



**HEXTAR INDUSTRIES BERHAD**

201101044580 (972700-P)  
(Incorporated in Malaysia)

Interim Financial Report  
For the Fourth (4th) Quarter Ended  
31 December 2024

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2024**

|   | <--Individual Quarter-->                               |  | <--Cumulative Quarter-->                                |   |
|---|--|--|---|---|
|   | Unaudited<br>3 Months<br>Ended<br>31.12.2024<br>RM'000 | Audited<br>3 Months<br>Ended<br>31.12.2023<br>RM'000 | Unaudited<br>12 Months<br>Ended<br>31.12.2024<br>RM'000 | Audited<br>12 Months<br>Ended<br>31.12.2023<br>RM'000 |
| Revenue   | 198,577  | 165,480  | 967,781   | 936,986   |
| Cost of sales   | (165,410)  | (141,146)  | (833,095)   | (780,807)   |
| Gross profit  | 33,167   | 24,334   | 134,686   | 156,179   |
| Other operating income  | 1,520  | 1,879  | 5,723   | 7,094   |
| Administrative expenses   | (11,285)   | (28,676)   | (47,605)  | (54,939)  |
| Selling and distribution expenses   | (10,749)   | (6,949)  | (39,017)  | (34,977)  |
| Profit from operations  | 12,653   | (9,412)  | 53,787  | 73,357  |
| Finance costs   | (4,056)  | (3,406)  | (15,612)  | (16,175)  |
| Profit/(Loss) before tax  | 8,597  | (12,818)   | 38,175  | 57,182  |
| Taxation  | (2,172)  | 149  | (9,775)   | (15,104)  |
| Profit/(Loss) for the financial period, representing total comprehensive income/(loss) for the financial period                         | 6,425  | (12,669)   | 28,400  | 42,078  |
| <b>Profit/(Loss) for the financial period, representing total comprehensive income/(loss) for the financial period attributable to:</b> |  |  |   |   |
| - Owners of the company   | 6,058  | (12,841)   | 27,785  | 41,906  |
| - Non-controlling interest  | 367  | 172  | 615   | 172   |
|   | 6,425  | (12,669)   | 28,400  | 42,078  |
| Earnings per share:   |  |  |   |   |
| - Basic (sen)   | 0.22   | (0.47)   | 1.01  | 1.53  |

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 December 2023 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 31 DECEMBER 2024**

|   | <b>Unaudited<br/>as at<br/>31.12.2024<br/>RM'000</b> | <b>Audited<br/>as at<br/>31.12.2023<br/>RM'000</b> |
|---|--|--|
| <b>ASSETS</b>                               |  |  |
| <b>NON-CURRENT ASSETS</b>                   |  |  |
| Property, plant and equipment               | 209,762  | 206,389  |
| Goodwill on consolidation                   | 7,944  | 7,944  |
| Intangible assets                           | 2,622  | 430  |
| Trade receivables                           | 168  | 393  |
|   | 220,496  | 215,156  |
| <b>CURRENT ASSETS</b>                       |  |  |
| Inventories                                 | 186,795  | 186,775  |
| Trade receivables                           | 203,542  | 199,504  |
| Other receivables, prepayments and deposits | 35,998   | 17,742   |
| Other investments                           | -  | 12,138   |
| Contract assets                             | 25,444   | 9,998  |
| Tax recoverable                             | 2  | 199  |
| Derivative assets                           | 290  | -  |
| Fixed deposit with licensed banks           | 480  | 538  |
| Cash and bank balances                      | 131,170  | 107,754  |
|   | 583,721  | 534,648  |
| <b>TOTAL ASSETS</b>                         | <b>804,217</b>                                       | <b>749,804</b>                                     |
| <b>EQUITY AND LIABILITIES</b>               |  |  |
| <b>EQUITY</b>                               |  |  |
| Share capital                               | 671,443  | 671,443  |
| Merger deficit                              | (559,301)  | (559,301)  |
| Revaluation reserve                         | 40,204   | 35,322   |
| Retained earnings                           | 191,640  | 190,150  |
|   | 343,986  | 337,614  |
| Non-controlling interest                    | 2,643  | 2,028  |
| <b>TOTAL EQUITY</b>                         | <b>346,629</b>                                       | <b>339,642</b>                                     |

