



**HEXTAR INDUSTRIES BERHAD**

201101044580 (972700-P)  
(Incorporated in Malaysia)

Interim Financial Report  
For the Fifth (5th) Quarter Ended  
30 November 2022

**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIFTH (5TH) QUARTER ENDED 30 NOV 2022**

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Unaudited 3 Months Ended 30.11.2022 RM'000	Unaudited 3 Months Ended 30.11.2021 RM'000	Unaudited 15 Months Ended 30.11.2022 RM'000	Unaudited 15 Months Ended 30.11.2021 RM'000
Revenue	57,159	N/A	314,974	N/A
Cost of Sales	(46,733)	N/A	(277,211)	N/A
Gross Profit	10,426	N/A	37,763	N/A
Other operating income	472	N/A	2,702	N/A
Administrative expenses	(3,611)	N/A	(14,617)	N/A
Selling and distribution expenses	(1,804)	N/A	(8,271)	N/A
Profit from operations	5,483	N/A	17,577	N/A
Finance costs	(260)	N/A	(2,018)	N/A
Profit before taxation	5,223	N/A	15,559	N/A
Taxation	(1,218)	N/A	(2,735)	N/A
Profit for the financial year	4,005	N/A	12,824	N/A
Other comprehensive income:				
Revaluation of properties	-	N/A	7,752	N/A
Foreign currency translation differences	-	N/A	3	N/A
Total comprehensive income for the financial year	4,005	N/A	20,579	N/A
<b>Profit/(Loss) for the year attributed to:</b>				
- Owners of the company	4,005	N/A	12,868	N/A
- Non-controlling interest	-	N/A	(44)	N/A
	4,005	N/A	12,824	N/A
<b>Total comprehensive (loss) attributable to:</b>				
- Owners of the company	4,005	N/A	20,623	N/A
- Non-controlling interest	-	N/A	(44)	N/A
	4,005	N/A	20,579	N/A
Earnings per share:				
- Basic (sen)	0.35	N/A	1.24	N/A

Note: Pursuant to the change in the financial year end from 31 August 2022 to 31 December 2022, there are no comparative figures presented.

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 Aug 2021 and the accompanying explanatory notes attached to the interim financial report.

**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOV 2022**

	<b>Unaudited as at 30.11.2022 RM'000</b>	<b>Audited as at 31.08.2021 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	62,529	57,407
Goodwill on consolidation	19,276	19,276
Trade receivables	968	50
	<u>82,773</u>	<u>76,733</u>
<b>CURRENT ASSETS</b>		
Inventories	30,088	29,637
Trade receivables	80,195	40,932
Other receivables, prepayments and deposits	10,420	6,043
Tax recoverable	629	1,387
Fixed deposit with licensed banks	20	6,460
Cash and bank balances	55,509	9,846
	176,861	94,305
Non-current assets held for sale	267	-
	<u>177,128</u>	<u>94,305</u>
<b>TOTAL ASSETS</b>	<b><u>259,901</u></b>	<b><u>171,038</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	191,941	76,159
Merger deficit reserve	(23,859)	(23,859)
Revaluation reserve	7,701	-
Foreign currency translation reserves	-	(3)
Retained earnings	38,176	27,574
	<u>213,959</u>	<u>79,871</u>
Non-controlling interest	-	4,020
<b>TOTAL EQUITY</b>	<b><u>213,959</u></b>	<b><u>83,891</u></b>
<b>CURRENT LIABILITIES</b>		
Trade payables	10,060	14,038
Other payables	7,425	4,697
Contract liabilities	470	259
Lease liabilities	155	136
Bank borrowings	6,415	18,103
Tax payable	232	2
	<u>24,757</u>	<u>37,235</u>

**HEXTAR INDUSTRIES BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOV 2022 (CONTINUED)**

	<b>Unaudited as at 30.11.2022 RM'000</b>	<b>Audited as at 31.08.2021 RM'000</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	282	353
Bank borrowings	11,931	43,019
Deferred tax liabilities	8,972	6,540
	<u>21,185</u>	<u>49,912</u>
<b>TOTAL LIABILITIES</b>	<b>45,942</b>	<b>87,147</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>259,901</b>	<b>171,038</b>
<b>NET ASSET PER SHARE (sen)</b>	<u>18.65</u>	<u>42.95</u>

