



# **HEXTAR GLOBAL BERHAD**

Company No.: 199001014551 (206220-U)

(Incorporated in Malaysia)

**Interim Report  
For the 9-months Financial Period Ended  
30 September 2024**



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths) Current Year Quarter 30/09/2024 RM'000	(3-mths) Preceding Year Quarter 30/09/2023 RM'000	(9-mths) Current Year to-Date 30/09/2024 RM'000	(9-mths) Preceding Year to-Date 30/09/2023 RM'000
<b>Continuing Operations</b>				
Revenue	252,962	182,937	698,194	455,159
Cost of sales	(186,160)	(127,172)	(501,513)	(320,138)
Gross profit	66,802	55,765	196,681	135,021
Other income	572	1,315	2,832	3,375
Selling and marketing expenses	(9,115)	(5,259)	(23,971)	(15,480)
Administrative and other expenses	(19,493)	(19,437)	(71,037)	(51,576)
Finance costs	(6,370)	(7,661)	(19,764)	(15,418)
Share of (loss)/profit of joint ventures	(154)	132	(189)	291
Profit before taxation	32,242	24,855	84,552	56,213
Less: Taxation	(9,048)	(7,022)	(20,483)	(15,675)
Profit after taxation from continuing operations	23,194	17,833	64,069	40,538
<b>Discontinued Operations</b>				
Loss after taxation from discontinued operations	-	-	-	(2,016)
Profit after taxation	23,194	17,833	64,069	38,522
Other comprehensive (expenses)/income:				
- Foreign currency translation differences	(2,453)	(593)	(3,217)	2,003
- Revaluation of property	-	3,220	-	3,054
Other comprehensive (expenses)/income for the financial period	(2,453)	2,627	(3,217)	5,057
Total comprehensive income for the financial period	20,741	20,460	60,852	43,579

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 2023 and the accompanying notes attached to this interim financial report.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income (Cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths) Current Year Quarter 30/09/2024 RM'000	(3-mths) Preceding Year Quarter 30/09/2023 RM'000	(9-mths) Current Year to-Date 30/09/2024 RM'000	(9-mths) Preceding Year to-Date 30/09/2023 RM'000
Profit/(Loss) for the financial period attributable to:				
- Owners of the Company:				
- continuing operations	19,708	15,393	51,011	34,707
- discontinued operations	-	-	-	(2,016)
- Non-controlling interests				
- continuing operations	3,486	2,440	13,058	5,831
	<u>23,194</u>	<u>17,833</u>	<u>64,069</u>	<u>38,522</u>
Total comprehensive income/(expenses) attributable to:				
- Owners of the Company:				
- continuing operations	17,256	16,378	47,796	38,206
- discontinued operations	-	-	-	(2,016)
- Non-controlling interests				
- continuing operations	3,485	4,082	13,056	7,389
	<u>20,741</u>	<u>20,460</u>	<u>60,852</u>	<u>43,579</u>
<b>Earnings per share</b>				
Basic (sen) ^				
- continuing operations	0.51	0.40	1.32	0.90
- discontinued operations	-	-	-	(0.05)
	<u>0.51</u>	<u>0.40</u>	<u>1.32</u>	<u>0.85</u>

^ Restated to reflect the effect of bonus issue

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 2023 and the accompanying notes attached to this interim financial report.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**Unaudited Condensed Statements of Financial Position**