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024 (CONTINUED)**

|                                     | <b>Unaudited<br/>as at<br/>31.12.2024<br/>RM'000</b> | <b>Audited<br/>as at<br/>31.12.2023<br/>RM'000</b> |
|-------------------------------------|--|--|
| <b>CURRENT LIABILITIES</b>          |  |  |
| Trade payables                      | 77,501   | 64,538   |
| Other payables and accruals         | 68,472   | 37,500   |
| Contract liabilities                | 2,478  | 1,397  |
| Lease liabilities                   | 4,379  | 4,195  |
| Bank borrowings                     | 191,349  | 176,724  |
| Derivative liabilities              | -  | 68   |
| Tax payable                         | 7,226  | 10,937   |
|                                     | <b>351,405</b>                                       | <b>295,359</b>                                     |
| <b>NON-CURRENT LIABILITIES</b>      |  |  |
| Lease liabilities                   | 43,781   | 45,948   |
| Bank borrowings                     | 35,732   | 43,149   |
| Deferred tax liabilities            | 26,670   | 25,706   |
|                                     | <b>106,183</b>                                       | <b>114,803</b>                                     |
| <b>TOTAL LIABILITIES</b>            | <b>457,588</b>                                       | <b>410,162</b>                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>804,217</b>                                       | <b>749,804</b>                                     |
| <b>NET ASSET PER SHARE (sen)</b>    | <b>12.62</b>   | <b>12.36</b>                                       |

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE DECEMBER (4TH) QUARTER ENDED 31 DECEMBER 2024**

|  | <i>&lt;- Attributable to the Owners of the Company -&gt;</i> |                                      |   |   |   |                                    |
|--|--|--------------------------------------|---|---|---|------------------------------------|
|  | <i>&lt;----- Non-Distributable -----&gt;</i>                 |                                      |   | <i>Distributable</i>                    |   |                                    |
| <b>Unaudited</b>   | <b>Share<br/>Capital<br/>RM'000</b>                          | <b>Merger<br/>Reserve<br/>RM'000</b> | <b>Revaluation<br/>Reserve<br/>RM'000</b> | <b>Retained<br/>Earnings<br/>RM'000</b> | <b>Non-<br/>Controlling<br/>Interest<br/>RM'000</b> | <b>Total<br/>Equity<br/>RM'000</b> |
| Balance as at 1 January 2024                                 | 671,443  | (559,301)                            | 35,322                                    | 190,150                                 | 2,028   | 339,642                            |
| - Profit for the financial year                              | -  | -                                    | -   | 27,785                                  | 615   | 28,400                             |
| - Dividend paid  | -  | -                                    | -   | (27,473)                                | -   | (27,473)                           |
| - Realisation of revaluation reserve                         | -  | -                                    | (940)                                     | 940                                     | -   | -                                  |
| - Net impact on revaluation of property, plant and equipment | -  | -                                    | 5,999                                     | -                                       | -   | 5,999                              |
| - Net impact on disposal of revalued properties              | -  | -                                    | (177)                                     | 238                                     | -   | 61                                 |
| Balance as at 31 December 2024                               | <u>671,443</u>   | <u>(559,301)</u>                     | <u>40,204</u>                             | <u>191,640</u>                          | <u>2,643</u>  | <u>346,629</u>                     |

|  | <i>&lt;- Attributable to the Owners of the Company -&gt;</i> |                                      |   |   |   |                                    |
|--|--|--------------------------------------|---|---|---|------------------------------------|
|  | <i>&lt;-- Non-Distributable --&gt;</i>                       |                                      |   | <i>Distributable</i>                    |   |                                    |
| <b>Audited</b>                             | <b>Share<br/>Capital<br/>RM'000</b>                          | <b>Merger<br/>Reserve<br/>RM'000</b> | <b>Revaluation<br/>Reserve<br/>RM'000</b> | <b>Retained<br/>Earnings<br/>RM'000</b> | <b>Non-<br/>Controlling<br/>Interest<br/>RM'000</b> | <b>Total<br/>Equity<br/>RM'000</b> |
| Balance as at 1 January 2023               | 671,443  | (559,301)                            | 36,261                                    | 202,252                                 | -   | 350,655                            |
| - Profit for the financial year            | -  | -                                    | -   | 41,906                                  | 172   | 42,078                             |
| - Dividend paid                            | -  | -                                    | -   | (54,947)                                | -   | (54,947)                           |
| - Realisation of revaluation reserve       | -  | -                                    | (939)                                     | 939                                     | -   | -                                  |
| - Arising from acquisition of a subsidiary | -  | -                                    | -   | -                                       | 1,856   | 1,856                              |
| Balance as at 31 December 2023             | <u>671,443</u>   | <u>(559,301)</u>                     | <u>35,322</u>                             | <u>190,150</u>                          | <u>2,028</u>  | <u>339,642</u>                     |