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**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIFTH (5TH) QUARTER ENDED 30 NOV 2022**

	<i>&lt;- Attributable to the Owners of the Company -&gt;</i>					<b>Total</b>	<b>Non</b>	<b>Total</b>
	<i>&lt;-- Non-Distributable --&gt;</i>		<i>Distributable</i>					
<b>Unaudited</b>	<b>Share Capital RM'000</b>	<b>Merger Reserve RM'000</b>	<b>Revaluation Reserve RM'000</b>	<b>Translation Reserve RM'000</b>	<b>Retained Earnings RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fifteen Months Ended 30 November 2022								
Balance as at 1 September 2021	76,159	(23,859)	-	(3)	27,574	79,871	4,020	83,891
Profit after tax for the financial year	-	-	-	-	12,868	12,868	(44)	12,824
Other comprehensive income for the financial year								
- Foreign currency translation differences	-	-	-	3	-	3	-	3
- Revaluation of properties	-	-	7,752	-	-	7,752	-	7,752
Total comprehensive income/(loss) for the financial year	-	-	7,752	3	12,868	20,623	(44)	20,579
Contributions by and distributions to owners of the Company:								
- Conversion of warrants	5,041	-	-	-	-	5,041	-	5,041
- Right Issues	110,741	-	-	-	-	110,741	-	110,741
- Changes in ownership interests in a subsidiary	-	-	-	-	(2,317)	(2,317)	(3,976)	(6,293)
Total transactions with owners	115,782	-	-	-	(2,317)	113,465	(3,976)	109,489
Realisation of revaluation reserve	-	-	(51)	-	51	-	-	-
Balance as at 30 Nov 2022	191,941	(23,859)	7,701	-	38,176	213,959	-	213,959

Note: Pursuant to the change in the financial year end from 31 August 2022 to 31 December 2022, there are no comparative figures presented.

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**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIFTH (5TH) QUARTER ENDED 30 NOV 2022**

	<b>Unaudited 15 months ended 30.11.2022 RM'000</b>	<b>Unaudited 15 months ended 30.11.2021 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	15,559	N/A
Adjustment for:		
Depreciation of property, plant and equipment	6,161	N/A
Loss on disposal of property, plant and equipment	13	N/A
Gain on investment in subsidiary written off	(13)	N/A
Unrealised loss on foreign exchange	14	N/A
Reversal of impairment loss on trade receivables	(571)	N/A
Interest expenses	2,017	N/A
Interest income	(971)	N/A
Operating profit before working capital changes	22,209	N/A
<b>Changes in working capital:</b>		
Inventories	(891)	N/A
Trade and other receivables	(43,805)	N/A
Trade and other payables	(1,227)	N/A
	(45,923)	N/A
Cash used in operations	(23,714)	N/A
Interest received	971	N/A
Interest paid	(2,017)	N/A
Tax paid	(2,159)	N/A
Tax refunded	408	N/A
	(2,797)	N/A
Net cash used in operating activities	(26,511)	N/A

**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIFTH (5TH) QUARTER ENDED 30 NOV 2022 (CONTINUED)**

	<b>Unaudited 15 months ended 30.11.2022 RM'000</b>	<b>Unaudited 15 months ended 30.11.2021 RM'000</b>
<b>Cash Flow From Investing Activities</b>		
Acquisition of subsidiaries, net of cash acquired	(6,293)	N/A
Investment in subsidiaries written off	(2)	N/A
Purchase of property, plant and equipment	(1,093)	N/A
Proceed from disposal of property, plant and equipment	169	N/A
Net cash used in investing activities	<u>(7,219)</u>	<u>N/A</u>
<b>Cash Flow From Financing Activities</b>		
Proceeds from warrant converted to ordinary shares	5,041	N/A
Proceed from right issues	110,741	N/A
Net movement of banker acceptance	(7,895)	N/A
Changes on lease liabilities	94	N/A
Repayment of term loan	(34,837)	N/A
Changes on bills payable	(191)	N/A
Net cash from financing activities	<u>72,953</u>	<u>N/A</u>
Net increase in cash and cash equivalents	39,223	N/A
Cash and cash equivalents at beginning of the financial period	16,286	N/A
Cash and cash equivalents at end of the financial period	<u><b>55,509</b></u>	<u>N/A</u>
<b>Cash and cash equivalents at end of the financial period comprises:</b>		
- Fixed deposits placed with licensed banks	20	N/A
- Cash and bank balances	55,509	N/A
	<u>55,529</u>	<u>N/A</u>
Less: Fixed deposits pledged with licensed banks	(20)	N/A
	<u><b>55,509</b></u>	<u><b>N/A</b></u>

Note: Pursuant to the change in the financial year end from 31 August 2022 to 31 December 2022, there are no comparative figures presented.

