



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	Individual Quarter		Cumulative Quarter	
	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	To Date
	Quarter Ended	Quarter Ended	To Date Ended	Ended
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	14,471	10,838	25,838	24,617
Cost of sales	(10,056)	(7,761)	(17,865)	(17,592)
<b>Gross profit</b>	<b>4,415</b>	<b>3,077</b>	<b>7,973</b>	<b>7,025</b>
Operating expenses	(3,964)	(3,083)	(7,364)	(5,068)
Other operating income	480	240	633	383
<b>Profit from operations</b>	<b>931</b>	<b>234</b>	<b>1,242</b>	<b>2,340</b>
Finance costs	(44)	-	(61)	-
Share of loss in an associate, net of tax	(377)	-	(377)	-
<b>Profit before tax</b>	<b>510</b>	<b>234</b>	<b>804</b>	<b>2,340</b>
Tax expense	(233)	(39)	(433)	(623)
<b>Profit after tax</b>	<b>277</b>	<b>195</b>	<b>371</b>	<b>1,717</b>
<b>Other comprehensive income, net of tax</b>				
<i>Item that is or may not be reclassified subsequently to profit and loss</i>				
Foreign currency translation differences for foreign operation	1	-	1	-
<b>Total comprehensive income</b>	<b>278</b>	<b>195</b>	<b>372</b>	<b>1,717</b>
<b>Profit after tax attributable to:</b>				
Owners of the Company	499	195	753	1,717
Non-controlling interests	(222)	-	(382)	-
<b>Profit after tax</b>	<b>277</b>	<b>195</b>	<b>371</b>	<b>1,717</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	499	195	752	1,717
Non-controlling interests	(221)	-	(380)	-
<b>Total comprehensive income</b>	<b>278</b>	<b>195</b>	<b>372</b>	<b>1,717</b>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.06.2024 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2023 RM'000	Current Year To Date Ended 30.06.2024 RM'000	Preceding Year To Date Ended 30.06.2023 RM'000
<b>Earnings per share attributable to owners of the Company (sen)</b>				
- Basic	<u>0.13</u>	<u>0.05*</u>	<u>0.20</u>	<u>0.46*</u>
- Diluted	<u>0.12</u>	<u>0.05*</u>	<u>0.18</u>	<u>0.40*</u>

*\* Adjusted for the effect of bonus issue and effect of additional warrants arising pursuant to the bonus issue completed on 12 May 2023.*

Notes:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	(Unaudited) As at 30.06.2024 RM'000	(Audited) As at 31.12.2023 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	114,070	113,076
Right-of-use assets	3,147	188
Intangible assets	1,496	1,177
Investment in an associate	13,665	-
Deferred tax assets	183	-
<b>Total non-current assets</b>	<b>132,561</b>	<b>114,441</b>
<b>Current Assets</b>		
Inventories	18,902	21,821
Trade and other receivables	7,698	3,981
Prepayments	1,147	684
Current tax assets	1,504	1,143
Derivative financial assets	-	121
Cash and cash equivalents	27,008	21,801
<b>Total current assets</b>	<b>56,259</b>	<b>49,551</b>
<b>Total assets</b>	<b>188,820</b>	<b>163,992</b>
<b>EQUITY</b>		
Share capital	83,751	67,961
Revaluation reserve	38,707	38,707
Translation reserve	-	1
Retained earnings	45,648	44,785
Equity attributable to owners of the Company	168,106	151,454
Non-controlling interests	(69)	(48)
<b>Total equity</b>	<b>168,037</b>	<b>151,406</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Lease liabilities	2,714	64
Deferred tax liabilities	8,389	8,268
<b>Total non-current liabilities</b>	<b>11,103</b>	<b>8,332</b>
<b>Current Liabilities</b>		
Trade and other payables	4,945	3,867
Contract liabilities	312	142
Lease liabilities	903	128
Short term borrowing	3,375	-
Current tax liabilities	145	117
<b>Total current liabilities</b>	<b>9,680</b>	<b>4,254</b>
<b>Total liabilities</b>	<b>20,783</b>	<b>12,586</b>
<b>Total equity and liabilities</b>	<b>188,820</b>	<b>163,992</b>
<b>Net Assets per share (RM)</b>	<b>0.41</b>	<b>0.43*</b>

\* Adjusted for the effect of bonus issue completed on 12 May 2023.