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 December 2023 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2024**

|   | <b>Unaudited<br/>12 months<br/>ended<br/>31.12.2024<br/>RM'000</b> | <b>Audited<br/>12 months<br/>ended<br/>31.12.2023<br/>RM'000</b> |
|---|--|--|
| <b>Cash Flows From Operating Activities</b>         |  |  |
| Profit before tax                                   | 38,175   | 57,182   |
| Adjustment for:                                     |  |  |
| Amortisation of intangible assets                   | 48   | 9  |
| Bad debts written off                               | -  | 183  |
| Depreciation of property, plant and equipment       | 16,601   | 17,369   |
| Deposit written off                                 | -  | 4  |
| Gain on lease modification                          | -  | (1,051)  |
| Gain on disposal of non-current asset held for sale | -  | (642)  |
| Impairment loss on goodwill                         | -  | 14,369   |
| Impairment loss on other investments                | 3,144  | 356  |
| Gain on disposal of property, plant and equipment   | (474)  | -  |
| Inventories written off                             | 149  | 5,555  |
| Inventories written down                            | -  | 579  |
| Property, plant and equipment written off           | 13   | 421  |
| Net recovery on receivables                         | (914)  | (1,112)  |
| Unrealised (gain)/loss on foreign exchange          | (1,137)  | 1,108  |
| Interest expenses                                   | 15,610   | 16,175   |
| Interest income                                     | (1,728)  | (1,044)  |
| Operating profit before working capital changes     | 69,487   | 109,461  |
| <b>Changes in working capital:</b>                  |  |  |
| Inventories   | (169)  | 92,895   |
| Trade and other receivables                         | (21,155)   | 70,342   |
| Trade and other payables                            | 43,914   | (55,929)   |
| Contract assets                                     | (15,446)   | (4,638)  |
| Contract liabilities                                | 1,081  | 362  |
|   | 8,225  | 103,032  |
| Cash generated from operations                      | 77,712   | 212,493  |
| Interest received                                   | 1,728  | 902  |
| Interest paid                                       | (15,610)   | (16,175)   |
| Tax paid  | (15,015)   | (11,916)   |
| Tax refunded  | 859  | 996  |
|   | (28,038)   | (26,193)   |
| Net cash generated from operating activities        | 49,674   | 186,300  |

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2024 (CONTINUED)**

|   | <b>Unaudited<br/>12 months<br/>ended<br/>31.12.2024<br/>RM'000</b> | <b>Audited<br/>12 months<br/>ended<br/>31.12.2023<br/>RM'000</b> |
|---|--|--|
| <b>Cash Flow From Investing Activities</b>                        |  |  |
| Acquisition of subsidiaries, net of cash acquired                 | -  | (13,225)   |
| Purchase of property, plant and equipment                         | (11,724)   | (7,136)  |
| Purchase of intangible assets                                     | (2,240)  | -  |
| Proceed from disposal of property, plant and equipment            | 2,474  | 1,340  |
| Net changes in the pledged fixed deposits                         | (13)   | 23   |
| Withdrawal/(placement) of other investments                       | 8,994  | (12,494)   |
| Net cash generated used in investing activities                   | <u>(2,509)</u>   | <u>(31,492)</u>  |
| <b>Cash Flow From Financing Activities</b>                        |  |  |
| Dividend paid   | (27,473)   | (54,947)   |
| Drawdown/(Repayment) of borrowings                                | 2,660  | (62,140)   |
| Advances from/(Repayment to) related parties                      | 792  | (3,347)  |
| Repayment to holding company                                      | -  | (500)  |
| Net cash used in financing activities                             | <u>(24,021)</u>  | <u>(120,934)</u>   |
| Net increase in cash and cash equivalents                         | 23,144   | 33,874   |
| Cash and cash equivalents at beginning of the financial year      | 106,330  | 72,456   |
| Cash and cash equivalents at end of the financial year            | <u><b>129,474</b></u>  | <u><b>106,330</b></u>  |
| Cash and cash equivalents at end of the financial year comprises: |  |  |
| - Fixed deposits placed with licensed banks                       | 480  | 538  |
| - Cash and bank balances  | 131,170  | 107,754  |
| - Bank overdraft  | (1,696)  | (1,500)  |
|   | <u>129,954</u>   | <u>106,792</u>   |
| Less: Fixed deposits pledged with licensed banks                  | (480)  | (462)  |
|   | <u><b>129,474</b></u>  | <u><b>106,330</b></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 December 2023 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 31 DECEMBER 2024**

**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 Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of Hextar Industries Berhad ("HIB" or "the Group") for the financial year ended 31 December 2023 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 December 2023, except for the adoption of the new MFRS, amendments to MFRSs and IC Interpretation as below:

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9, Financial Instruments

Amendments to MFRS 101: Presentation of Financial Statements - Disclosures of Accounting Policies

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

Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS 112: Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: Income Taxes - International Tax Reform - Pillar Two Model Rules (Paragraphs 88B, 88C and 88D)

The adoption above mentioned standards did not have any material impact on this interim financial report.