	<b>Unaudited as at 30/09/2024 RM'000</b>	<b>Audited as at 31/12/2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in joint ventures	8,074	2,719
Property, plant and equipment	114,089	113,215
Investment properties	820	820
Right-of-use assets	55,236	58,954
Intangible assets	163,611	161,974
Investment in club membership, at cost	45	46
Trade receivables	2,131	2,263
Prepayment	3,301	2,403
Deferred tax assets	3,404	777
<b>Total non-current assets</b>	<b>350,711</b>	<b>343,171</b>
<b>Current assets</b>		
Inventories	148,643	187,842
Trade receivables	165,193	157,450
Other receivables, deposits and prepayments	59,547	65,294
Short-term investments	4,990	7,019
Biological assets	3	36
Contract assets	11,334	1,469
Amount owing by related companies	-	2,142
Amount owing by a joint venture	10	-
Current tax assets	14,914	11,785
Derivative assets	160	-
Deposits with licensed banks	20,705	24,328
Cash and bank balances	88,988	76,558
<b>Total current assets</b>	<b>514,487</b>	<b>533,923</b>
<b>Assets classified as held for sale</b>	<b>726</b>	<b>1,556</b>
<b>TOTAL ASSETS</b>	<b>865,924</b>	<b>878,650</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	633,878	633,878
Treasury shares	(30,770)	(30,770)
Merger deficit reserve	(500,423)	(500,423)
Exchange reserve	(2,666)	549
Revaluation reserve	15,050	14,626
Retained profits	130,735	138,263
Equity attributable to owners of the Company	245,804	256,123
Non-controlling interests	30,831	3,111
<b>TOTAL EQUITY</b>	<b>276,635</b>	<b>259,234</b>

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying notes attached to this interim financial report.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**Unaudited Condensed Statements of Financial Position (Cont'd)**

	<b>Unaudited as at 30/09/2024 RM'000</b>	<b>Audited as at 31/12/2023 RM'000</b>
<b>Non-current liabilities</b>		
Lease liabilities	26,503	28,997
Other payables	3,246	3,208
Long-term borrowings	152,988	129,722
Deferred tax liabilities	11,921	12,106
<b>Total non-current liabilities</b>	<b>194,658</b>	<b>174,033</b>
<b>Current liabilities</b>		
Trade payables	45,486	49,201
Other payables, deposits received and accruals	28,515	83,154
Contract liabilities	11,943	4,946
Amount owing to related companies	-	579
Amount owing to a joint venture	1,911	783
Lease liabilities	6,695	6,284
Short-term borrowings	241,057	254,846
Current tax liabilities	25,114	18,025
Dividend payable	19,380	-
Derivative liabilities	242	70
Variable deferred consideration	14,288	27,495
<b>Total current liabilities</b>	<b>394,631</b>	<b>445,383</b>
<b>TOTAL LIABILITIES</b>	<b>589,289</b>	<b>619,416</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>865,924</b>	<b>878,650</b>
No. of ordinary shares in issue ('000)	3,876,067	3,876,067
Net assets per share attributable to equity holders of the Company (RM)	0.07	0.07

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying notes attached to this interim financial report.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**Unaudited Condensed Statements of Cash Flows**

	<b>9-months ended 30/09/2024 RM'000</b>	<b>9-months ended 30/09/2023 RM'000</b>
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation		
- continuing operations	84,552	56,213
- discontinued operations	-	(2,024)
Adjustments for:-		
Amortisation	412	475
Depreciation	14,090	11,896
Plant and equipment written off	16	1
Impairment loss on trade receivables	125	644
Interest expense	19,764	15,418
Loss/(Gain) on forward currency contracts	12	(564)
Net loss arising from changes in fair value of biological assets	33	-
Unrealised (gain)/loss on foreign exchange	(1,462)	215
(Gain)/Loss on disposal of plant and equipment	(184)	36
Gain on disposal of investment in subsidiaries	-	(527)
Gain on lease termination	(16)	(19)
Interest income	(378)	(1,152)
Reversal of impairment loss on trade receivables	(404)	-
Share of loss/(profit) of joint ventures	189	(291)
Operating profit before working capital changes	116,749	80,321
Changes in working capital:-		
Inventories	39,199	20,279
Receivables	(15,894)	(55,662)
Payables	(912)	39,480
Related companies	1,563	16
Joint venture	1,118	434
	25,074	4,547
Cash from operations	141,823	84,868
Interest paid	(18,971)	(10,729)
Income tax paid	(19,335)	(14,662)
<b>Net cash from operating activities</b>	<b>103,517</b>	<b>59,477</b>

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying notes attached to this interim financial report.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**Unaudited Condensed Statements of Cash Flows (Cont'd)**