Notes :

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	-----Attributable to owners of the Company-----						
	-----Non-distributable-----			Distributable			
	Share Capital RM'000	Revaluation Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
<b>6 months ended 30 June 2024</b>							
<b>At 1 January 2024</b>	67,961	38,707	1	44,785	151,454	(48)	151,406
Profit after tax	-	-	-	753	753	(382)	371
Other comprehensive income:							
- Foreign currency translation differences for foreign operation	-	-	(1)	-	-	2	-
<b>Total comprehensive income</b>	-	-	(1)	753	753	(380)	371
Proceeds from issuance of ordinary shares	15,790	-	-	-	15,790	-	15,790
Disposal of a subsidiary	-	-	-	-	-	250	250
Changes in ownership interests in subsidiaries	-	-	-	110	110	109	219
<b>Total transactions with owners of the Company</b>	<b>15,790</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>15,900</b>	<b>359</b>	<b>16,259</b>
<b>At 30 June 2024</b>	<b>83,751</b>	<b>38,707</b>	<b>-</b>	<b>45,648</b>	<b>168,107</b>	<b>(69)</b>	<b>168,036</b>
<b>6 months ended 30 June 2023</b>							
<b>At 1 January 2023</b>	64,630	38,707	-	57,492	160,829	-	160,829
<b>Total comprehensive income</b>	-	-	-	1,717	1,717	-	1,717
Proceeds from issuance of ordinary shares	3,296	-	-	-	3,296	-	3,296
Dividend paid to owners of the Company	-	-	-	(13,870)	(13,870)	-	(13,870)
<b>Total transactions with owners of the Company</b>	<b>3,296</b>	<b>-</b>	<b>-</b>	<b>(13,870)</b>	<b>(10,574)</b>	<b>-</b>	<b>(10,574)</b>
<b>At 30 June 2023</b>	<b>67,926</b>	<b>38,707</b>	<b>-</b>	<b>45,339</b>	<b>151,972</b>	<b>-</b>	<b>151,972</b>

**Notes:**

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	Current Year-to-date Ended 30.06.2024 RM'000	Preceding Year-to-date Ended 30.06.2023 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	804	2,340
Adjustments for :		
Depreciation of:		
- Property, plant and equipment	1,692	1,400
- Right-of-use assets	565	-
Amortisation of intangible assets	41	-
Gain on disposal of:		
- Property, plant and equipment	(12)	(109)
- A subsidiary	(381)	-
Unrealised loss on foreign exchange	325	1,198
Finance income	(145)	(240)
Finance costs	61	-
Share of loss of an associate, net of tax	377	-
<b>Operating profit before changes in working capital</b>	<b>3,327</b>	<b>4,589</b>
Changes in working capital :		
- Inventories	2,918	2,852
- Trade and other payables	1,265	400
- Trade and other receivables	(3,102)	(1,154)
<b>Cash generated from operations</b>	<b>4,408</b>	<b>6,687</b>
Net income tax paid	(828)	(1,468)
Interest received	145	240
Interest paid	(14)	-
<b>Net cash generated from operating activities</b>	<b>3,711</b>	<b>5,459</b>
<b>Cash flows from investing activities</b>		
Acquisition of:		
- Property, plant and equipment	(2,565)	(1,380)
- Intangible assets	(360)	-
- An associate	(14,042)	-
Proceeds from disposal of property, plant and equipment	12	164
Disposal of a subsidiary, net of cash and cash equivalents disposed of	(156)	-
<b>Net cash used in investing activities</b>	<b>(17,111)</b>	<b>(1,216)</b>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)**

