



HEXTAR INDUSTRIES BERHAD
(Formerly known as SCH Group Berhad)

201101044580 (972700-P)
(Incorporated in Malaysia)

Interim Financial Report
For the First (1st) Quarter Ended
30 November 2021

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 30 NOVEMBER 2021

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Unaudited 30.11.2021 RM'000	Unaudited 30.11.2020 RM'000	Unaudited 30.11.2021 RM'000	Unaudited 30.11.2020 RM'000
Revenue	47,795	37,492	47,795	37,492
Cost of Sales	(41,589)	(31,200)	(41,589)	(31,200)
Gross Profit	6,206	6,292	6,206	6,292
Other operating income	560	423	560	423
Administrative expenses	(2,048)	(2,635)	(2,048)	(2,635)
Selling and distribution expenses	(1,755)	(2,141)	(1,755)	(2,141)
Profit/(Loss) from operations	2,963	1,939	2,963	(1,939)
Finance costs	(631)	(743)	(631)	(743)
Profit before taxation	2,332	1,196	2,332	1,196
Taxation	(339)	(517)	(339)	(517)
Profit for the financial period	1,993	679	1,993	679
Other comprehensive income:				
Foreign currency translation differences	(5)	15	(5)	15
Total comprehensive income for the financial period	1,988	694	1,988	694
Profit for the period attributed to:				
- Owners of the company	2,090	628	2,090	628
- Non-controlling interest	(97)	51	(97)	51
	1,993	679	1,993	679
Total comprehensive income attributable to:				
- Owners of the company	2,085	643	2,085	643
- Non-controlling interest	(97)	51	(97)	51
	1,988	694	1,988	694
Earnings per share:				
- Basic (sen)	0.356	0.262	0.356	0.262

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 2021 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 30 NOVEMBER 2021

	Unaudited as at 30.11.2021 RM'000	Audited as at 31.08.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	56,360	57,407
Goodwill on consolidation	19,276	19,276
Trade receivables	-	-
Other receivables	-	50
	75,636	76,733
CURRENT ASSETS		
Inventories	19,822	29,637
Trade receivables	52,024	40,932
Other receivables, prepayments and deposits	9,900	6,043
Tax recoverable	1,560	1,387
Fixed deposit with licensed banks	20	6,460
Cash and bank balances	127,492	9,846
	210,818	94,305
Non-current assets held for sale	-	-
	210,818	94,305
TOTAL ASSETS	286,454	171,038
EQUITY AND LIABILITIES		
EQUITY		
Share capital	189,648	76,159
Merger deficit reserve	(23,859)	(23,859)
Foreign currency translation reserves	(8)	(3)
Retained earnings	29,664	27,574
	195,445	79,871
Non-controlling interest	3,923	4,020
TOTAL EQUITY	199,368	83,891
CURRENT LIABILITIES		
Trade payables	14,979	14,038
Other payables	4,610	4,697
Contract liabilities	338	259
Lease liabilities	134	136
Bank borrowings	18,960	18,103
Tax payable	22	2
	39,043	37,235

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2021 (CONTINUED)

	Unaudited as at 30.11.2021 RM'000	Audited as at 31.08.2021 RM'000
NON-CURRENT LIABILITIES		
Lease liabilities	321	353
Bank borrowings	41,182	43,019
Deferred tax liabilities	6,540	6,540
	<u>48,043</u>	<u>49,912</u>
TOTAL LIABILITIES	87,086	87,147
TOTAL EQUITY AND LIABILITIES	286,454	171,038
	<hr/>	<hr/>
NET ASSET PER SHARE (sen)	17.25	43.13
	<hr/>	<hr/>

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 2021 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 FIRST (1ST) QUARTER ENDED 30 NOVEMBER 2021

	<i>←-- Attributable to the Owners of the Company --></i>				Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000			
Unaudited							
Balance as at 1 September 2021	76,159	(23,859)	(3)	27,574	79,871	4,020	83,891
Conversion of warrants	2,748	-	-	-	2,748	-	2,748
Right Issues	110,741	-	-	-	110,741	-	110,741
Profit for the financial period	-	-	-	2,090	2,090	(97)	1,993
Other comprehensive loss for the financial period	-	-	(5)	-	(5)	-	(5)
Total comprehensive income/(loss) for the financial period	113,489	-	(5)	2,090	115,574	(97)	115,477
Balance as at 30 November 2021	189,648	(23,859)	(8)	29,664	195,445	3,923	199,368

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 30 NOVEMBER 2021 (CONTINUED)

