



HEXTAR CAPITAL BERHAD

Company No: 199401036979 (322661-W)

QUARTERLY INTERIM FINANCIAL REPORT

For the Quarter Ended 31 December 2024

The Directors are pleased to announce the following:-

Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 31 December 2024

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/12/2024 RM'000	Preceding Year Corresponding Quarter 31/12/2023 RM'000	Current Year To Date 31/12/2024 RM'000	Preceding Year To Date 31/12/2023 RM'000
Revenue		26,685	34,293	26,685	34,293
Cost of sales		(22,137)	(23,502)	(22,137)	(23,502)
Gross profit		4,548	10,791	4,548	10,791
Other operating income		2,079	746	2,079	746
Administrative expenses		(3,007)	(3,105)	(3,007)	(3,105)
Distribution costs		(72)	(170)	(72)	(170)
Other operating expenses		(417)	(7,285)	(417)	(7,285)
Operating profit		3,131	977	3,131	977
Interest income		311	1,176	311	1,176
Finance costs		(1,263)	(554)	(1,263)	(554)
Share of results of equity-accounted associates		2,621	-	2,621	-
Profit before tax		4,800	1,599	4,800	1,599
Income tax expenses	B5	(1,140)	(374)	(1,140)	(374)
Profit for the period	B12	3,660	1,225	3,660	1,225
Other comprehensive income, net of tax					
<i>Item that may be reclassified subsequently to profit or loss:-</i>					
Translation differences		37	(1,151)	37	(1,151)
Total comprehensive income for the period		3,697	74	3,697	74



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Unaudited Condensed Consolidated Statement of Comprehensive Income for the Quarter and Financial Period Ended 31 December 2024 (continued)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/12/2024 RM'000	Preceding Year Corresponding Quarter 31/12/2023 RM'000	Current Year To Date 31/12/2024 RM'000	Preceding Year To Date 31/12/2023 RM'000
Profit for the period attributable to:-					
Owners of the Company		3,581	965	3,581	965
Non-controlling interest		79	260	79	260
		<u>3,660</u>	<u>1,225</u>	<u>3,660</u>	<u>1,225</u>
Total comprehensive income attributable to:-					
Owners of the Company		3,618	(186)	3,618	(186)
Non-controlling interest		79	260	79	260
		<u>3,697</u>	<u>74</u>	<u>3,697</u>	<u>74</u>
Earnings per share attributable to owners of the Company:-					
Basic (sen)	B11	<u>0.80</u>	<u>0.25</u>	<u>0.80</u>	<u>0.25</u>
Diluted (sen)	B11	<u>0.80</u>	<u>0.25</u>	<u>0.80</u>	<u>0.25</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2024.



HEXTAR CAPITAL BERHAD
Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2024

	Note	As At Financial Period Ended 31/12/2024 RM'000	(Audited) As At Preceding Financial Year Ended 30/09/2024 RM'000
Non-current assets			
Property, plant and equipment	A9	22,785	23,184
Intangible assets		4,160	4,160
Investment in associates		129,214	126,592
Other investments		-	-
Right-of-use assets		11,548	11,641
Trade receivables		53,774	58,689
Other receivables		7,333	8,250
		228,814	232,516
Current assets			
Inventories		9,731	8,937
Trade and other receivables		106,316	106,402
Current tax assets		4,080	2,199
Other investments		6,280	6,280
Cash and cash equivalents		29,205	31,630
		155,612	155,448
TOTAL ASSETS		384,426	387,964
Equity			
Share capital		207,448	207,448
Reserves		(23,889)	(35,309)
ESOS Reserve		1,316	1,316
Retained earnings		36,789	33,208
		221,664	206,663
Non-controlling interest		9,738	9,659
Total equity		231,402	216,322
Non-current liability			
Other payables		13,918	13,800
Deferred tax liabilities		680	680
Lease liabilities		189	224
Bank borrowings		39,141	43,468
		53,928	58,172
Current liabilities			
Trade and other payables		60,336	78,027
Lease liabilities		77	72
Bank borrowings		38,684	35,371
		99,097	113,470
Total liabilities		153,025	171,642
TOTAL EQUITY AND LIABILITIES		384,427	387,964
Net assets per share attributable to ordinary equity holders of the parent (RM)			
		0.50	0.46

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2024.