	<b>Current Year-to-date Ended 30.06.2024 RM'000</b>	<b>Preceding Year-to-date Ended 30.06.2023 RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid	-	(13,870)
Proceeds from issuance of shares	15,790	3,296
Interest paid in relation to lease liabilities	(48)	-
Payment of lease liabilities	(532)	-
Proceeds from issuance of subsidiary's equity to non-controlling interests	222	-
Drawdown of short term borrowing	3,375	-
<b>Net cash generated from/(used in) financing activities</b>	<b>18,807</b>	<b>(10,574)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,407</b>	<b>(6,331)</b>
Effect of changes in foreign exchange rate	(200)	8
<b>Cash and cash equivalents at the beginning of period</b>	<b>21,801</b>	<b>24,129</b>
<b>Cash and cash equivalents at the end of period (Note 1)</b>	<b>27,008</b>	<b>17,806</b>
<b><u>Note1 : Cash and cash equivalents at the end of financial year</u></b>		
Cash and bank balances	11,421	6,104
Highly liquid investment with non-bank financial institution	15,587	11,702
	<b>27,008</b>	<b>17,806</b>

**Notes:**

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.



## NOTES TO THE INTERIM FINANCIAL REPORT

### PART A : EXPLANATORY NOTES AS PER MFRS 134

#### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB) and Chapter 9 Para 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 of Hextar Retail Berhad ("HEXRTL" or "the Company"), which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"). The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2023 except for the adoption of the following Amendments to MFRSs, which are applicable to its financial statements and are relevant to its operation:-

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases (Lease Liability in a Sale and Leaseback)*
- Amendments to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current and Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The adoption of the above amendments to MFRSs did not have any significant financial impact on the Group's financial results.

The following are MFRSs and amendments that have been issued by the Malaysian Accounting Standard Board ("MASB") but have not been adopted by the Group:

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*



## NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### PART A : EXPLANATORY NOTES AS PER MFRS 134 (CONT'D )

#### A2. Auditors' Report

The auditors' report on the financial statements for the year ended 31 December 2023 of the Group was not qualified.

#### A3. Seasonal and Cyclical factors

The Group's performance is not subject to seasonality or cyclicity.

#### A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year under review to date other than the following:

On 30 June 2024, the Company's wholly owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd. disposed of its entire equity interest in Tai Lang Pte. Ltd. for a total cash consideration of RM1.

#### A5. Material Changes in Estimates

There were no changes in accounting estimates that have had material effect in the current quarter and financial year under review to date.

#### A6. Issuances, Repurchases and Repayment of Debt and Equity Securities

On 24 May 2024, the Company increased its issued and paid-up share capital by way of issuance of 10,000,000 new ordinary shares for a cash consideration of RM4,150,000 through first tranche of private placement at an issue price of RM0.4150 per share.

On 25 June 2024, the Company increased its issued and paid-up share capital by way of issuance of 24,000,000 new ordinary shares for a cash consideration of RM11,640,000 through second tranche of private placement at an issue price of RM0.4850 per share.

As at 30 June 2024, the total number of issued shares of the Company was 413,377,568 ordinary shares and the total number of outstanding Warrants 2021/2026 was 162,871,250 at an exercise price of RM0.41 per outstanding Warrant.

There were no repurchases and repayment of debts and equity securities, shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares during the current quarter and financial year under review to date.

#### A7. Dividends Paid

During the current quarter under review, there were no dividends paid by the Company.





**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D )**

**PART A : EXPLANATORY NOTES AS PER MFRS 134 (CONT'D )**

**A8. Segmental Reporting**

The Group is principally engaged in the manufacture and sales of wooden picture frame mouldings and retail businesses. The business activities of holding and rental of properties of its subsidiaries are merely inter-segment transactions. The Group's reportable segments result for the quarter ended 30 June 2024 is as follows:-