	<b>9-months ended 30/09/2024 RM'000</b>	<b>9-months ended 30/09/2023 RM'000</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(8,052)
Acquisition of a joint venture	(5,544)	-
Disposal of subsidiaries, net of cash and cash equivalents disposed of	-	3,177
Interest received	316	1,152
Decrease/(Increase) in pledged deposits with licensed banks	6,766	(8,484)
Payment of deferred consideration	(64,000)	(27,213)
Proceeds from disposal of plant and equipment	199	84
Proceeds from disposal of assets classified as held for sale	830	1,930
Proceeds from issuance of shares to non-controlling interests by a subsidiary	14,700	-
Product development expenditure incurred	(19)	(94)
Addition of intangible assets	(143)	(119)
Purchase of property, plant and equipment	(8,671)	(5,672)
<b>Net cash for investing activities</b>	<u>(55,566)</u>	<u>(43,291)</u>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid	(38,761)	(29,285)
Drawdown of revolving credit	79,888	-
Drawdown of term loan	47,672	28,000
Net decrease of lease liabilities	(3,870)	(4,612)
Net increase/(decrease) in bank borrowings	8,230	(3,709)
Proceeds from sale of treasury shares	-	13,008
Repayment of revolving credit	(100,938)	-
Repayment of term loans	(21,724)	(13,841)
<b>Net cash for financing activities</b>	<u>(29,503)</u>	<u>(10,439)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	18,448	5,747
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>	(2,773)	645
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	61,508	51,564
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>77,183</u>	<u>57,956</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Deposits with licensed banks	20,705	10,502
Cash and bank balances	88,988	60,529
Short-term investments	1,490	-
Bank overdraft	(13,758)	-
	<u>97,425</u>	<u>71,031</u>
Less: Deposits pledged to licensed banks	(19,364)	(6,630)
Bank balances pledged with licensed banks	(878)	(6,445)
	<u>77,183</u>	<u>57,956</u>

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying notes attached to this interim financial report.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**Unaudited Condensed Statements of Changes in Equity**

	Share Capital RM'000	Treasury Shares RM'000	<----- Non-distributable ----->			<-Distributable->	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total RM'000
			Merger Deficit Reserve RM'000	Exchange Reserve RM'000	Revaluation Reserve RM'000	Retained Profits RM'000			
Balance as at 1/1/2024									
- As previously reported	633,878	(30,770)	(500,423)	549	14,626	138,263	256,123	3,111	259,234
- Adjustment during measurement year	-	-	-	-	-	-	-	(10)	(10)
As restated	633,878	(30,770)	(500,423)	549	14,626	138,263	256,123	3,101	259,224
Profit after taxation for the financial period	-	-	-	-	-	51,011	51,011	13,058	64,069
Other comprehensive expense for the financial period:									
- Foreign currency translation differences	-	-	-	(3,215)	-	-	(3,215)	(2)	(3,217)
Total comprehensive (expenses)/income for the financial period	-	-	-	(3,215)	-	51,011	47,796	13,056	60,852
Contributions by and distributions to owners of the Company:									
- Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	14,700	14,700
- Dividends	-	-	-	-	-	(58,141)	(58,141)	-	(58,141)
Total transactions with owners	-	-	-	-	-	(58,141)	(58,141)	14,700	(43,441)
Realisation of revaluation reserve	-	-	-	-	424	(398)	26	(26)	-
Balance as at 30/09/2024	633,878	(30,770)	(500,423)	(2,666)	15,050	130,735	245,804	30,831	276,635

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 2023 and the accompanying notes attached to this interim financial report.





**Interim Report for the 9-months Financial Period Ended 30 September 2024**

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

	Share Capital RM'000	Treasury Shares RM'000	<----- Non-distributable -----> Merger Deficit Reserve RM'000	Exchange Reserve RM'000	Revaluation Reserve RM'000	<-Distributable-> Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total RM'000
Balance as at 1/1/2023	633,878	(39,928)	(495,423)	(1,375)	14,620	105,050	216,822	16,059	232,881
Profit after taxation for the financial period	-	-	-	-	-	32,691	32,691	5,831	38,522
Other comprehensive income for the financial period:									
- Foreign currency translation differences	-	-	-	2,003	-	-	2,003	-	2,003
- Revaluation of property	-	-	-	-	1,497	-	1,497	1,557	3,054
Total comprehensive income for the financial period	-	-	-	2,003	1,497	32,691	36,191	7,388	43,579
Contributions by and distributions to owners of the Company:									
- Merger and acquisition	-	-	(5,000)	-	-	560	(4,440)	-	(4,440)
- Treasury shares sold	-	9,158	-	-	-	3,850	13,008	-	13,008
- Dividends	-	-	-	-	-	(25,715)	(25,715)	-	(25,715)
- Non-controlling interests' share of dividends	-	-	-	-	-	-	-	(3,570)	(3,570)
Total transactions with owners	-	9,158	(5,000)	-	-	(21,305)	(17,147)	(3,570)	(20,717)
Realisation of revaluation reserve	-	-	-	-	(1,764)	1,765	1	(1)	-
Balance as at 30/09/2023	633,878	(30,770)	(500,423)	628	14,353	118,201	235,867	19,876	255,743

