HEXTAR INDUSTRIES BERHAD

201101044580 (972700-P)
(Incorporated in Malaysia)

Interim Financial Report
For the Second (2nd) Quarter Ended
30 June 2026

HEXTAR INDUSTRIES BERHAD
201101044580 (972700-P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 30.06.2026 RM'000	Unaudited 3 Months Ended 30.06.2025 RM'000	Unaudited 6 Months Ended 30.06.2026 RM'000	Unaudited 6 Months Ended 30.06.2025 RM'000
Revenue	357,324	280,818	592,023	499,404
Cost of sales	(282,687)	(238,827)	(482,145)	(427,220)
Gross profit	74,637	41,991	109,878	72,184
Other operating income	1,071	1,054	4,545	2,026
Administrative expenses	(29,994)	(16,022)	(55,047)	(29,893)
Selling and distribution expenses	(17,883)	(13,482)	(31,465)	(23,937)
Profit from operations	27,831	13,541	27,911	20,380
Finance costs	(6,735)	(3,975)	(12,156)	(7,978)
Profit before tax	21,096	9,566	15,755	12,402
Taxation	(7,664)	(2,756)	(8,763)	(3,537)
Profit for the financial period, representing total comprehensive income for the financial period	13,432	6,810	6,992	8,865
Profit for the financial period, representing total comprehensive income for the financial period attributable to:				
- Owners of the Company	12,981	6,638	6,494	8,616
- Non-controlling interest	451	172	498	249
	13,432	6,810	6,992	8,865
Earnings per share:				
- Basic (sen)	0.49	0.24	0.24	0.31

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 2025 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 JUNE 2026

	Unaudited as at 30.06.2026 RM'000	Audited as at 31.12.2025 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	305,165	208,808
Goodwill on consolidation	7,883	7,883
Intangible assets	2,213	2,349
Deferred tax assets	4,103	4,103
Trade receivables	227	1,444
	319,591	224,587
CURRENT ASSETS		
Inventories	206,427	92,622
Trade receivables	243,488	81,768
Other receivables, prepayments and deposits	43,826	13,303
Contract assets	6,738	5,809
Tax recoverable	490	262
Derivative assets	276	-
Fixed deposit with licensed banks	532	238
Cash and bank balances	56,006	104,106
	557,783	298,108
Non-current assets held for sale	179,535	409,257
	737,318	707,365
TOTAL ASSETS	**1,056,909**	**931,952**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	671,443	671,443
Treasury shares	(26,995)	(26,995)
Merger deficit	(559,301)	(559,301)
Revaluation reserve	21,872	22,006
Retained earnings	206,284	199,656
	313,303	306,809
Non-controlling interest	3,356	2,858
TOTAL EQUITY	**316,659**	**309,667**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (CONTINUED)

	Unaudited as at 30.06.2026 RM'000	Audited as at 31.12.2025 RM'000
CURRENT LIABILITIES		
Trade payables	53,505	47,458
Other payables and accruals	82,700	27,797
Contract liabilities	5,849	4,150
Lease liabilities	16,390	10,497
Bank borrowings	229,617	105,459
Tax payable	17,491	6,748
	405,552	202,109
Liabilities classified as held for sale	130,197	295,482
	535,749	497,591
NON-CURRENT LIABILITIES		
Lease liabilities	140,393	88,281
Bank borrowings	46,572	24,780
Provision for restoration costs	2,102	1,243
Deferred tax liabilities	15,434	10,390
	204,501	124,694
TOTAL LIABILITIES	**740,250**	**622,285**
TOTAL EQUITY AND LIABILITIES	**1,056,909**	**931,952**
NET ASSET PER SHARE (sen)	11.73	11.49

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 2025 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