	Wooden Picture Frame Mouldings RM'000	Property Holding RM'000	Retail RM'000	Total Current Year To Date RM'000	Other Non- reportable Segments RM'000	Elimination of Inter-segment Transactions or Balances RM'000	Consolidated Total RM'000
<b>Segment Profit/(Loss)</b>	426	1,595	(1,214)	807	17,394	(17,830)	371
<i>Included in the measure of segment profit/(loss) are:</i>							
Revenue from external customers	23,717	-	2,121	25,838	-	-	25,838
Inter-segment revenue	5	2,472	-	2,477	85	(2,562)	-
Depreciation	1,349	239	668	2,256	1	-	2,257
Amortisation	-	-	41	41	-	-	41
Finance income	81	12	2	95	248	(198)	145
Finance costs	283	-	237	520	-	(459)	61
Tax expense	111	517	(183)	445	-	(12)	433
<b>Segment Assets</b>	56,203	38,873	26,245	121,321	104,326	(36,827)	188,820
<i>Included in the measure of segment assets are:</i>							
Additions to non-current assets other than financial instruments and deferred tax assets	1,125	18	15,508	16,651	9	-	16,660

**A9. Subsequent Events**

There were no other material events subsequent to the end of the reporting quarter that have not been reflected in the interim financial statements other than the following:

- (1) On 2 July 2024, the Company increased its issued and paid-up share capital by way of issuance of 79,813,000 new ordinary shares for a cash consideration of RM39,906,500 through third tranche of private placement at an issue price of RM0.50 per share.
- (2) On 3 July 2024, M&A Securities announced that the Proposed 30% Private Placement has been completed following the listing of a total of 113,813,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.



**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**PART A : EXPLANATORY NOTES AS PER MFRS 134 (CONT'D)**

**A10. Change in The Composition of The Group**

Changes in the composition of the Group for the quarter ended 30 June 2024 are as follows:-

- (1) On 8 April 2024, the Company's wholly-owned subsidiary, Yummy Sip Sdn. Bhd. has issued 52,000 fully paid up ordinary shares at an issue price of RM1.00 per share and 51% of the newly issued shares were subscribed by the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd.
- (2) On 8 April 2024, the Company's wholly-owned subsidiary, Puresip Sdn. Bhd. has issued 100,000 fully paid up ordinary shares at an issue price of RM1.00 per share and 51% of the newly issued shares were subscribed by the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd.
- (3) On 22 April 2024, the Company has completed the acquisition of Tranche 1 Sale Shares of 4,142,418 ordinary shares in Redina Malaysia Sdn. Bhd. ("Redina") from Perdanis Distribution (M) Sdn. Bhd. representing 20% equity interest in Redina for a total cash consideration of RM14,000,000. Redina is principally engaged in retail business of apparel. Consequent thereto, Redina became an associate of the Company.
- (4) On 30 June 2024, the Company's wholly owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd. disposed of its entire equity interest in Tai Lang Pte. Ltd. for a total cash consideration of RM1.

Other than the above mentioned, there are no other significant changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long-term investment, restructuring and discontinuing operations.

**A11. Capital Commitments Outstanding Not Provided in The Interim Financial Report**

	<b>As at 30.06.2024 RM'000</b>
Capital expenditure commitments	
Property, plant and equipment approved and contracted for	<u>86</u>



**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D )**

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD LISTING REQUIREMENTS**

**B1. Review of Performance**

A comparison of Hextar Retail's performance for the quarter ("2QFY2024") and financial period ("1HFY2024") ended 30 June 2024 with the corresponding quarter and financial period last financial year is as follows:

	2Q	2Q	Variance		1H	1H	Variance	
	FY2024	FY2023	RM'mil	%	FY2024	FY2023	RM'mil	%
Revenue	14.5	10.8	3.7	34.3%	25.8	24.6	1.2	4.9%
Gross profit	4.4	3.1	1.3	41.9%	8.0	7.0	1.0	14.3%
Profit before tax	0.5	0.2	0.3	150.0%	0.8	2.3	(1.5)	-65.2%
Profit after tax	0.3	0.2	0.1	50.0%	0.4	1.7	(1.3)	-76.5%
Profit attributable to Owners of the Company	0.5	0.2	0.3	150.0%	0.8	1.7	(0.9)	-52.9%