**A2. Auditors' report of preceding annual audited financial statements**

The auditors' report on the preceding year audited financial statements are not subject to any qualification.

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**A3. Seasonal or cyclical factors**

The plantation business may be impacted by the adverse weather conditions, which in turn will affect demand for fertilisers.

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

**A4. Unusual items**

There are 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 are no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial period under review.

**A6. Debt and equity securities**

There are 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 year ending 31 December 2024.

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

**A7. Segmental information**

The Group's revenues are derived from three (3) reportable segments, as below:

**3-months quarter ended 31 December 2024**

|                         | Fertilisers<br>RM'000 | Industrial and<br>Consumer<br>RM'000 | Investment<br>Holding<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------|-----------------------|--------------------------------------|---------------------------------|-----------------------|------------------------|
| <b>Revenue</b>          |                       |                                      |                                 |                       |                        |
| External sales          | 150,179               | 48,398                               | -                               | -                     | 198,577                |
| Inter-segment sales     | 19,042                | 1,777                                | 4,263                           | (25,082)              | -                      |
| <b>Total</b>            | <b>169,221</b>        | <b>50,175</b>                        | <b>4,263</b>                    | <b>(25,082)</b>       | <b>198,577</b>         |
| <b>Results</b>          |                       |                                      |                                 |                       |                        |
| Segment results         | 10,506                | 3,405                                | 1,818                           | (3,536)               | 12,193                 |
| Finance costs           | (3,513)               | (221)                                | (332)                           | 10                    | (4,056)                |
| Finance income          | 115                   | 193                                  | 152                             | -                     | 460                    |
| Profit before tax       | 7,108                 | 3,377                                | 1,638                           | (3,526)               | 8,597                  |
| Taxation                | (1,546)               | (748)                                | 122                             | -                     | (2,172)                |
| <b>Profit after tax</b> | <b>5,562</b>          | <b>2,629</b>                         | <b>1,760</b>                    | <b>(3,526)</b>        | <b>6,425</b>           |

**12-months quarter ended 31 December 2024**

|                         | Fertilisers<br>RM'000 | Industrial and<br>Consumer<br>RM'000 | Investment<br>Holding<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------|-----------------------|--------------------------------------|---------------------------------|-----------------------|------------------------|
| <b>Revenue</b>          |                       |                                      |                                 |                       |                        |
| External sales          | 805,541               | 162,240                              | -                               | -                     | 967,781                |
| Inter-segment sales     | 89,103                | 15,457                               | 39,506                          | (144,066)             | -                      |
| <b>Total</b>            | <b>894,644</b>        | <b>177,697</b>                       | <b>39,506</b>                   | <b>(144,066)</b>      | <b>967,781</b>         |
| <b>Results</b>          |                       |                                      |                                 |                       |                        |
| Segment results         | 44,463                | 10,551                               | 34,241                          | (37,196)              | 52,059                 |
| Finance costs           | (13,687)              | (875)                                | (1,070)                         | 20                    | (15,612)               |
| Finance income          | 967                   | 369                                  | 392                             | -                     | 1,728                  |
| Profit before tax       | 31,743                | 10,045                               | 33,563                          | (37,176)              | 38,175                 |
| Taxation                | (7,482)               | (2,199)                              | (94)                            | -                     | (9,775)                |
| <b>Profit after tax</b> | <b>24,261</b>         | <b>7,846</b>                         | <b>33,469</b>                   | <b>(37,176)</b>       | <b>28,400</b>          |

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

**A7. Segmental information (Cont'd)**

The Group's revenues are derived from three (3) reportable segments, as below: (Cont'd)