	<- Attributable to the Owners of the Company ->						
	<------------ Non-Distributable ------------>				<----Distributable ---->		
Unaudited	**Share Capital RM'000**	**Treasury Shares RM'000**	**Merger Reserve RM'000**	**Revaluation Reserve RM'000**	**Retained Earnings RM'000**	**Non-Controlling Interest RM'000**	**Total Equity RM'000**
Balance as at 1 January 2026	671,443	(26,995)	(559,301)	22,006	199,656	2,858	309,667
- Profit for the financial period	-	-	-	-	6,494	498	6,992
- Realisation of revaluation reserve	-	-	-	(134)	134	-	-
Balance as at 30 June 2026	671,443	(26,995)	(559,301)	21,872	206,284	3,356	316,659

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026 (CONTINUED)

	<- Attributable to the Owners of the Company ->					
	<------ Non-Distributable ------>			***<---- Distributable ---->***		
Unaudited	**Share Capital RM'000**	**Merger Reserve RM'000**	**Revaluation Reserve RM'000**	**Retained Earnings RM'000**	**Non-Controlling Interest RM'000**	**Total Equity RM'000**
Balance as at 1 January 2025	671,443	(559,301)	40,829	191,356	2,783	347,110
- Profit for the financial period	-	-	-	8,616	249	8,865
- Dividend paid	-	-	-	(27,473)	-	(27,473)
- Realisation of revaluation reserve	-	-	(358)	358	-	-
- Net impact on disposal of revalued property	-	-	(7,348)	9,670	-	2,322
Balance as at 30 June 2025	671,443	(559,301)	33,123	182,527	3,032	330,824

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 2025 and the accompanying explanatory notes attached to the interim financial report.

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HEXTAR INDUSTRIES BERHAD
201101044580 (972700-P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

	Unaudited 6 months ended 30.06.2026 RM'000	Unaudited 6 months ended 30.06.2025 RM'000
Cash Flows From Operating Activities		
Profit before tax	15,755	12,402
Adjustment for:		
Amortisation of intangible assets	136	136
Depreciation of property, plant and equipment	18,834	10,471
Gain on disposal of property, plant and equipment	(101)	(87)
Inventories written down	3	-
Property, plant and equipment written off	84	2
Net recovery on receivables	(375)	(156)
Unrealised (gain)/loss on foreign exchange	(278)	514
Interest expenses	12,156	7,978
Interest income	(856)	(890)
Operating profit before working capital changes	45,358	30,370
Changes in working capital:		
Inventories	(33,096)	17,622
Trade and other receivables	(104,046)	(111,188)
Trade and other payables	(15,942)	(34,264)
Contract assets	(929)	19,146
Contract liabilities	1,699	3,111
	(152,314)	(105,573)
Cash used in operations	(106,956)	(75,203)
Interest received	856	890
Interest paid	(12,156)	(7,978)
Tax paid	(907)	(1,254)
Tax refunded	-	1,735
	(12,207)	(6,607)
Net cash used in operating activities	(119,163)	(81,810)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026 (CONTINUED)

	Unaudited 6 months ended 30.06.2026 RM'000	Unaudited 6 months ended 30.06.2025 RM'000
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(24,467)	(16,988)
Proceed from disposal of property, plant and equipment	250	22,653
Net cash (used in)/generated from investing activities	(24,217)	5,665
Cash Flow From Financing Activities		
Dividend paid	-	(27,473)
Net changes in the pledged fixed deposits	(11)	-
Drawdown of borrowings	71,089	46,169
Repayment to related parties	(1,285)	(552)
Net cash generated from financing activities	69,793	18,144
Net decrease in cash and cash equivalents	(73,587)	(58,001)
Cash and cash equivalents at beginning of the financial period	133,804	131,595
Cash and cash equivalents at end of the financial period	**60,217**	**73,594**
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with licensed banks	532	482
- Cash and bank balances	56,006	76,452
- Bank overdraft	-	(2,858)
	56,538	74,076
Less: Fixed deposits pledged with licensed banks	(493)	(482)
Less: Restricted cash at bank	(1,284)	-
	54,761	73,594
Cash and cash equivalents included in disposal group classified as held for sale	5,456	-
	60,217	**73,594**

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 2025 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 JUNE 2026

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 2025 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 2025, except for the adoption of the new MFRS, amendments to MFRSs and IC Interpretation as below:

- Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)

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.