Audited	Share Capital RM'000	Merger Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 September 2020	75,918	(23,859)	(11)	25,932	77,980	3,746	81,726
Conversion of warrants	241	-	-	-	241	-	241
Profit for the financial year	-	-	-	1,642	1,642	274	1,916
Other comprehensive income for the financial year	-	-	8	-	8	-	8
Total comprehensive income for the financial year	241	-	8	1,642	1,891	274	2,165
Balance as at 31 August 2021	76,159	(23,859)	(3)	27,574	79,871	4,020	83,891

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 2021 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 FIRST (1ST) QUARTER ENDED 30 NOVEMBER 2021

	Unaudited 3 months ended 30.11.2021 RM'000	Unaudited 3 months ended 30.11.2020 RM'000
Cash Flows From Operating Activities		
Profit before taxation	2,332	1,196
Adjustment for:		
Depreciation of property, plant and equipment	1,223	1,196
Net impairment loss on trade receivables	2	-
Unrealised loss/(gain) on foreign exchange	16	(76)
Non-cash income	(591)	(102)
Interest expenses	631	743
Interest income	(220)	(58)
Operating profit before working capital changes	3,393	2,899
Changes in working capital:		
Inventories	9,848	150
Trade and other receivables	(14,850)	(5,453)
Trade and other payables	848	(1,669)
	(4,154)	(6,972)
Cash used in generated from operations	(761)	(4,073)
Interest received	220	58
Interest paid	(631)	(743)
Tax paid	(481)	(97)
	(892)	(782)
Net cash used in from operating activities	(1,653)	(4,855)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 30 NOVEMBER 2021 (CONTINUED)

	Unaudited 3 months ended 30.11.2021 RM'000	Unaudited 3 months ended 30.11.2020 RM'000
Cash Flow From Investing Activities		
Acquisition of subsidiaries, net of cash acquired	-	(93)
Purchase of property, plant and equipment	(209)	(115)
Proceed from disposal of property, plant and equipment	-	252
Net cash (used in)/from investing activities	<u>(209)</u>	<u>44</u>
Cash Flow From Financing Activities		
Proceeds from warrant converted to ordinary shares	2,748	-
Proceed from right issues	111,332	-
Repayment of lease liabilities	(99)	(221)
Repayment of term loan	(1,073)	(2,088)
Changes on bills payable	160	5,335
Net cash from financing activities	<u>113,068</u>	<u>3,026</u>
Net increase/(decrease) in cash and cash equivalents	111,206	(1,785)
Cash and cash equivalents at beginning of the financial period	16,286	16,895
Cash and cash equivalents at end of the financial period	<u>127,492</u>	<u>15,110</u>
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with licensed banks	20	5,160
- Cash and bank balances	127,492	9,970
	<u>127,512</u>	<u>15,130</u>
Less: Fixed deposits pledged with licensed banks	(20)	(20)
	<u>127,492</u>	<u>15,110</u>

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 2021 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 30 NOVEMBER 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 2021 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 2021, 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
Amendments to MFRS 16: Leases-Covid-19-Related Rent Concessions beyond 30 June 2021

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 period under review.

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 period under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

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 30 November 2021.

Rights Issue with Warrants

On 26 February 2021, the shareholders of the Company had resolved to approve the Rights Issue with Warrants, and on 14 September 2021, the Company announced that the entitlement basis for the Rights Issue is fixed at 5 Rights Shares for every 1 existing shares held, with the issue price of RM0.12 per Right Share and the exercise price of Warrants at RM0.16 per share.

On 29 October 2021, the Rights Issue with Warrants was completed with the listing and quotation of 929,864,180 Rights Shares and 61,138,799 additional warrants on the ACE Market of Bursa Malaysia Securities Berhad, raising a total proceeds of approximately RM111.6 mil.

The status of utilisation of proceeds as at 31 December 2021 is as follow.

Proposed utilisation of proceeds RM'000	Proceeds raised RM'000	Actual utilised RM'000	Timeframe for utilisation
Repayment of bank borrowings	33,500	2,699	Within 6 months
Purchase of direct materials and fertilisers	53,849	28,910	Within 24 months
Purchase of industrial products	11,550	-	Within 24 months
Purchase of heavy equipment and spare parts	4,950	3,797	Within 24 months
Other operating expenses	6,735	942	Within 24 months
Working capital	1,000	889	Within 1 month
	111,584	37,237	