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 NOV 2022**

**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.

During the financial year 2022, the Group elected to change the method of accounting for lands and buildings, from "Cost Model" to "Revaluation Model", as the Group believes that the "Revaluation Model" more effectively demonstrates the carrying value of the lands and buildings.

The Board of Directors of the Company had on 18 August 2022 approved the change of the financial year end from 31 August 2022 to 31 December 2022. The next audited financial statements of the Company shall be for a period of 16 months, made up from 1 September 2021 to 31 December 2022.

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**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 year 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 year under review.

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**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 2022.

Rights Issue

On 26 February 2021, the shareholders of the Company had resolved to approve the Rights Issues, 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 share held, with the issue price of RM0.12 per Right Share and the exercise price of Warrants is adjusted from RM0.30 to RM0.16 per share.

On 29 October 2021, the Rights Issue was completed with the listing of 929,864,180 Rights Shares and 61,138,799 additional warrants on the ACE Market of Bursa Malaysia Securities Berhad.

As at 30 November 2022, the proceeds had been fully utilised as follows:

<b>Proposed utilisation of proceeds</b>	<b>Proceeds raised RM'000</b>	<b>Actual utilised RM'000</b>	<b>Timeframe for utilisation</b>
Repayment of bank borrowings	33,500	33,500	Within 6 months
Purchase of direct materials and fertilisers	53,849	53,849	Within 24 months
Purchase of industrial products	11,550	11,550	Within 24 months
Purchase of heavy equipment and spare parts	4,950	4,950	Within 24 months
Other operating expenses	6,735	6,735	Within 24 months
Working capital	1,000	1,000	Within 1 month
	<b>111,584</b>	<b>111,584</b>	

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**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

**A7. Segmental information**

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

	<b>3-months quarter ended 30 Nov 2022</b>					
	Investment Holding RM'000	Fertilisers RM'000	Heavy Equipment RM'000	Equipment Rental RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	-	39,291	9,496	8,372	-	57,159
Inter-segment		108	2,921	1	(3,030)	-
<b>Total</b>	<b>-</b>	<b>39,399</b>	<b>12,417</b>	<b>8,373</b>	<b>(3,030)</b>	<b>57,159</b>
<b>Results</b>						
Segment results	(346)	1,343	1,564	2,645	-	5,206
Finance costs	-	(221)	(22)	(17)	-	(260)
Finance income	205	19	47	6	-	277
(Loss)/Profit before taxation	(141)	1,141	1,589	2,634	-	5,223
Taxation	(49)	(331)	(143)	(695)	-	(1,218)
(Loss)/Profit after taxation	(190)	810	1,446	1,939	-	4,005

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**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

**A7. Segmental information (Continued)**

	<b>15-months year-to-date ended 30 Nov 2022</b>					
	Investment Holding RM'000	Fertilisers RM'000	Heavy Equipment RM'000	Equipment Rental RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	-	231,750	42,166	41,058	-	314,974
Inter-segment	-	1,432	14,253	137	(15,822)	-
<b>Total</b>	<b>-</b>	<b>233,182</b>	<b>56,419</b>	<b>41,195</b>	<b>(15,822)</b>	<b>314,974</b>
<b>Results</b>						
Segment results	(686)	6,858	3,291	7,143	-	16,606
Finance costs	(507)	(1,185)	(218)	(108)	-	(2,018)
Finance income	704	134	113	20	-	971
(Loss)/Profit before taxation	(489)	5,807	3,186	7,055	-	15,559
Taxation	(173)	(805)	(162)	(1,595)	-	(2,735)
(Loss)/Profit after taxation	(662)	5,002	3,024	5,460	-	12,824

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**A8. Dividend Paid**

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

**A9. Valuation of property, plant and equipment**

Properties of the Group were revalued by independent professional valuers during the 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 2022.

