter ended 31/3/2019 (RM'000)
Revenue	55,851	17,578
Loss before taxation	(21,256)	(67)

For the current quarter ended 30 June 2019, the Group registered revenue of RM55.85 million, representing an increase of RM38.27 million or 217.7% as compared to the immediate preceding quarter. The increase was mainly due to higher sales recorded from Agriculture segment as a result from the acquisition of Hextar Chemicals Limited.

During the current quarter, the Group recorded a loss before taxation of RM21.26 million against a loss before taxation of RM0.07 million in the immediate preceding quarter, representing an increase of loss before taxation by RM21.19 million. The higher loss before taxation recorded for the current quarter was mainly due to impairment of goodwill on combination amounted to RM23.99 million arising from the application of reverse acquisition accounting method in accordance with MFRS3 in respect of the acquisition of Hextar Chemicals Limited as at 30 April 2019.



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2. Comparisons with the Immediate Preceding Quarter's Results (Cont'd)

Notwithstanding on the above, for the current quarter, the Group recorded an operating profit before taxation of RM2.73 million should the Group exclude the one-off impairment of goodwill amounted to RM23.99 million.

3. Year 2019 Prospects

The acquisition of Hextar Chemicals Limited of which the announcement of completion was made on 30 April 2019 witnessed a tremendous corporate milestone for the Company to solidify its position as a leading and biggest producer of agrochemicals in Malaysia through continuous development and upgrade on Research & Development capabilities.

The Group foresees this prominent business combination has the ability to enhance the competitiveness of our agrochemical business by increasing product range and extending distribution network including the presence in the new markets.

The Board is of the view that with the completion of acquisition of Hextar Chemicals Limited, it will contribute positively to the Group's operating results for the financial year.

4. Financial Forecast and Profit Guarantee

The Group has not provided any financial forecast or profit guarantee in any public document.

5. Taxation

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current	Preceding
	Quarter	Quarter	Period to-Date	Period to-Date
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
	RM'000	RM'000	RM'000	RM'000
Deferred tax	38	105	38	65
Income tax	(958)	-	(1,164)	(179)
	<u>(920)</u>	<u>105</u>	<u>(1,126)</u>	<u>(114)</u>

Despite the overall loss for the current quarter and cumulative quarter reported by the Group, the Group has taken a prudent position by providing the tax for the profitable core business segment, Agriculture in respect of the current quarter and cumulative quarter.

6. Status of Corporate Proposal

The Company had on 1 April 2019, obtained the approval from the shareholders for the acquisition of Hextar Chemicals Limited ("Acquisition"), and subsequently on 30 April 2019, announced the completion of the Acquisition upon the listing and quotation and placement of 714,679,564 new ordinary shares in the Company arising from the Acquisition.



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7. Borrowings

The Group's borrowings as at 30 June 2019 and 31 December 2018 are as follows:

	As at 30/6/2019 RM'000	As at 31/12/2018 RM'000
Short-term borrowings		
Term loans	5,191	2,544
Finance lease payables	246	-
Bills payable	75,018	12,145
Bank overdrafts	-	626
	<u>80,455</u>	<u>15,315</u>
Long-term borrowings		
Term loans	33,916	28,687
Finance lease payables	731	-
	<u>34,647</u>	<u>28,687</u>
Total	<u>115,102</u>	<u>44,002</u>

There was no unsecured debt during the current quarter and financial period to-date.

8. Material Litigation

There were no material litigations involving the Group as at the date of this interim report.

9. Loss Per Share

a. Basic

The basic loss per share is calculated by dividing the loss attributable to equity holders of the Company for the period by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual Quarter	Cumulative Quarter
	Current	Current
	Year	Period
	Quarter	to-Date
	30/6/2019	30/6/2019
	Quarter	to-Date
	30/6/2018	30/6/2018
Loss attributable to equity holders of the Company (RM'000)	<u>(22,176)</u>	<u>(22,449)</u>
Weighted average number of ordinary shares in issue ('000)	<u>820,652</u>	<u>820,652</u>
Basic loss per share (sen)	<u>(2.70)</u>	<u>(2.74)</u>
	<u>(3.06)</u>	<u>(4.77)</u>

b. Diluted

The calculation of diluted earnings/(loss) per ordinary share is the same with basic earnings/(loss) per ordinary share as the Group has no dilutive potential ordinary shares.



HEXTAR GLOBAL BERHAD (206220-U)

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10. Notes to the Statements of Profit or Loss and Other Comprehensive Income

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/6/2019 (RM'000)	Preceding Year Quarter 30/6/2018 (RM'000)	Current Period to-Date 30/6/2019 (RM'000)	Preceding Period to-Date 30/6/2018 (RM'000)
Amortisation of intangible assets	62	-	62	-
Depreciation of property, plant and equipment	605	226	944	440
Fair value gain on biological assets	-	(62)	-	(900)
Impairment loss:				
- trade receivables	20	-	56	-
- goodwill	23,987	-	23,987	-
Interest expenses	1,118	600	1,654	1,026
Unrealised loss/(gain) on foreign exchange	364	14	359	(135)
Gain on disposal of a property	(180)	-	(180)	-
Interest income	(41)	(115)	(55)	(262)
Reversal of impairment loss on trade receivables	(60)	-	(60)	-
Reversal of loss on disposal of property	(65)	-	(65)	-
Share of net profits of equity accounted joint venture	(28)	-	(28)	-

By Order of the Board
HEXTAR GLOBAL BERHAD
(206220 – U)
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Lim Hooi Mooi
Company Secretary
Kuala Lumpur
19 August 2019