|   | <b>3-months quarter ended 31 December 2023</b> |                                      |                                 |                       |                        |
|---|--|--------------------------------------|---------------------------------|-----------------------|------------------------|
|   | Fertilisers<br>RM'000                          | Industrial and<br>Consumer<br>RM'000 | Investment<br>Holding<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
| <b>Revenue</b>                                  |  |                                      |                                 |                       |                        |
| External sales                                  | 136,164  | 29,316                               | -                               | -                     | 165,480                |
| Inter-segment sales                             | 27,498   | 1,636                                | 32,224                          | (61,358)              | -                      |
| <b>Total</b>                                    | <b>163,662</b>                                 | <b>30,952</b>                        | <b>32,224</b>                   | <b>(61,358)</b>       | <b>165,480</b>         |
| <b>Results</b>                                  |  |                                      |                                 |                       |                        |
| Segment results                                 | 2,114  | 2,391                                | 25,929                          | (40,789)              | (10,355)               |
| Finance costs                                   | (3,107)  | (124)                                | (175)                           | -                     | (3,406)                |
| Finance income                                  | 728  | 108                                  | 107                             | -                     | 943                    |
| (Loss)/Profit before tax                        | (265)  | 2,375                                | 25,861                          | (40,789)              | (12,818)               |
| Taxation  | 1,051  | (856)                                | (46)                            | -                     | 149                    |
| <b>Profit after tax</b>                         | <b>786</b>                                     | <b>1,519</b>                         | <b>25,815</b>                   | <b>(40,789)</b>       | <b>(12,669)</b>        |
| <b>12-months quarter ended 31 December 2023</b> |  |                                      |                                 |                       |                        |
|   | Fertilisers<br>RM'000                          | Industrial and<br>Consumer<br>RM'000 | Investment<br>Holding<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
| <b>Revenue</b>                                  |  |                                      |                                 |                       |                        |
| External sales                                  | 866,266  | 70,720                               | -                               | -                     | 936,986                |
| Inter-segment sales                             | 140,656  | 4,559                                | 89,898                          | (235,113)             | -                      |
| <b>Total</b>                                    | <b>1,006,922</b>                               | <b>75,279</b>                        | <b>89,898</b>                   | <b>(235,113)</b>      | <b>936,986</b>         |
| <b>Results</b>                                  |  |                                      |                                 |                       |                        |
| Segment results                                 | 81,655   | 5,272                                | 87,897                          | (102,938)             | 71,886                 |
| Finance costs                                   | (15,613)                                       | (363)                                | (199)                           | -                     | (16,175)               |
| Finance income                                  | 952  | 226                                  | 293                             | -                     | 1,471                  |
| Profit before tax                               | 66,994   | 5,135                                | 87,991                          | (102,938)             | 57,182                 |
| Taxation  | (13,757)                                       | (1,192)                              | (155)                           | -                     | (15,104)               |
| <b>Profit after tax</b>                         | <b>53,237</b>                                  | <b>3,943</b>                         | <b>87,836</b>                   | <b>(102,938)</b>      | <b>42,078</b>          |

**A8. Dividend paid**

On 22 February 2024, the Company declared an interim single-tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2023, which equivalent to RM27,473,416, paid on 15 March 2024.

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

The property, plant and equipment were revalued by independent professional valuers during the financial year under review.

**A10. Capital commitments**

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

**A11. Changes in the composition of the Group**

In 2024, the Company had incorporated a wholly owned subsidiary, namely Global Aroma Sdn. Bhd. ("GASB") and a wholly owned subsidiary by GASB namely, Hextar Luckin (M) Sdn. Bhd., to develop, open and operate coffee shops under the "Luckin Coffee" name in Malaysia. The principal activities is to carry on business as retailer deal in coffee, tea, aerated water and all kinds and classes of beverages.

Saved as disclosed above, there are no changes in the composition of the Group for the current financial period ended 31 December 2024.

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

**A12. Contingent liabilities and contingent assets**

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

**A13. Material event subsequent to the end of the quarter**

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

**A14. Related party transactions**

Transaction with companies in which the major shareholders of the Group have interest for the current quarter ended 31 December 2024 are as follows: -

|                                    | <--Individual Quarter--> |            | <--Cumulative Quarter--> |            |
|------------------------------------|--------------------------|------------|--------------------------|------------|
|                                    | Unaudited                | Audited    | Unaudited                | Audited    |
|                                    | 3 Months                 | 3 Months   | 12 Months                | 12 Months  |
|                                    | Ended                    | Ended      | Ended                    | Ended      |
|                                    | 31.12.2024               | 31.12.2023 | 31.12.2024               | 31.12.2023 |
|                                    | RM'000                   | RM'000     | RM'000                   | RM'000     |
| <u>Income</u>                      |                          |            |                          |            |
| Sales of fertilisers               | 373                      | 154        | 1,144                    | 497        |
| Sales or rental of equipment       | 3                        | 9          | 28                       | 512        |
| Sales of office supplies           | 24                       | 23         | 109                      | 23         |
| <u>Purchase/Expenditure</u>        |                          |            |                          |            |
| Rental of factories and warehouses | 1,499                    | 1,467      | 5,998                    | 7,343      |
| Rental of office                   | 19                       | 20         | 77                       | 77         |
| Hiring of lorry                    | 80                       | 72         | 287                      | 258        |
| Purchase of industrial products    | 800                      | 135        | 1,466                    | 674        |
| Purchase of consumer products      | 26                       | 4          | 32                       | 4          |
| Management fee                     | 446                      | 414        | 1,886                    | 1,727      |
| Transportation charges             | 136                      | -          | 407                      | 54         |
| Storage charges                    | 694                      | 578        | 2,756                    | 578        |