Save 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. Detail of changes in debts and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current quarter under review and financial period to-date.

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A7. Segmental information

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

3-month quarter ended 30 June 2026

	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	294,307	63,017	-	-	357,324
Inter-segment sales	40,584	754	13,365	(54,703)	-
Total	334,891	63,771	13,365	(54,703)	357,324
Results					
Segment results	34,460	(6,225)	11,100	(12,020)	27,315
Finance costs	(4,655)	(1,729)	(359)	8	(6,735)
Finance income	311	180	25	-	516
Profit/(Loss) before tax	30,116	(7,774)	10,766	(12,012)	21,096
Taxation	(6,928)	(728)	(5)	(3)	(7,664)
Profit/(Loss) after tax	23,188	(8,502)	10,761	(12,015)	13,432

6-month quarter ended 30 June 2026

	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	479,481	112,542	-	-	592,023
Inter-segment sales	62,009	1,529	14,730	(78,268)	-
Total	541,490	114,071	14,730	(78,268)	592,023
Results					
Segment results	43,137	(14,291)	10,252	(12,043)	27,055
Finance costs	(8,377)	(3,081)	(719)	21	(12,156)
Finance income	394	386	76	-	856
Profit/(Loss) before tax	35,154	(16,986)	9,609	(12,022)	15,755
Taxation	(8,131)	(612)	(18)	(2)	(8,763)
Profit/(Loss) after tax	27,023	(17,598)	9,591	(12,024)	6,992

A7. Segmental information (Cont'd)

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

	3-month quarter ended 30 June 2025				
	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	244,481	36,337	-	-	280,818
Inter-segment sales	27,984	735	9,761	(38,480)	-
Total	272,465	37,072	9,761	(38,480)	280,818
Results					
Segment results	16,443	(2,590)	7,761	(8,528)	13,086
Finance costs	(3,342)	(648)	(4)	19	(3,975)
Finance income	61	308	86	-	455
Profit/(Loss) before tax	13,162	(2,930)	7,843	(8,509)	9,566
Taxation	(3,187)	682	(251)	-	(2,756)
Profit/(Loss) after tax	9,975	(2,248)	7,592	(8,509)	6,810

	6-month quarter ended 30 June 2025				
	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	434,408	64,996	-	-	499,404
Inter-segment sales	44,400	1,902	30,523	(76,825)	-
Total	478,808	66,898	30,523	(76,825)	499,404
Results					
Segment results	25,264	(4,277)	26,551	(28,048)	19,490
Finance costs	(6,956)	(1,055)	(8)	41	(7,978)
Finance income	179	573	138	-	890
Profit/(Loss) before tax	18,487	(4,759)	26,681	(28,007)	12,402
Taxation	(4,314)	1,040	(263)	-	(3,537)
Profit/(Loss) after tax	14,173	(3,719)	26,418	(28,007)	8,865

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

On 12 February 2026, the Group had entered into a conditional shares purchase agreement for the acquisition of 51% equity interest in Woodpeckers Group Sdn Bhd for a cash consideration of RM177.48 million, subject to adjustment as provided in the agreement.

Save as disclosed above, there are no material capital commitments as at the date of this report.

A11. Changes in the composition of the Group

There are no changes in the composition of the Group for the current financial period ended 30 June 2026.