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 2023 and the accompanying notes attached to this interim financial report.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**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 for the financial year ended 31 December 2023. 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 2023.

**2. Significant Accounting Policies**

The financial statements of the Group and of the Company are 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:-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

Amendments to MFRS 121: Lack of Exchangeability

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 amendments are expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the preceding annual audited financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group's agriculture and fruit businesses are sensitive to prolonged and extreme weather conditions.

**5. Unusual Items**

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

**6. Material Changes in Estimates**

There were no material changes in the estimates of amounts reported that have a material effect on the results for the current quarter under review and financial period up 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 up to date.

**8. Dividend**

During the quarter under review, the Company proposed a second interim single-tier dividend of 0.8 sen per ordinary share amounting to approximately RM31.0 million in respect of the financial year ending 31 December 2024. The entitlement date and payment date have been fixed on 11 December 2024 and 30 December 2024 respectively

The Company had on 19 August 2024 declared first interim single-tier dividend of 0.5 sen per ordinary share amounting to approximately RM19.4 million in respect of the financial year ending 31 December 2024.

The total dividends declared to-date for the current financial year is 1.3 sen per ordinary share, amounted to approximately RM50.4 million.

The Company had on 5 April 2024 paid an interim single-tier dividend of 1.0 sen per ordinary share amounting to approximately RM38.8 million in respect of the financial year ended 31 December 2023.

Other than the above, there were no dividends proposed or paid during the quarter under review.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**9. Segmental Reporting**

9-months ended 30 September 2024								
Continuing Operations						Discontinued Operations	Total	
Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total	Consumer Products		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>REVENUE AND EXPENSES</b>								
<b>Revenue</b>								
External	90	242,595	301,452	154,057	-	698,194	-	698,194
Inter-segment	47,979	2,254	427	-	(50,660)	-	-	-
Total revenue	48,069	244,849	301,879	154,057	(50,660)	698,194	-	698,194
<b>Results</b>								
Segment results	57,514	31,536	67,240	8,635	(60,798)	104,127	-	104,127
Finance costs	(11,535)	(4,701)	(2,796)	(5,245)	4,513	(19,764)	-	(19,764)
Finance income	4,547	141	64	139	(4,513)	378	-	378
Share of result of joint ventures	-	119	-	(308)	-	(189)	-	(189)
Profit before taxation	50,526	27,095	64,508	3,221	(60,798)	84,552	-	84,552
Taxation	(251)	(5,493)	(12,620)	(2,253)	134	(20,483)	-	(20,483)
Consolidated profit after taxation	50,275	21,602	51,888	968	(60,664)	64,069	-	64,069



Interim Report for the 9-months Financial Period Ended 30 September 2024

9. Segmental Reporting (Cont'd)

9-months ended 30 September 2023								
Continuing Operations						Discontinued Operations	Total	
Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total	Consumer Products		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>REVENUE AND EXPENSES</b>								
<b>Revenue</b>								
External	84	262,584	192,491	-	-	455,159	6,639	461,798
Inter-segment	54,198	14	177	-	(54,389)	-	-	-
Total revenue	54,282	262,598	192,668	-	(54,389)	455,159	6,639	461,798
<b>Results</b>								
Segment results	48,005	29,488	44,279	-	(51,583)	70,189	(1,806)	68,383
Finance costs	(10,075)	(4,222)	(1,121)	-	-	(15,418)	(221)	(15,639)
Finance income	69	104	978	-	-	1,151	3	1,154
Share of result of a joint venture	-	249	-	-	42	291	-	291
Profit/(Loss) before taxation	37,999	25,619	44,136	-	(51,541)	56,213	(2,024)	54,189
Taxation	(120)	(4,857)	(10,495)	-	(245)	(15,675)	8	(15,667)
Consolidated profit/(loss) after taxation	37,879	20,762	33,641	-	(51,786)	40,538	(2,016)	38,522



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**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 2023.