HEXTAR CAPITAL BERHAD

Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 31 December 2024

	Current Financial Period Ended 31/12/2024 RM'000	Preceding Financial Year Corresponding Period Ended 31/12/2023 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	4,800	1,599
Adjustments for:-		
Interest Income	(311)	(1,176)
Other Non-cash items	924	8,446
Other Non-operating items	(1,359)	554
Operating profit before working capital changes	<u>4,054</u>	<u>9,423</u>
Changes in working capital:-		
Inventories	(777)	3,959
Trade and other receivables	6,039	(7,409)
Trade and other payables	(1,844)	(828)
Cash from operations	<u>7,472</u>	<u>5,145</u>
Tax paid	(3,021)	(5,021)
Net cash from operating activities	<u>4,451</u>	<u>124</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(85)	(2,141)
Change in pledged deposits	(66)	4,938
Interest received	311	399
Repayment of deferred consideration	(4,800)	-
Other investment	-	(39,200)
Net cash for investing activities	<u>(4,640)</u>	<u>(36,004)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/Drawdown of bank borrowings	(1,870)	7,111
Repayment of lease liabilities	(30)	(30)
Finance costs paid	(1,262)	(554)
Net cash (for)/from financing activities	<u>(3,162)</u>	<u>6,527</u>
Net decrease in cash and cash equivalents	(3,351)	(29,353)
Effect of exchange rate fluctuations on cash held	3	(636)
Cash and cash equivalents at beginning of financial period	<u>12,758</u>	<u>46,577</u>
Cash and cash equivalents at end of financial period	<u>9,410</u>	<u>16,588</u>



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**Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 31 December 2024
(continued)**

Cash and cash equivalents included in the Statement of Cash Flows comprise of the following amounts in Statement of Financial Position:-

	Current Financial Period Ended 31/12/2024 RM'000	Preceding Financial Year Corresponding Period Ended 31/12/2023 RM'000
Deposits placed with licensed banks	19,320	11,167
Cash and bank balances	9,885	25,731
	<u>29,205</u>	<u>36,898</u>
Less: Deposit pledged and bank overdrafts	(19,795)	(20,310)
	<u>9,410</u>	<u>16,588</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 September 2024.



HEXTAR CAPITAL BERHAD

Company No: 199401036979 (322661-W)

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 December 2024

Group	Share capital RM'000	Non-Distributable			Distributable		Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		Capital reserve RM'000	Translation reserve RM'000	Other reserve RM'000	ESOS reserve RM'000	Retained earnings RM'000			
Balance as at 1 October 2024	207,448	3	7,373	(42,685)	1,316	33,208	206,663	9,659	216,322
Profit and total comprehensive (loss)/income for the period	-	-	37	-	-	3,581	3,618	79	3,697
Transactions with owners - settlement of deferred consideration	-	-	-	11,383	-	-	11,383	-	11,383
Balance as at 31 December 2024	207,448	3	7,410	(31,302)	1,316	36,789	221,664	9,738	231,402

Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 December 2023

Group	Share capital RM'000	Non-Distributable			Distributable		Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		Capital reserve RM'000	Translation reserve RM'000	Other reserve RM'000	ESOS reserve RM'000	Retained earnings RM'000			
Balance as at 1 October 2023	170,628	3	7,425	(42,686)	1,410	55,281	192,061	9,901	201,962
Profit and total comprehensive (loss)/income for the period	-	-	(1,151)	-	-	965	(186)	260	74
Balance as at 31 December 2023	170,628	3	6,274	(42,686)	1,410	56,246	191,875	10,161	202,036

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2024.



HEXTAR CAPITAL BERHAD

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Notes on the Quarterly Interim Financial Report - 31 December 2024

A. EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRSs") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

These condensed consolidated interim financial statements for the current quarter have been prepared in accordance with MFRS 134, *Interim Financial Reporting* and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2024 which was prepared in accordance with the MFRSs. The explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2024.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 September 2024 except for the adoption of those new Malaysian Financial Reporting Standards ("MFRS") and amendment to MFRS and Interpretations that are applicable to the Group for the financial period beginning 01 October 2024.