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

A7. Segmental information

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

3-months quarter ended 30 November 2021

	Investment Holding RM'000	Fertilisers RM'000	Heavy Equipment RM'000	Equipment Rental RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	-	31,130	6,467	10,198	-	47,795
Dividend / Inter-segment sales	-	-	-	83	(83)	-
Total	-	31,130	6,467	10,281	(83)	47,795
Results						
Segment results	375	436	584	1,348	-	2,743
Finance costs	(340)	(186)	(67)	(38)	-	(631)
Finance income	178	16	23	3	-	220
Profit/(Loss) before taxation	213	266	540	1,313	-	2,332
Taxation	(43)	-	(11)	(285)	-	(339)
Profit/(Loss) after taxation	170	266	529	1,028	-	1,993

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

A7. Segmental information (Continued)

3-months quarter ended 30 November 2020

	Investment Holding RM'000	Fertilisers RM'000	Heavy Equipment RM'000	Equipment Rental RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	-	21,911	4,877	10,704	-	37,492
Dividend / Inter-segment sales	-	-	-	36	(36)	-
Total	-	21,911	4,877	10,740	(36)	37,492
Results						
Segment results	(199)	745	354	1,020	(39)	1,881
Finance costs	(384)	(177)	(59)	(124)	1	(743)
Finance income	36	19	-	3	-	58
(Loss)/Profit before taxation	(547)	587	295	899	(38)	1,196
Taxation	-	(217)	(7)	(293)	-	(517)
(Loss)/Profit after taxation	(547)	370	288	606	(38)	679

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

A8. Dividend Paid

No dividend was paid during the current financial period under review.

A9. Valuation of property, plant and equipment

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

A10. Capital commitments

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

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 November 2021.

A12. Contingent liabilities and contingent assets

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

A13. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of current financial period under review that have not been reflected in this interim financial report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

A14. Related party transactions

Transaction with companies in which a Director has interest for the current quarter ended 30 November 2021 was as follows: -

	<-- Individual / Cumulative Quarter -->	
	Unaudited 30.11.2021 RM'000	Unaudited 30.11.2020 RM'000
<u>Income</u>		
Sales of industrial products and spare parts	74	50
Sales of fertilisers goods or rebate	6,062	969
Sales or rental of rental equipment	391	784
<u>Purchase/Expenditure</u>		
Rental of factory	169	169
Hiring of lorry	49	49
Purchase of fertilisers	8,427	1,761
Purchase of rental equipment	466	-
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]

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	<-- Individual / Cumulative Quarter -->			
	Quarter ended 30.11.2021 ("Q1/22") RM'000	Quarter ended 30.11.2020 ("Q1/21") RM'000	Changes RM'000	Changes (%)
Revenue	47,795	37,492	10,303	27.5%
Profit before tax	2,332	1,196	1,136	95.0%
Profit after tax	1,993	679	1,314	193.5%

Comparison between Q1/22 with Q1/21

The Group achieved higher revenue of RM47.8mil in the current quarter under review ("Q1/22"), an increase by 27.5% as compared to corresponding quarter ("Q1/21"), principally due to the higher demand of fertilisers and recovery in the heavy equipment division.

The Group reported higher profit before tax of RM2.3mil in Q1/22 as compared to profit before tax of RM1.2mil in Q1/22 mainly due to business recovery from the Enhanced Movement Control Order (EMCO) and capitalisation of the right issue expenses incurred last year (RM591k).

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

B2. Comparison with immediate preceding quarter's results

	Quarter ended 30.11.2021 ("Q1/22") RM'000	Quarter ended 31.08.2021 ("Q4/21") RM'000	Changes RM'000	Changes (%)
Revenue	47,795	29,965	17,830	59.5%
Profit/(Loss) before tax	2,332	(388)	2,720	701.0%
Profit after tax	1,993	209	1,784	853.6%

For the current quarter under review, the Group reported revenue of RM47.8 mil, an increase by 59.5% as compared to preceding quarter ("Q4/21"). The increase in revenue principally due to the higher demand of fertilisers and recovery from the Enhanced Movement Control Order (EMCO) imposed by government in the preceding quarter.

With the higher revenue attained, the Group reported profit before tax of RM2.3 million as compared to preceding quarter loss before tax of RM0.4mil.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B3. Prospects

Fertilisers

The demand for our fertiliser is mainly driven by the growth of the agriculture industry particularly in the oil palm plantations. The crude palm oil (CPO) future prices have been steadily climbing above the record high of RM5,000 (per tonne) as a result of tight supply-demand dynamics. The CPO price might not ease in near term as the supply severely constrained by the shortage of foreign workers in oil palm estates. Whereas, the demand is expected to be increase as India recently slashed an agriculture cess on CPO to 7.5% from 20%. With the favourable CPO price, the smallholders and individual planters will have better purchasing power for the application of fertilisers.