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

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A14. Related party transactions

Transaction with companies in which the major shareholders of the Group have interest for the current quarter ended 30 June 2026 are as follows: -

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 30.06.2026 RM'000	**Unaudited 3 Months Ended 30.06.2025 RM'000**	**Unaudited 6 Months Ended 30.06.2026 RM'000**	**Unaudited 6 Months Ended 30.06.2025 RM'000**
<u>Income</u>				
Sales of fertilisers	331	353	977	732
Sales or rental of equipment	195	447	235	455
Sales of office supplies	24	39	71	64
Construction contracts	1,322	-	2,294	-
Repair and maintenance services	210	-	311	-
Rental of office	1	-	3	-
<u>Purchase/Expenditure</u>				
Rental of factories and warehouses	2,703	2,165	5,407	3,923
Rental of office	20	19	39	38
Rental of retail shops	96	-	151	-
Hiring of lorry	-	75	2	149
Purchase of fertilisers	1,391	327	1,499	378
Purchase of industrial products	1,181	127	2,039	137
Purchase of consumer products	1	-	4	5
Repair and maintenance services	-	-	44	-
Management fee	450	446	899	997
Storage charges	526	513	1,051	1,210
Transportation charges	495	223	1,144	336

The transactions are 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

	Quarter ended 30.06.2026 ("Q2/26") RM'000	Quarter ended 30.06.2025 ("Q2/25") RM'000	Changes RM'000	Changes (%)
Revenue	357,324	280,818	76,506	27.2%
Profit before tax	21,096	9,566	11,530	120.5%
Profit after tax	13,432	6,810	6,622	97.2%

<u>Comparison between Q2/26 with Q2/25</u>

HIB registered a quarterly consolidated revenue of RM357 million, with a profit before tax ("PBT") of RM21.1 million and a profit after tax ("PAT") of RM13.4 million for the second quarter ended 30 June 2026. Fertilisers Division remain the backbone of the business portfolio contributed 82.4% of the Group revenue.

The Group's quarterly revenue rose by 27.2%, from RM281 million to RM357 million compared to the corresponding quarter of the previous financial year. The increase was mainly attributable to the Fertilisers Division, driven by higher average selling prices and increased fertiliser delivery volume during the quarter.

Accordingly, the Group reported a higher PAT of RM13.4 million compared to the PAT of RM6.8 million in the corresponding quarter of the previous financial year.

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B1. Review of performance (Cont'd)

	Year-to-date 30.06.2026 ("YTD-26") RM'000	Year-to-date 30.06.2025 ("YTD-25") RM'000	Changes RM'000	Changes (%)
Revenue	592,023	499,404	92,619	18.5%
Profit before tax	15,755	12,402	3,353	27.0%
Profit after tax	6,992	8,865	(1,873)	-21.1%

Comparison between YTD-26 with YTD-25

The Group reported revenue of RM592 million for the financial period ended 30 June 2026, representing an increase of 18.5% compared to the corresponding period of the previous financial year. The increase was mainly driven by higher sales from the Fertilisers Division, supported by increased delivery volumes. The revenue growth was further supported by the rapid expansion of food and beverage ("F&B") outlets within the Consumer Division.

Despite the higher revenue, the Group's PAT declined from RM8.9 million in the corresponding period of the previous financial year to RM6.9 million. The decrease in PAT was primarily attributable to initial setup and expansion costs incurred in connection with the Group's F&B business expansion.

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B2. Comparison with immediate preceding quarter's results

	Quarter ended 30.06.2026 ("Q2/26") RM'000	Quarter ended 31.03.2026 ("Q1/26") RM'000	Changes RM'000	Changes (%)
Revenue	357,324	234,699	122,625	52.2%
Profit/(Loss) before tax	21,096	(5,341)	26,437	N/A
Profit/(Loss) after tax	13,432	(6,440)	19,872	N/A

HIB recorded revenue of RM357 million for the second quarter ended 30 June 2026, representing an increase of 52.2% from RM235 million in the preceding quarter. The increase was mainly attributable to higher average selling prices of fertilisers and increased fertiliser sales volume during the quarter.

As a result, the Group reported a net profit of RM13.4 million, compared to a net loss of RM6.4 million in the preceding quarter. The improvement was mainly driven by higher revenue and profit contributions from the Fertilisers Division.

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B3. Prospects

Fertilisers

The Middle East conflict has caused disruption in the supply chain and fertiliser price surging due to shortage in the global market. Despite the fertiliser supply becomes constrained, we have secured the supplies to capitalise the profit margins. HIB's relationship with the customers and the risk management system position us to navigate uncertainty while delivering value to shareholders.