The adoption of the new standards, amendments and interpretation to published standards does not have any material impact on the financial statements of the Group for the financial period beginning on 01 October 2024 upon their initial application.

A2. Audit Report

The Audit Report of the Group's annual financial statements for the financial year ended 30 September 2024 was not subject to any audit qualification.

A3. Seasonality of Interim Operations

The fiber optic cables business is observed to be cyclical in nature and dependent on the general economic and business environment. Given its experience in these markets, the Group is well positioned to ameliorate any cyclical fluctuation of demand for its products.

Saved as disclosed above, the business of the Group are not affected by seasonal or cyclical factors.

A4. Unusual Items

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows other than those disclosed elsewhere in these notes.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect in the current quarter.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A7. Dividends Paid

There were no dividends paid during the current quarter.



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A8. Segmental Reporting

The Group operates wholly in Malaysia.

The Group's segmental report for the financial period ended 31 December 2024 are as follows:-

<u>Business Segments</u>	Manufacturing RM'000	Engineering services & Trading RM'000	Tele- communication Network RM'000	Construction and Project Management RM'000	Money Lending RM'000	Other Operations RM'000	Eliminations RM'000	The Group RM'000
Segment revenue:								
Revenue from external customers	5,377	2,349	5,189	13,112	603	55	-	26,685
Segmental (loss)/profit:								
Operating (loss) /profit for reportable segments	(744)	1,909	2,262	279	24	(883)	284	3,131
Interest income								311
Finance costs								(1,263)
Share of results of equity-accounted associated companies								2,621
Profit before tax								4,800
Income tax expense								(1,140)
Profit after tax								3,660

A9. Valuations of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment.

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of current quarter that have not been reflected in the financial statements for the current quarter.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A12. Changes in Contingent Assets or Contingent Liabilities

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



HEXTAR CAPITAL BERHAD

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A13. Significant Related Party Transactions

The significant related party transactions during the current quarter and financial period ended are as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2024 RM'000	Preceding Year Correspondin g Quarter 31/12/2023 RM'000	Current Year To Date 31/12/2024 RM'000	Preceding Year To Date 31/12/2023 RM'000
Related companies in which a substantial shareholder of the Company has interests:-				
Sale of goods	533	-	533	-
Purchase of goods or services	47	128	47	128
Supply of services	30	119	30	119
Related companies in which a subsidiary of the Company has interests:-				
Supply of services	848	93	848	93



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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD REQUIREMENTS

B1. Review of Performance

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Quarter	Changes	Current Year To Date	Preceding Year To Date	Changes
	31/12/2024 RM'000	31/12/2023 RM'000	+/ - (%)	31/12/2024 RM'000	31/12/2023 RM'000	+/ - (%)
Revenue	26,685	34,293	-22%	26,685	34,293	-22.2%
Profit before tax	4,800	1,599	200.2%	4,800	1,599	200.2%
Profit for the period	3,660	1,225	198.8%	3,660	1,225	198.8%

The Group reported quarterly consolidated revenue of RM26.7 million for Q1 2025, a decline from RM34.3 million as compared to the same quarter last year. This drop is primarily attributable to lower revenue in the manufacturing segment, which is experiencing a cyclical slowdown, and in the telecommunication network and infrastructure solutions segment, where progress in JENDELA Phase 1 in rural areas has been slower than anticipated. Nevertheless, new initiatives in construction, project management, and money lending have helped to cushion the overall decline.

Despite the lower revenue, the Group achieved a profit after tax of RM3.7 million, higher than the RM1.2 million reported in Q1 2024. This improvement is driven by the absence of intangible asset amortisation related to the TJE acquisition, which has now been fully recognised, along with positive contributions from our associate companies.