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

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

**B1. Review of performance**

|                          | <b>Quarter<br/>ended<br/>31.12.2024<br/>("Q4/24")<br/>RM'000</b> | <b>Quarter<br/>ended<br/>31.12.2023<br/>("Q4/23")<br/>RM'000</b> | <b>Changes<br/>RM'000</b> | <b>Changes<br/>(%)</b> |
|--------------------------|--|--|---------------------------|------------------------|
| Revenue                  | 198,577  | 165,480  | 33,097                    | 20.0%                  |
| Profit/(Loss) before tax | 8,597  | (12,818)   | 21,415                    | 167.1%                 |
| Profit/(Loss) after tax  | 6,425  | (12,669)   | 19,094                    | 150.7%                 |

**Comparison between Q4/24 with Q4/23**

HIB registered a quarterly consolidated revenue of RM199 million, profit before tax ("PBT") of RM8.6 million and profit after tax ("PAT") of RM6.4 million for the fourth quarter ended 31 December 2024.

The Group reported a higher revenue of RM199 million or an increase by 20.0% as compared to corresponding quarter's revenue of RM165 million, principally due to higher deliveries of fertilisers and full consolidation of the newly acquired subsidiaries.

Accordingly, the Group registered higher PAT of RM6.4 million as compared to the corresponding quarter's loss of RM12.7 million. The financial result of corresponding quarter in 2023 also impacted by the impairment loss of goodwill amounting to RM14.4 million.

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**B1. Review of performance (Cont'd)**

|                   | <b>Year-to-date<br/>31.12.2024<br/>("YTD-24")<br/>RM'000</b> | <b>Year-to-date<br/>31.12.2023<br/>("YTD-23")<br/>RM'000</b> | <b>Changes<br/>RM'000</b> | <b>Changes<br/>(%)</b> |
|-------------------|--|--|---------------------------|------------------------|
| Revenue           | 967,781  | 936,986  | 30,795                    | 3.3%                   |
| Profit before tax | 38,175   | 57,182   | (19,007)                  | -33.2%                 |
| Profit after tax  | 28,400   | 42,078   | (13,678)                  | -32.5%                 |

**Comparison between YTD-24 with YTD-23**

The Group reported revenue of RM968 million, marginally increased by RM30.8 million or 3.3% as compared to the corresponding period's revenue of RM937 million. The increase was primarily due to revenue contributed by the newly acquired subsidiaries.

The Fertilisers remains as the Group's core business, contributed 83% of the total revenues. The Group reported a lower net profit of RM28.4 million, due to the lower selling price and profit margin attained in the Fertiliser Division, as compared to the corresponding year of RM42.1 million.

The revenue of Industrial and Consumer Division increased from RM71 million to RM162 million, representing an increase of 128% as compared to last year, mainly due to the new revenue stream of office supplies and engineering solutions. Accordingly, this segment reported a profit after tax of RM7.8 million as compared to the corresponding period's PAT of RM3.9 million.

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

|                   | <b>Quarter<br/>ended<br/>31.12.2024<br/>("Q4/24")<br/>RM'000</b> | <b>Quarter<br/>ended<br/>30.09.2024<br/>("Q3/24")<br/>RM'000</b> | <b>Changes<br/>RM'000</b> | <b>Changes<br/>(%)</b> |
|-------------------|--|--|---------------------------|------------------------|
| Revenue           | 198,577  | 285,712  | (87,135)                  | -30.5%                 |
| Profit before tax | 8,597  | 15,594   | (6,997)                   | -44.9%                 |
| Profit after tax  | 6,425  | 11,528   | (5,103)                   | -44.3%                 |

HIB reported a revenue of RM199 million for the fourth quarter ended 31 December 2024, represents a decrement of 30.5% as compared to preceding quarter's revenue of RM286 million, principally due to lower delivery of fertilisers during monsoon season. Accordingly, with the lower profit margin attained, the Group achieved a lower net profit of RM6.4 million as compared to preceding quarter's net profit of RM11.5 million..

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**B3. Prospects**

**Fertilisers**

In the Budget 2025, Malaysian government's increased replanting support and raised windfall profit levy thresholds. This provides cost relief to the planters and encouraging sector expansion. On the other hand, Indonesia, as the world largest palm oil producer, is increasing the biodiesel mandate from B35 to B40. This is likely to exert upward pressure on the CPO prices as well as domestic demand for fertilisers.