Industrial and Consumer

The Industrial segment is expected to record moderate growth, supported by existing engineering solution orders in hand. Meanwhile, the Group's partnership with Luckin Coffee Holding Singapore Pte. Ltd. continues to progress positively. As of today, the Group has expanded its footprint to 139 outlets and receiving encouraging customer response.

In addition, HIB's proposed acquisition of a 51% equity interest in Woodpeckers Group Sdn. Bhd. is expected to further strengthen the Group's F&B sector. Upon completion, the Group will represent both "Luckin Coffee" and "llaollao" as master franchise brands in Malaysia, enhancing earnings visibility and creating operational synergies across the Group's expanding F&B portfolio.

B4. Profit forecast

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

B5. Taxation

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 30.06.2026 RM'000	**Unaudited 3 Months Ended 30.06.2025 RM'000**	**Unaudited 6 Months Ended 30.06.2026 RM'000**	**Unaudited 6 Months Ended 30.06.2025 RM'000**
Income tax expense	7,985	2,748	9,047	3,600
Deferred tax	(321)	8	(284)	(63)
	7,664	2,756	8,763	3,537

The effective tax rate for the current financial year under review is higher than the Malaysian statutory tax rate of 24%. This variance is primarily due to deferred tax assets not having been recognised on losses incurred by certain entities within the Group.

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B6. Status of corporate proposals announced

(a) A wholly-owned subsidiaries of HIB, Sin Chee Heng Sdn. Bhd., and PK Fertilizers Sdn. Bhd., respectively entered into sale and purchase agreements with Pacific Trustees Berhad, being the trustee of KIP Real Estate Investment Trust, for the disposals of the properties to KIP REIT, for a total cash consideration of RM45.90 million.

The disposals of the properties were completed in 2025. The tenancy agreements for both properties, which had been signed in escrow with Pacific Trustees, were dated and became effective on the respective completion dates.

The gross proceeds of RM45.90 million from these transactions have been utilised as follows:

Details of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Estimated timeframe for utilisation
Working capital	45,200	45,200	-	Within 24 months
Estimated expenses for the Proposals	700	700	-	Upon completion
TOTAL	**45,900**	**45,900**	**-**	

(b) On 23 December 2025, HIB and its wholly-owned subsidiary, Hextar Fertilizers Group Sdn Bhd ("HFGSB") had entered into the following 2 separate conditional share sale agreements with Hextar Global Berhad ("HGB"):-

(i) conditional share sale agreement between HIB and HGB in relation to the proposed disposal by HIB of the entire equity interest in PK Fert Sdn Bhd to HGB for a cash consideration of RM3.30 million, subject to adjustment as provided in the conditional share sale agreement between HIB and HGB dated 23 December 2025; and

(ii) conditional share sale agreement between HFGSB and HGB in relation to the proposed disposal by HFGSB of the entire equity interests in Hextar Fert Sdn Bhd and PK Fertilizers Sdn Bhd to HGB for an aggregate cash consideration of RM116.70 million, subject to adjustment as provided in the conditional share sale agreement between HFGSB and HGB dated 23 December 2025, (collectively referred to as the "Proposed Disposals").

In addition to the Proposed Disposals, the Board of Directors of HIB proposes to undertake the proposed diversification of the existing principal activities of the Company and its subsidiaries to include the retail business of food and beverage and related activities ("Proposed Diversification").

On 13 February 2026, an application was submitted to Bursa Securities to seek an extension of time for our Company to submit the draft Circular to Bursa Securities. Subsequently, Bursa Securities had, vide its letter dated 6 March 2026, resolved to approve our Company's application for an extension of time from 23 February 2026 until 31 March 2026 to submit the draft Circular pursuant to Paragraph 9.33(1)(a) of the Listing Requirements.