**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 other than the following:

On 7 December 2022, the Company completed the acquisition of 5 ordinary shares in Hextar Fertilizers Limited ("HFL"), representing 100% equity interest in HFL for a total purchase consideration of RM480,000,000 fully satisfied via the issuance and allotment of 1,600,000,000 new ordinary shares in the Company ("Consideration Shares") at an issue price of RM0.30 per consideration share.

As the acquisition of HFL was only completed subsequent to current financial period, the financial results of the HFL Group have not been consolidated in the current quarter under review.

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**A14. Related party transactions**

Transaction with companies in which a Director has interest for the current quarter ended 30 November 2022 was as follows: -

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Unaudited 3 months ended 30.11.2022 RM'000	Unaudited 3 months ended 30.11.2021 RM'000	Unaudited 15 months ended 30.11.2022 RM'000	Unaudited 15 months ended 30.11.2021 RM'000
<u>Income</u>				
Sales of industrial products and spare parts	151	N/A	479	N/A
Sales of fertilisers	13,510	N/A	110,313	N/A
Sales or rental of equipment	447	N/A	1,448	N/A
<u>Purchase/Expenditure</u>				
Rental of factory	(169)	N/A	(846)	N/A
Hiring of lorry	(49)	N/A	(244)	N/A
Purchase of fertilisers	(8,861)	N/A	(48,395)	N/A
Purchase of rental equipment	-	N/A	(748)	N/A

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

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

**B1. Review of performance**

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	3 months ended 30.11.2022 RM'000	3 months ended 30.11.2021 RM'000	15 months ended 30.11.2022 RM'000	15 months ended 30.11.2021 RM'000
Revenue	57,159	N/A	314,974	N/A
Profit before tax	5,223	N/A	15,559	N/A
Profit after tax	4,005	N/A	12,824	N/A

For the current quarter under review, the Group achieved revenue of RM57.2 mil principally contributed by Fertilisers division, followed by Heavy Equipment and Equipment Rental divisions. Accordingly, the Group registered a profit after tax of RM4.0 million.

During the current financial year, the Group has changed its financial year end from 31 August to 31 December. As such, this report is covering fifteen months' result, period from 1 September 2021 to 30 November 2022, without comparative figure.

For financial period ended 30 November 2022, the Group recorded revenue of RM315.0 million and profit after tax of RM12.8 mil.

**B2. Comparison with immediate preceding quarter's results**

	Quarter ended 30.11.2022 ("Q5/22") RM'000	Quarter ended 31.08.2022 ("Q4/22") RM'000	Changes RM'000	Changes (%)
	Revenue	57,159	61,395	(4,236)
Profit before tax	5,223	3,915	1,308	33.4%
Profit after tax	4,005	3,093	912	29.5%

The Group achieved lower revenue of RM57.2 mil as compared to preceding quarter's revenue of RM61.4 mil. The decrease in revenue principally due to the lower delivery of fertilisers closer to the monsoon season and lower sales from the trading of industrial battery. Despite lower revenue attained, the Group reported a higher profit after tax of RM4.0 mil as compared to preceding month profit after tax of RM3.1 mil mainly due to better profit margin achieved from the products' sales mix.

**B3. Prospects**

**Fertilisers**

The geopolitical tension such as Russia-Ukraine war, sanctions and restriction to export have led to increase in the prices of fertiliser across the globe. Despite the Crude Palm Oil ("CPO") price had declined from the peak in the first half of 2022, food commodity prices are still likely to increase in the long run due to food being crucial and for food security.

The acquisition of Hextar Fertilizers Limited Group ("HFL Group") had been completed, represents a strategic initiative to enhance competitiveness with access to an immediate distribution network and manufacturing facilities within Peninsular Malaysia and East Malaysia (particularly Sabah). The revenue and customer base will be increased by tapping and leveraging on the HFL Group's extensive and efficient distribution network. The annual capacity of the compound fertilisers also increased by approximately 8 times from existing 75,000 metric tonnes to 679,000 metric tonnes.

Barring any unforeseen circumstances, our strategy to expand the fertiliser business nationwide should be augur well in 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**

Further eases on the Covid-19 measures such as the use of face masks indoors determined to be optional last year had resulted in more people participate in events and wider scale of activities. The events industry is expecting a stronger recovery after China's border re-opening few weeks ago.