The Group registered a revenue of RM14.5 million for the current quarter ended 30 June 2024, an increase of RM3.7 million or 34.3% as compared to RM10.8 million in the preceding year corresponding quarter ended 30 June 2023. The increase is mainly attributable to higher export volume of wooden picture frame mouldings and revenue contribution from retail segment of RM1.4mil. The Group recorded a profit before tax of RM0.5 million, an increase of RM0.3 million or 150.0% as compared to RM0.2 million in the preceding year corresponding quarter ended 30 June 2023 mainly due to higher revenue and profit, from increased in export volume while retail segment recorded a loss before tax of RM0.7 million mainly arising from the share of associate's losses and pre-operating cost of RM0.4 million and RM0.1 million respectively.

For six months ended 30 June 2024, the Group recorded revenue of RM25.8 million, an increase of RM1.2 million or 4.9% compared to the preceding year corresponding period of RM24.6 million mainly attributable to revenue contribution from retail segment. The gross profit margin increased to 31.0% from 28.5% primarily due to better gross profit margin contribution from retail segment. The Group's profit before tax was RM0.8million, down by RM1.5 million or 65.2% as compared to the preceding year corresponding period ended 30 June 2023 mainly due to lower revenue from lower export volume coupled with losses from retail segment arising from the share of associate's losses and pre-operating cost of RM0.4 million and RM0.2 million respectively.



**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D )**

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D )**

**B2. Variation of Results Against Preceding Quarter**

	2QFY2024	1QFY2024	Variance	
	RM'mil	RM'mil	RM'mil	%
Revenue	14.5	11.4	3.1	27.2%
Gross profit	4.4	3.6	0.8	22.2%
Profit before tax	0.5	0.3	0.2	66.7%
Profit after tax	0.3	0.1	0.2	200.0%
Profit attributable to Owners of the Company	0.5	0.3	0.2	66.7%

The Group recorded revenue of RM14.5 million for the current quarter ended 30 June 2024, an increase of RM3.1 million or 27.2% compared to RM11.4 million in the immediate preceding quarter mainly due to higher export volume of wooden picture frame mouldings coupled with higher revenue contribution from retail segment. The Group recorded a profit before tax for the current quarter of RM0.5 million, an improvement of RM0.2 million or 66.7% as compared to profit before tax of RM0.3 million in the immediate preceding quarter mainly due to higher revenue and profit from increased in export volume while retail segment recorded a loss before tax of RM0.7 million mainly arising from the share of associate's losses and pre-operating cost of RM0.4 million and RM0.1 million respectively.

**B3. Current Year Prospects**

The latest outlook for the US economy reflects a mix of positive and challenging indicators whereby US inflation figures have remained on an improving trajectory, while unemployment rate in the United States rose to 4.3% in July 2024 from 4.1% in the previous month. The ongoing wars in Gaza and Ukraine, coupled with the geographical tensions continues to raise concerns about economic uncertainties which present challenges for the Group. To navigate these uncertainties and challenges, our Group will actively pursue various cost control measures, strive to improve production efficiency, deliver top-quality products to customers and explore new market opportunities. In line with our sustainability initiatives, our production team is currently collaborating with the Malaysia Timber Council ("MTC") and Standards and Industrial Research Institute Malaysia ("SIRIM") to streamline the production processes, digitise data collection for improvement analysis and enhance production efficiency with the aim of reducing our cost and improving competitiveness in the market.

Our recent diversification into retail of apparel and F&B industry is also expected to yield growth potential. We are confident that our diversification plans will contribute positively to the Group's financial performance moving forward.

Looking ahead, we remain cautiously optimistic on the outlook for year 2024. The Group is committed to proactively pursuing opportunities and effectively addressing challenges to bolster its long-term shareholder value.

**B4. Profit Forecast and Estimates Announced or Disclosed**

Not applicable as there were no profit forecast or estimates that have been announced or disclosed.