B6. Status of corporate proposals announced (cont'd)

On 12 June 2026, HIB, HFGSB and HGB had mutually agreed to extend the period for the fulfilment of the conditions precedent under the SSAs until 22 September 2026.

Subsequently, on 23 June 2026, HFGSB and HGB had mutually agreed to rescind and exclude the sale and purchase of the ordinary shares in PK Fertilizers Sdn Bhd. Accordingly, the terms of the SSAs had been varied, amended and supplemented.

(c) On 12 February 2026, HIB had entered into a conditional shares purchase agreement with Tan Kai Young, Chua Ray-Men, Tan Sze Liang, Lee Ken Vern and Ricky Tjandra (collectively, the "Vendors") for the acquisition of 51% equity interest in Woodpeckers Group Sdn Bhd for a cash consideration of RM177.48 million, subject to adjustment as provided in the agreement.

On 12 June 2026, HIB and the Vendors had mutually agreed to extend the period for the fulfilment of the conditions precedent under the SPA for a period of 3 months from 12 June 2026.

Subsequently, on 23 June 2026, HIB and the Vendors had mutually agreed to vary certain conditions precedent to the SPA and the guaranteed period for the profit guarantee from FYE 2026, FYE 2027 and FYE 2028 to FYE 2027, FYE 2028 and FYE 2029.

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.

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B7. Borrowings

The Group's borrowings are as follows: -

	Denominated in currency	Unaudited as at 30.06.2026 RM'000	Audited as at 31.12.2025 RM'000
Secured			
Bills payable	CNY	-	93
Bills payable	USD	14,843	37,010
Bills payable	MYR	172,937	35,774
Revolving credit	MYR	34,000	26,000
Hire purchases	MYR	1,197	1,078
Term loans	MYR	53,212	30,284
Total bank borrowings		276,189	130,239
Short Term			
Bills payable	CNY	-	93
Bills payable	USD	14,843	37,010
Bills payable	MYR	172,937	35,774
Revolving credit	MYR	34,000	26,000
Hire purchases	MYR	958	561
Term loans	MYR	6,879	6,021
		229,617	105,459
Long Term			
Hire purchases	MYR	239	517
Term loans	MYR	46,333	24,263
		46,572	24,780

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.

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B9. Dividend

No dividend was proposed for the financial quarter.

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 outstanding during the financial year, excluding treasury shares held by the Company.

	<--Individual Quarter--> Ended		<--Cumulative Quarter--> Ended	
	30.06.2026 RM'000	**30.06.2025 RM'000**	**30.06.2026 RM'000**	**30.06.2025 RM'000**
Profit attributable to owners of the Company	12,981	6,638	6,494	8,616
Weighted average number of ordinary shares in issue ('000) ^	2,671,046	2,747,342	2,671,046	2,747,342
Basic earnings per share (sen)	0.49	0.24	0.24	0.31

^ The Company acquired 76,296,100 units of treasury shares for a total consideration of RM26,995,342, leading to a lower weighted average number of ordinary shares as at 30 June 2026.

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

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 30.06.2026 RM'000	**Unaudited 3 Months Ended 30.06.2025 RM'000**	**Unaudited 6 Months Ended 30.06.2026 RM'000**	**Unaudited 6 Months Ended 30.06.2025 RM'000**
Profit before tax is arrived at after charging/(crediting):-				
- Amortisation of intangible assets	68	68	136	136
- Depreciation of property, plant and equipment	9,827	5,514	18,834	10,471
- (Gain)/Loss on disposal of property, plant and equipment	(56)	1	(101)	(87)
- Interest expenses	6,735	3,975	12,156	7,978
- Interest income	(516)	(455)	(856)	(890)
- Inventories written down	-	-	3	-
- Property, plant and equipment written off	54	-	84	2
- Net recovery on receivables	(50)	(114)	(375)	(156)
- Realised loss/(gain) on foreign exchange	96	(139)	230	(86)
- Unrealised loss/(gain) on foreign exchange	39	222	(278)	514

BY ORDER OF THE BOARD
19 Aug 2026