**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:-

On 24 May 2024, the Company's indirect 51%-owned subsidiary, Durian Boat Global Sdn. Bhd. (formerly known as Hextar IOT Sdn. Bhd.) ("Durian Boat") had entered into a joint venture agreement with Shenzhen Yoursender Investment Co. Ltd. for the establishment of a joint venture company to expand Durian Boat's business in China.

**12. Contingent Liabilities**

The contingent liabilities are as follows:

	<b>As at 30/09/2024 RM'000</b>
Guarantees provided to financial institutions for facilities granted to the Group	<u>657,050</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 other than the following:-

	<b>Group As at 30/09/2024 RM'000</b>
Variable deferred consideration in relation to the acquisition of subsidiaries	14,288
Property and equipment	<u>3,328</u>

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

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



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**15. Related Party Transactions**

The related parties comprising of directors and/or major shareholders of Hextar Global Berhad who are either the directors and/or major shareholders of the Company or the persons connected with the Company by virtue of Section 197 Companies Act 2016. The following table provides information on the transactions which have been entered into with the related parties for the period ended 30 September 2024.

	<b>Transaction Value 30/09/2024 RM'000</b>
Sales of raw materials/finished goods:-	
Hextar Oil & Gas Sdn. Bhd.	1,796
Hextar Fert Sdn. Bhd.	405
Hextar KCS Sdn. Bhd.	75
Rubberex (M) Sdn. Bhd.	39
PK Fert Sdn. Bhd.	25
Purchase of raw materials/finished goods:-	
Hextar Fert Sdn. Bhd.	565
PK Fertilizers Sdn. Bhd.	24
Hexlube Sdn. Bhd. (formerly known as Hextar Lube Synergy Sdn. Bhd.)	1,356
Receiving of management services:-	
Hextar Asset Management Sdn. Bhd.	2,433
Opcom Shared Services Sdn. Bhd.	60
Rental of storage space and warehouse facilities services:-	
Hexlube Sdn. Bhd. (formerly known as Hextar Lube Synergy Sdn. Bhd.)	37
Receipt of e-Commerce and other IT related services:-	
CIBC Technology Sdn. Bhd.	<u>612</u>



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**1. Review of Performance of the Group**

The Group's revenue for the current quarter increased by 38.3% or RM70.0 million, to RM253.0 million from RM182.9 million recorded in the corresponding quarter of the previous year. This was mainly attributable to revenue stream contribution of RM85.3 million from the Fruits segment post-acquisition in November 2023. The revenue increase was driven by the current quarter's durian season.

As a result of higher revenue, the Group reported a 29.7% increase in profit before taxation ("PBT") or RM7.4 million, to RM32.2 million for the current quarter as compared to RM24.9 million in the corresponding quarter of the previous year. The significant growth in PBT was largely due to the RM7.3 million contribution from the Fruit segment.

On a year-to-date basis, the Group achieved a revenue of RM698.2 million for the cumulative quarter under review as compared to RM455.2 million recorded for the corresponding quarter of the preceding year, representing an increase of RM243.0 million or 53.4%. This significant increase was primarily driven by the newly acquired Fruits segment which contributed RM154.1 million along with the Specialty Chemicals segment's contribution of RM109.0 million to the Group's revenue.

Year-to-date profit before taxation was higher at RM84.6 million for the cumulative quarter under review as compared to RM56.2 million reported in the corresponding quarter of the preceding year. This represents an increase of 50.4% or RM28.3 million mainly attributable to improved margins and growth within the Specialty Chemicals segment.