The Fertilisers Division is likely to benefit from the favourable macroeconomic factors on the palm oil industry and the Group is well positioned to tap into bigger market, through the partnerships with local distributors, in neighbouring countries to drive the expansion of the export markets. Countries such as Indonesia, Thailand, Vietnam and Myanmar.

In addition, the Group is rolling out an innovative product with a point of difference versus conventional fertilisers which help to alleviate a long-standing issue of the fertilisers industry regarding to leaching losses of nutrients and nutrient run-off. This will be able to resolve the industry issue and aligning sustainability (or ESG) principle to reducing carbon footprint.

**Industrial and Consumer**

The Group are extending the products and services to new clientele through the newly acquired subsidiaries. The new subsidiaries are engaged in the office supplies and engineering solutions allows HIB tap into the new customers and anticipating a good synergise with the existing businesses.

The strategic partnership with Luckin Coffee Holding Singapore Pte Ltd grants the wholly owned subsidiary, Global Aroma Sdn. Bhd., the exclusive right to develop, open, and operate coffee shops under the "Luckin Coffee" brand nationwide. As of today, the Group is operating five (5) outlets and underway to open an additional ten (10) outlets in the first quarter of 2025.

**B4. Profit forecast**

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

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

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**B5. Taxation**

|                    | <--Individual Quarter-->                               |  | <--Cumulative Quarter-->                                |   |
|--------------------|--|--|---|---|
|                    | Unaudited<br>3 Months<br>Ended<br>31.12.2024<br>RM'000 | Audited<br>3 Months<br>Ended<br>31.12.2023<br>RM'000 | Unaudited<br>12 Months<br>Ended<br>31.12.2024<br>RM'000 | Audited<br>12 Months<br>Ended<br>31.12.2023<br>RM'000 |
| Income tax expense | 2,600  | (109)  | 10,645  | 12,274  |
| Deferred tax       | (428)  | (40)   | (870)   | 2,830   |
|                    | <u>2,172</u>   | <u>(149)</u>   | <u>9,775</u>  | <u>15,104</u>   |

The effective tax for current financial year under review is higher than the Malaysian statutory tax rate of 24% mainly due to certain expenses were not allowable for tax deduction.

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**B6. Status of corporate proposals announced**

On 29 August 2024, HIB, through Sin Chee Heng Sdn. Bhd. ("SCH"), a wholly-owned subsidiary of HIB and PK Fertilizers Sdn. Bhd. ("PKF"), an indirect wholly-owned subsidiary of HIB, respectively entered into 2 conditional sale and purchase agreements ("SPAs") with Pacific Trustees Berhad ("Pacific Trustee"), being the trustee of KIP Real Estate Investment Trust ("KIP REIT"), for the disposals of the following properties to KIP REIT, for a total cash consideration of RM45.90 million ("Proposed Disposals"):

| <b>Subsidiaries</b> | <b>Properties to be disposed</b>  | <b>Disposal consideration (RM'000)</b> |
|---------------------|---|--|
| SCH                 | A parcel of land together with the buildings erected thereon in Cheras, Selangor  | 22,600                                 |
| PKF                 | Remaining unexpired period of a lease created over a parcel of land together with the buildings erected thereon in Johor Bahru, Johor | 23,300                                 |
| Total               |   | 45,900                                 |

Simultaneously with the execution of the SPAs, SCH and PKF had respectively signed the tenancy agreements in-escrow with Pacific Trustees for rental of the abovementioned properties from KIP REIT upon the terms and covenants contained therein, commencing upon the completion of the Proposed Disposals ("Proposed Properties Tenancies").

In addition to the above, HIB, through Hextar Solutions Sdn. Bhd. an indirect wholly-owned subsidiary of HIB, entered into a tenancy agreement in-escrow with Pacific Trustees for the rental of a parcel of land together with the buildings erected thereon in Bintulu, Sarawak ("Bintulu Property") from KIP REIT upon the terms and conditions agreed between them. The said tenancy will commence upon the completion of a proposed disposal of the Bintulu Property from the current landlord, Teju Logistics Sdn Bhd to Pacific Trustees ("Proposed Bintulu Disposal"), based on a conditional sale and purchase agreement dated 29 August 2024 ("Proposed Bintulu Tenancy").

On 24 January 2025, the Proposed Disposals, Proposed Properties Tenancies and Proposed Bintulu Tenancy have obtained the approvals from the shareholders through the Extraordinary General Meeting.