B2. Variation of Results Against the Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes
	31/12/2024 RM'000	30/9/2024 RM'000	+/ - (%)
Revenue	26,685	32,174	-17.1%
Profit/(loss) before tax	4,800	(6,475)	174.1%
Profit/(loss) for the period	3,660	(5,738)	163.8%

The Group reported quarterly consolidated revenue of RM26.7 million, decrease from RM32.2 million in the previous quarter. This decline was primarily driven by weaker performance across our manufacturing, engineering, and telecommunication network infrastructure segments. Despite the lower revenue, the Group delivered a profit after tax of RM3.7 million as compared to the loss after tax of RM5.7 million recorded in the prior quarter. This improvement was mainly attributable to reduced other expenses, stemming from the absence of intangible asset amortisation of RM6.7 million, a non-recurring goodwill impairment of RM2.2 million, and an inventory impairment of RM0.7 million.



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B3. Prospects

As we enter the first quarter of 2025, Hextar Capital Berhad (“HCB”) remains committed to driving sustainable growth and seizing emerging opportunities in a rapidly evolving business landscape.

Our construction and project management segment continues to be a key focus. Through our wholly-owned subsidiary, T & J Engineering Sdn. Bhd. (“TJE”), we are diligently executing the RM97 million Universiti Malaysia Kelantan (“UMK”) student hostel project, reinforcing our capability to deliver large-scale infrastructure projects and positioning us well for future opportunities.

In our telecommunication network infrastructure segment, TJE is executing its obligations under JENDELA Phase 1. The project is progressing as planned, demonstrating our technical expertise and operational reliability, and setting the stage for our participation in JENDELA Phase 2 to further support Malaysia’s 5G readiness.

Our strategic investment in Transgrid Ventures Sdn. Bhd. is generating robust momentum in the power generation and transmission segment. Transgrid has secured significant contracts for data centre substation projects, including the RM197 million TNB Vantage Data Centre project, the RM137 million GDS Data Centre project, and the RM104 million Microsoft Data Centre project. With an order book now exceeding RM1.5 billion and a target to reach RM3 billion over the next three years, these achievements underscore our commitment to capitalising on the growing demand for digital infrastructure. In today’s competitive landscape, bolstered by government initiatives to transform Malaysia into a digital economy, digital networks are increasingly recognised as essential for enhancing operational efficiency and fostering innovation.

Our manufacturing segment, specialising in fiber optic cables and related products, continues to support Malaysia’s digital infrastructure needs. Likewise, our engineering services and trading operations remain pivotal in delivering quality solutions to our clients.

In addition to our core operations, the Group has diversified into the money lending business. Announced on 2 December 2024 and subsequently approved by Bursa Malaysia and our shareholders, this new venture is already contributing positively to our revenue mix by addressing the financing needs of underserved market segments.

HCB remains well-positioned to leverage its diversified portfolio and strong market presence. With strategic initiatives across construction, telecommunications related, power infrastructure, and financial services, we are confident in our ability to generate sustainable value for our stakeholders and to drive long-term growth in a dynamic economic environment.

B4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast and profit guarantee in any public document.

B5. Income Tax Expenses

	Quarter Ended		Financial Period Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Tax expenses	1,140	1,883	1,140	1,883
Deferred taxation	-	(1,509)	-	(1,509)
	<u>1,140</u>	<u>374</u>	<u>1,140</u>	<u>374</u>

The effective tax rate of the Group for the current quarter and year-to-date reporting period is approximately equal to the statutory tax

B6. Status of corporate proposals as at 26 February 2025

(being a date not earlier than seven (7) days from the date of issue of the quarterly report)

On 23 January 2024, the Company announced the proposed private placement of up to 134,089,200 new shares at an issue price to be determined at a later date. This placement represents no more than 30% of the total number of issued shares at the Company. The proposal was approved by Bursa Malaysia on 19 March 2024 and approved by the shareholders at the EGM on 24 April 2024. On 22 August 2024, an application has been submitted to Bursa Securities to seek an extension of time of 6 months up to 18 March 2025 for the Company to implement the private placement. On 21 February 2025, the Company announced the issued price of the placement shares fixed at RM0.2950 each.