**2. Comparisons with the Immediate Preceding Quarter's Results**

	<b>3-months Current Quarter ended 30/09/2024 (RM'000)</b>	<b>3-months Preceding Quarter ended 30/06/2024 (RM'000)</b>
Revenue	252,962	212,963
Profit before taxation	32,242	32,610

On a quarter-on-quarter basis, the Group's revenue increased to RM253.0 million from RM213.0 million in the previous quarter, representing a growth of 18.8% or RM40.0 million. The increase was mainly driven by the Fruits segment with a revenue increase of RM65.3 million benefiting from the durian season. However, this growth was partially mitigated by the decline in revenue from the Specialty Chemicals segment.

Despite the increase in revenue, the consolidated PBT had slightly decreased by 1.1% or RM0.4 million, dropped to RM32.2 million from RM32.6 million in previous quarter. This decline was influenced by the elevated profit margins from a one-off contract awarded to the Specialty Chemicals segment in the previous quarter.





## Interim Report for the 9-months Financial Period Ended 30 September 2024

### 3. Year 2024 Prospects

#### Agriculture

The prospect of the pesticide industry in Malaysia is expected to be positive. The population expansion and reduction in arable land available for cultivation pose a challenge to sustaining agricultural production. As such, pesticides play a crucial role in enhancing crop yields by aiding in pest management and weed control. The Malaysian Government also introduced a range of incentives to ensure increased productivity within the palm oil and rubber industries as part of the recently announced Budget for 2024. The development of the local palm oil and rubber industries is expected to support the growth of the local pesticide industry.

Our ongoing strategy involves concentrating on sales and marketing efforts to expand our markets, explore new opportunities, increase revenue and uphold our position as a leader in the local market. The Board is confident that this segment will consistently contribute to the Group's sustainable income.

#### Specialty Chemicals

The specialty cleaning and sanitation industry is stabilised following the pandemic recovery. The Food Services outlets are rapidly expanding across the nation and our machine leasing programs have garnered widespread acceptance among our clients. In 2024, the Food and Beverage Division is scouting for talent to cover a wider market coverage. We have set up a plan to strengthen our marketing force with the new intake of experienced and competent sales and technical team. The focus in 2024 is to campaign aggressively in overseas markets as the efforts put to work in 2023 have delivered positive results. We are expecting enhanced revenue in the upcoming years.

The outlook for the specialty chemicals and catalysts businesses for the oil & gas industry in 2024 is generally positive. The acquisition made last year represents a strategic investment for expansion as it expanded the company's customer base, product range, and the additional manufacturing facility, which dampen the effects of the cyclical demand fluctuations inherent to the oil and gas industry, paving the way to a more robust and sustainable business.

Moving forward, the special derivative and coating chemicals used in the rubber glove product sector are expected to have moderate growth. We anticipate the oversupply situation in the industry to be less acute and gradually improve following signs of players culling production capacity via decommissioning of selective plants. We are continuing our efforts to diversify and expand into other Asian markets aside from Malaysia. The sector is committed to enhancing and producing new chemical innovations to create higher-value products for customers.

#### Fruits

As we are now entering second half of the year, the durian industry is projected to have a neutral outlook in 2024 as the market will be largely balanced by the only 1-peak season this year. Growth within the durian industry is likely to come from factors such as the growing awareness and appreciation for durian from consumers domestically and around the world, particularly for "Musang King" variety. The development of the durian in Malaysia is expected to be supported by the increased durian cultivation in the country. Concurrently, positive support from the Malaysian Government particularly in the marketing and promotion of durian internationally, augurs well for the durian industry as the Group leverages on technology and implement supply chain integration to deliver high quality durian fruits to consumers worldwide. The continued enforcement of stringent food safety standards will ensure quality durians are exported, further enhancing Malaysia's durian reputation. As we intensify our marketing efforts to create brand awareness among the locals and global market, we have been receiving positive responses from increased business dealings. Hence, the Board believes that the Fruits segment will provide the Group with a sustainable source of income.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**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:-

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 30/09/2024 RM'000</b>	<b>Preceding Year Quarter 30/09/2023 RM'000</b>	<b>Current Year to-Date 30/09/2024 RM'000</b>	<b>Preceding Year to-Date 30/09/2023 RM'000</b>
Deferred tax	149	145	2,751	(511)
Income tax	(9,197)	(7,167)	(23,234)	(15,164)
Taxation on continuing operations	<u>(9,048)</u>	<u>(7,022)</u>	<u>(20,483)</u>	<u>(15,675)</u>
Taxation on discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>

The effective tax rate for previous quarter and preceding year-to-date under review for the Group was higher than the statutory tax rate of 24% mainly due to certain expenses being non-deductible for tax purposes and the provision of deferred tax. However, the effective tax rate for the current year-to-date is approximately aligned with the statutory tax rate of 24%.