In addition, B20 biodiesel programme for the transportation sector has been recommenced, whereby B20 biodiesel will be available nationwide in 2022. B20 biodiesel is currently available in Langkawi, Labuan and Sarawak. Hence, the increasing availability and the promotion of the usage of B20 biodiesel for the transportation sector is expected to drive oil palm plantation activities in Malaysia. Premised on the necessity of fertiliser applications in the oil palm plantations will continue to create demand for fertiliser, thus driving the recovery and growth of the fertiliser industry.

Barring any unforeseen circumstances, our strategy to expand the core fertiliser business beyond the primary market in Sarawak should be augur well for the long-term prospect of the Group.

Heavy Equipment

Our heavy equipment are widely used to support the operations of mining and quarrying activities in Malaysia. As products from quarries and mines are commonly used as building materials in the construction industry, the availability and growth in infrastructure development in Malaysia will drive the growth of mining and quarrying activities.

As the construction works for, amongst others, LRT 3, Mass Rapid Transit Line 2 (MRT 2), Pan Borneo Highway, Gemas-Johor Bahru Electrified Double Tracking Project and Klang Valley Double Tracking projects progress, it may drive the growth of mining and quarrying activities, which in turn, may drive the demand for heavy equipment.

Equipment Rental

Notwithstanding that the world faced challenges in the rise of cases poised by the new COVID-19 variants, in the longer term when the impact of the COVID-19 subsides, the event industry is expected to gradually recover as more people become comfortable to attend these events and more international speakers, performers and artistes are able to travel to Malaysia.

B4. Profit forecast

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

B5. Taxation

	<- Individual/Cumulative Quarter ->	
	Unaudited 30.11.2021 RM'000	Unaudited 30.11.2020 RM'000
Income tax expense		
- Current financial period	339	517
- Under provision in prior period	-	-
	339	517

The effective tax for current financial period under review is lower than the Malaysian statutory tax rate of 24% is mainly due to the tax benefit available by the Group.

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B6. Status of corporate proposals announced (Continued)

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.

On 12 July 2021, Bursa Malaysia Securities Berhad had granted the Company an extension of time to 11 January 2022 to complete the implementation of Right Issue.

On 14 September 2021, the Company had fixed the entitlement date on 29 September 2021 for the Right Issue at the issue price of RM0.12 on the entitlement basis of 5 Rights Shares for every 1 Hextar Industries Share. In relation to the Right Issue, the Company had received valid acceptance and excess application for a total of 1,169,924,813 Right Shares, representing a subscription rate of 125.8% or over subscription of 25.8%.

On 29 October 2021, the Right Issue has been completed following the listing of and quotation for 929,864,180 Right Shares and 61,138,799 additional warrants on the ACE Market of Bursa Malaysia Securities Berhad.

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

B7. Borrowings

The Group's borrowings were as follows: -

	Unaudited as at 30.11.2021 RM'000	Audited as at 31.08.2021 RM'000
Secured		
Bankers' acceptance	12,394	12,235
Invoice Financing	914	914
Hire purchases	1,267	1,332
Term loans	45,567	46,641
Total bank borrowings	60,142	61,122
Short Term		
Bankers' acceptance	12,394	12,235
Invoice Financing	914	914
Hire purchases	258	263
Term loans	5,394	4,691
	<u>18,960</u>	<u>18,103</u>
Long Term		
Hire purchases	1,009	1,069
Term loans	40,173	41,950
	<u>41,182</u>	<u>43,019</u>

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:

	Individual / Cumulative Quarter Ended	
	30.11.2021 RM'000	30.11.2020 RM'000
Profit/(Loss) attributable to ordinary equity holders of the Group	2,090	628
Weighted average number of ordinary shares in issue ('000)	587,649	239,633
*Adjustment for the effect on warrants ('000)	-	-
Total	587,649	239,633
Basic earnings/(loss) per share (sen)	0.356	0.262

*There are no dilutive effects for the warrants due to the warrants' exercise price of 16 sen being out-of-the-money. Accordingly, the diluted earnings per ordinary share for the year is equal to the basic earnings per ordinary share.

[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 / Cumulative Quarter Ended	
	30.11.2021	30.11.2020
	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-		
- Interest expenses	631	743
- Interest income	(220)	(58)
- Depreciation of property, plant and equipment	1,223	1,196
- Gain on disposal of property, plant and equipment	-	(80)
- Net impairment loss on trade receivables	2	-
- Reversal of impairment loss on trade receivables	-	(22)
- Realised loss/(gain) on foreign exchange	3	98
- Unrealised loss/(gain) on foreign exchange	16	(76)

B12. Comparative figures

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

BY ORDER OF THE BOARD
21 January 2022