Save as disclosed above, there is no other corporate proposal which has been announced but not yet completed as at the date of this report.

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

**B7. Borrowings**

The Group's borrowings are as follows: -

|                              | <b>Denominated<br/>in currency</b> | <b>Unaudited<br/>as at<br/>31.12.2024<br/>RM'000</b> | <b>Audited<br/>as at<br/>31.12.2023<br/>RM'000</b> |
|------------------------------|------------------------------------|--|--|
| <b>Secured</b>               |                                    |  |  |
| Bills payable                | CNY                                | 372  | -  |
| Bills payable                | USD                                | 548  | 2,368  |
| Bills payable                | MYR                                | 177,743  | 148,714  |
| Revolving credit             | MYR                                | 3,256  | 15,000   |
| Bank overdraft               | MYR                                | 1,696  | 1,500  |
| Hire purchases               | MYR                                | 2,424  | 3,550  |
| Term loans                   | MYR                                | 41,042   | 48,741   |
| <b>Total bank borrowings</b> |                                    | <b>227,081</b>                                       | <b>219,873</b>                                     |
| <b>Short Term</b>            |                                    |  |  |
| Bills payable                | CNY                                | 372  | -  |
| Bills payable                | USD                                | 548  | 2,368  |
| Bills payable                | MYR                                | 177,743  | 148,714  |
| Revolving credit             | MYR                                | 3,256  | 15,000   |
| Bank overdraft               | MYR                                | 1,696  | 1,500  |
| Hire purchases               | MYR                                | 1,071  | 1,277  |
| Term loans                   | MYR                                | 6,663  | 7,865  |
|                              |                                    | <b>191,349</b>                                       | <b>176,724</b>                                     |
| <b>Long Term</b>             |                                    |  |  |
| Hire purchases               | MYR                                | 1,353  | 2,273  |
| Term loans                   | MYR                                | 34,379   | 40,876   |
|                              |                                    | <b>35,732</b>  | <b>43,149</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 current 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                    |            |
|  | 31.12.2024               | 31.12.2023 | 31.12.2024               | 31.12.2023 |
|  | RM'000                   | RM'000     | RM'000                   | RM'000     |
| Profit attributable to owners of the Company               | 6,058                    | (12,841)   | 27,785                   | 41,906     |
| Weighted average number of ordinary shares in issue ('000) | 2,747,342                | 2,747,342  | 2,747,342                | 2,747,342  |
| Basic earnings per share (sen)                             | 0.22                     | (0.47)     | 1.01                     | 1.53       |

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

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

|  | <--Individual Quarter-->                               |  | <--Cumulative Quarter-->                                |   |
|--|--|--|---|---|
|  | Unaudited<br>3 Months<br>Ended<br>31.12.2024<br>RM'000 | Audited<br>3 Months<br>Ended<br>31.12.2023<br>RM'000 | Unaudited<br>12 Months<br>Ended<br>31.12.2024<br>RM'000 | Audited<br>12 Months<br>Ended<br>31.12.2023<br>RM'000 |
| Profit before tax is arrived at after charging/(crediting):- |  |  |   |   |
| - Amortisation of intangible assets                          | 12   | 9  | 48  | 9   |
| - Bad debts written off                                      | -  | 183  | -   | 183   |
| - Depreciation of property, plant and equipment              | 4,178  | 3,717  | 16,601  | 17,369  |
| - Deposit written off  | -  | 4  | -   | 4   |
| - Gain on disposal of non-current asset held for sale        | -  | (359)  | -   | (642)   |
| - (Gain)/Loss on disposal of property, plant and equipment   | (30)   | 182  | (474)   | -   |
| - Gain on lease modification                                 | -  | (272)  | -   | (1,051)   |
| - Impairment loss on goodwill                                | -  | 14,369   | -   | 14,369  |
| - Impairment loss on other investments                       | -  | 356  | 3,144   | 356   |
| - Interest expenses  | 4,054  | 3,406  | 15,610  | 16,175  |
| - Interest income  | (460)  | (154)  | (1,728)   | (1,044)   |
| - Inventories written off                                    | -  | 4,623  | 149   | 5,555   |
| - Inventories written down                                   | -  | -  | -   | 579   |
| - Property, plant and equipment written off                  | -  | 342  | 13  | 421   |
| - Net impairment/(recovery) on receivables                   | 243  | 1  | (914)   | (1,112)   |
| - Realised (gain)/loss on foreign exchange                   | (575)  | 66   | (229)   | 286   |
| - Unrealised (gain)/loss on foreign exchange                 | (608)  | (134)  | (1,137)   | 1,108   |

**BY ORDER OF THE BOARD**  
**20 February 2025**