On 2 December 2024, the Company announced both the proposed diversification of the business activities of the Group to include money lending business activities and the proposed variation of the utilisation of proceeds to be raised from the private placement to the current intended utilisation. The proposals were approved by Bursa Malaysia on 20 December 2024 and approved by the shareholders at the Extraordinary General Meeting on 24 January 2025.

Save as disclosed above, there are no corporate proposals that had announced but not completed as at the date of this report.



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B7. Utilisation of Proceeds Raised from Corporate Proposal

On 31 January 2023, the Company had raised total proceeds of RM19,257 million from the private placement by issuance of 27,908,700 new ordinary shares.

The current status as of follows:

Details	Expected timeframe for utilisation of proceeds from 31 January 2023	Proposed Utilisation RM'000	Actual Utilisation as of 26 February 2025 RM'000	Balance Unutilised RM'000
(i) Proposed acquisition	Within 36 months	18,257	(8,500)	9,757
(ii) Working capital	Within 36 months	735	(735)	-
(iii) Estimated expenses for the Private Placement	Immediate	265	(265)	-
Total		19,257	(9,500)	9,757

B8. Group Borrowings and Debt Securities

The Group's borrowings at the end of the reporting period are as follows:-

	Currency Denomination	As at 31/12/2024 RM'000	As at 30/09/2024 RM'000
<u>Current</u>			
- Overdraft	MYR	8,066	7,208
- Bank borrowings	MYR	30,618	28,163
- Lease liabilities	MYR	77	72
		<u>38,761</u>	<u>35,443</u>
<u>Non-current</u>			
- Bank borrowings	MYR	39,141	43,468
- Lease liabilities	MYR	189	224
		<u>39,330</u>	<u>43,692</u>
		<u>78,091</u>	<u>79,135</u>

B9. Material litigation as at 26 February 2025

(being a date not earlier than seven (7) days from the date of issue of the quarterly report)

Opcom Cables Sdn Bhd, a subsidiary of the Company, has filed and served the Writ of Summons and Statement of Claims against Forward Resources & Construction Sdn. Bhd. ("FRC") as Defendant claiming the amount of RM0.4 million as outstanding sum arising from the supply of fiber optic cables. Judgement in Default of Appearance was granted against FRC on 12 October 2022. A winding up order was served on FRC through one of FRC's petitioners. Opcom Cables Sdn Bhd had on 1 December 2022, filed the Proof of Debt with the Malaysia Insolvency Department for the RM0.4 million, pending the fixing of first creditor's meeting. The Group had made full provision on the RM0.4 million in the prior years. The company will update as and when there are material developments on the above matter.



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B10. Dividends

The Company did not declare dividends during the current quarter.

B11. Earnings per share

(a) Basic earnings per share

	Quarter Ended		Financial Period Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Profit for the period attributable to owners of the Company (RM'000)	3,581	965	3,581	965
Weighted average number of ordinary shares in issue ('000)	446,964	384,022	446,964	384,022
Basic earnings per share (sen)	0.80	0.25	0.80	0.25

(b) Diluted earnings per share

	Quarter Ended		Financial Period Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Profit for the period attributable to owners of the Company (RM'000)	3,581	965	3,581	965
Weighted average number of ordinary shares in issue ('000)	446,964	384,022	446,964	384,022
Shares deemed to be issued for no consideration:				
Employee share options in issue ('000)	2,624	2,624	2,624	2,624
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	449,588	386,646	449,588	386,646
Diluted earnings per share (sen)	0.80	0.25	0.80	0.25

B12. Profit for the period

	Quarter Ended		Financial Period Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):-				
Interest income	311	1,176	311	1,176
Other income	2,026	672	2,026	672
Interest expenses	(1,263)	(554)	(1,263)	(554)
Depreciation	(577)	(482)	(577)	(482)
Amortisation of intangible asset	-	(6,504)	-	(6,504)
Foreign exchange gain/(loss)				
- unrealised	69	(696)	69	(696)
- realised	22	506	22	506
Modification loss on financial assets	(417)	(781)	(417)	(781)

There were no gain or loss on disposal of quoted or unquoted investments or properties or exceptional items for current quarter and financial period ended 31 December 2024.