**6. Status of Corporate Proposal**

There were no corporate proposals for the financial period under review.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**7. Borrowings**

The Group's borrowings as at 30 September 2024 and 31 December 2023 are as follows:

	<b>As at 30/09/2024 RM'000</b>	<b>As at 31/12/2023 RM'000</b>
<b>Short-term borrowings</b>		
<u>Secured</u>		
Term loans	34,455	31,774
Hire purchases	1,596	1,493
Bills payable	146,298	141,226
Revolving credit	44,950	66,000
Bank overdraft	13,758	14,353
	<u>241,057</u>	<u>254,846</u>
<b>Long-term borrowings</b>		
<u>Secured</u>		
Term loans	149,458	126,190
Hire purchases	3,530	3,532
	<u>152,988</u>	<u>129,722</u>
<b>Total</b>	<u>394,045</u>	<u>384,568</u>

**8. Material Litigation**

On 28 May 2021, a direct wholly-owned subsidiary of the Company, Chempro Technology (M) Sdn. Bhd. ("Chempro") was involved in a material litigation with a former employee, Chew Chee Siong ("the Claimant"). The Claimant had filed a claim against Chempro on 15 May 2020 for a reduction in his income due to Chempro's reallocation of certain customers to other employees. On 22 March 2024, the Industrial Tribunal had ordered Chempro to pay the Claimant a sum of RM543,552 within 30 days from the date of the award to compensate the Claimant for being constructively dismissed.



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

**9. Earnings Per Share**

a. Basic

The basic earnings per share are calculated by dividing the earnings 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 Year Quarter 30/09/2024	Preceding Year Quarter 30/09/2023	Current Year to-Date 30/09/2024	Preceding Year to-Date 30/09/2023
Profit/(Loss) attributable to equity holders of the Company (RM'000)				
- Continuing operations	19,708	15,393	51,011	34,707
- Discontinued operations	-	-	-	(2,016)
Weighted average number of ordinary shares in issue ('000) ^	3,876,067	3,876,067	3,876,067	3,872,002
Basic earnings per share (sen)				
- Continuing operations	0.51	0.40	1.32	0.90
- Discontinued operations	-	-	-	(0.05)

^ The calculation of basic earnings per share for the previous financial period has been adjusted retrospectively to reflect the changes in the number of shares as a result of the bonus issue.

b. Diluted

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



**Interim Report for the 9-months Financial Period Ended 30 September 2024**

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

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year Quarter</b>	<b>Year Quarter</b>	<b>Year-to-Date</b>	<b>Year-to-Date</b>
	<b>30/09/2024</b>	<b>30/09/2023</b>	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation	161	155	412	475
Depreciation	4,804	3,318	14,090	11,896
Plant and equipment written off	11	-	16	1
Impairment loss on trade receivables	1	535	125	644
Interest expense	5,577	6,661	19,764	15,418
Net loss arising from changes in fair value of biological assets	5	-	33	-
Share of loss/(profit) of joint ventures	154	(132)	189	(291)
Loss/(Gain) on forward currency contracts	225	(321)	12	(564)
Unrealised (gain)/loss on foreign exchange	(2,656)	(1,324)	(1,462)	215
Interest income	(96)	(502)	(378)	(1,152)
(Gain)/Loss on disposal of plant and equipment	-	-	(184)	36
Gain on disposal of investment in subsidiaries	-	-	-	(527)
Gain on lease termination	(16)	(19)	(16)	(19)
Reversal of impairment loss on trade receivables	(368)	-	(404)	-

By Order of the Board  
HEXTAR GLOBAL BERHAD  
199001014551 (206220 – U)

Tan Tong Lang  
Company Secretary  
Kuala Lumpur  
19 November 2024