**B4. Profit forecast**

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



**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

**B5. Taxation**

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Unaudited 3 months ended 30.11.2022 RM'000	Unaudited 3 months ended 30.11.2021 RM'000	Unaudited 15 months ended 30.11.2022 RM'000	Unaudited 15 months ended 30.11.2021 RM'000
Income tax expense				
- Current financial year	1,228	N/A	2,753	N/A
- Overprovision in prior years	-	N/A	(2)	N/A
	<u>1,228</u>	<u>N/A</u>	<u>2,751</u>	<u>N/A</u>
Deferred tax	(10)	N/A	(16)	N/A
	<u>1,218</u>	<u>N/A</u>	<u>2,735</u>	<u>N/A</u>

The effective tax for current financial year 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 8 August 2022, Hextar Industries Bhd ("the Company" or "HIB") announced that it had on even date entered into a conditional share sale agreement ("Agreement") with Hextar Holdings Sdn Bhd ("HHSB" or "Offeror") to acquire the entire equity interest in Hextar Fertilizers Limited ("HFL") from HHSB for a total purchase consideration of RM480,000,000 to be satisfied by the issuance and allotment of 1,600,000,000 new ordinary shares in HIB at an issue price of RM0.30 per Consideration Share ("Acquisition"). In the Agreement, HHSB unconditionally and irrevocably guarantee that HFL shall attain a minimum aggregated audited profit after tax of RM94 million cumulatively for financial year end 2022 and 2023.

On 12 October 2022, the shareholders' approved for the Acquisition and the Agreement became unconditional. On the same date, the Board of Directors of HIB ("Board") was served the notification from HHSB through M&A Securities Sdn Bhd of the Offeror's obligation to undertake an unconditional mandatory take-over offer to acquire all the remaining ordinary shares in HIB ("HIB Shares") not already owned by the Offeror, for a cash offer price of RM0.38175 per Offer Share ("Offer").

In accordance with Paragraph 3.06 of Take-Overs, Mergers and Compulsory Acquisitions Rules, the Board (save for Dato' Ong Choo Meng and Ong Tzu Chuen) appointed Malacca Securities Sdn Bhd as the Independent Adviser to provide comments, opinions, information and recommendation on the Offer to the Board.

On 7 December 2022, the acquisition had been completed following the listing and quotation of 1,600,000,000 ordinary shares 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.

**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

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**B7. Borrowings**

The Group's borrowings were as follows: -

	<b>Unaudited as at 30.11.2022 RM'000</b>	<b>Audited as at 31.08.2021 RM'000</b>
<b>Secured</b>		
Bankers' acceptance	4,340	12,235
Invoice Financing	723	914
Hire purchases	1,479	1,332
Term loans	11,804	46,641
<b>Total bank borrowings</b>	<b>18,346</b>	<b>61,122</b>
<b>Short Term</b>		
Bankers' acceptance	4,340	12,235
Invoice Financing	723	914
Hire purchases	352	263
Term loans	1,000	4,691
	<b>6,415</b>	<b>18,103</b>
<b>Long Term</b>		
Hire purchases	1,127	1,069
Term loans	10,804	41,950
	<b>11,931</b>	<b>43,019</b>

**B8. Changes in material litigation**

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

**B9. Dividend**

No dividend was proposed for the financial quarter.

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**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

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**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 Quarter		Cumulative Quarter	
	Ended		Ended	
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the Group	4,005	N/A	12,868	N/A
Weighted average number of ordinary shares in issue ('000)	1,147,342	N/A	1,035,532	N/A
Basic earnings per share (sen)	0.35	N/A	1.24	N/A

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**HEXTAR INDUSTRIES BERHAD**  
**201101044580 (972700-P)**

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

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	3 months ended	3 months ended	15 months ended	15 months ended
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
- Interest expenses	260	N/A	2,017	N/A
- Interest income	(277)	N/A	(971)	N/A
- Depreciation of property, plant and equipment	1,312	N/A	6,161	N/A
- (Gain)/Loss on disposal of property, plant and equipment	(14)	N/A	13	N/A
- Gain on investment in subsidiary written off	-	N/A	(13)	N/A
- Impairment/(Reversal) loss on trade receivables	91	N/A	(571)	N/A
- Realised loss on foreign exchange	38	N/A	676	N/A

**B12. Comparative figures**

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

**BY ORDER OF THE BOARD**  
**27 January 2023**