**B5. Variance of Actual and Forecast Profit**

Not applicable as there were no profit forecast and profit guarantee published.



**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D )**

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D )**

**B6. Tax Expense**

	2QFY2024 RM'000	2QFY2023 RM'000	1HFY2024 RM'000	1HFY2023 RM'000
Current tax expense	220	322	495	986
Deferred tax:				
- Origination and reversal of temporary differences	13	(283)	(62)	(363)
	<u>233</u>	<u>39</u>	<u>433</u>	<u>623</u>

The effective tax rate for the period under review was at 53.9%. The effective tax rate is higher than the statutory rate of 24% mainly due to share of loss in an associate, net of tax and non-deductible expenses from corporate exercises and pre operating expenditure.

**B7. Status of Corporate Proposal**

There were no corporate proposals announced which remain uncompleted during the quarter under review as at the date of this report other than the following:

- (1) The Company had on 12 December 2023 announced that the Company proposed to undertake the following:-
  - i. proposed private placement of up to 113,813,000 new ordinary shares in Cscenic ("Shares" or "Cscenic Shares"), representing up to 30.0% of the total number of issued Shares ("Proposed 30% Private Placement"); and
  - ii. proposed acquisition by Cscenic of 10,563,167 ordinary shares in Redina Malaysia Sdn Bhd ("Redina") from Perdanis Distribution (M) Sdn Bhd representing 51.0% equity interest in Redina for a total purchase consideration of RM35,700,000 to be satisfied wholly by way of cash ("Proposed Acquisition"); and
  - iii. proposed diversification of Cscenic's existing businesses to include in the retail business of apparel and food and beverages ("Proposed Diversification"); and
  - iv. proposed change of the Company's name from "Classic Scenic Berhad" to "Hextar Retail Berhad" ("Proposed Change of Name").

(collectively, the "Proposals")

On 15 December 2023, additional listing application for the Proposed 30% Private Placement has been submitted to Bursa Securities by M&A Securities on behalf of the Board of Directors of the Company.

Bursa Securities had vide its letter dated 18 January 2024, resolved to approve the the listing and quotation of up to 113,813,000 Placement Shares to be issued pursuant to the Proposed 30% Private Placement.

The above approval granted by Bursa Securities is subject to the conditions which were stated in the Company's announcement dated 19 January 2024.

On 5 February 2024, the Company issued a Notice of Extraordinary General Meeting (EGM) to be held on 27 February 2024 to seek approval from shareholders on the abovementioned Proposals and a circular relating to the Proposals has been issued on 6 February 2024.



**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D )**

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD LISTING REQUIREMENTS (CONT'D )**

**B7. Status of Corporate Proposal (Cont'd)**

On 27 February 2024, the Company announced the outcome of EGM of which the Proposals were duly passed by way of poll at the Company's fully virtual EGM held on 27 February 2024.

On 4 March 2024, the Company received the Notice of Registration of New Name pursuant to Section 28 of the Companies Act 2016 issued by the Companies Commission of Malaysia dated 28 February 2024. Accordingly, the name of the Company had been changed from "CLASSIC SCENIC BERHAD" to "HEXTAR RETAIL BERHAD" with effect from 28 February 2024.

On 11 March 2024, M&A Securities announced that the Company and Perdanis have mutually agreed to extend the conditional period for a further period of ninety (90) days in order to ensure all conditions precedent as set out in Clause 3.1 of the Share Sale Agreement are fulfilled.

On 5 April 2024, M&A Securities announced that the solicitors for the Proposals had vide its letter dated on the 5 April 2024 confirmed that all conditions precedent set out in the Share Sale Agreement for the Proposed Acquisition have been fulfilled. Accordingly, the Share Sale Agreement has become unconditional.

On 22 April 2024, M&A Securities announced that the solicitors for the Proposals had vide its letter dated 22 April 2024 confirmed that the acquisition of the Tranche 1 Sale Shares is deemed completed on 22 April 2024 in accordance to the terms and conditions of the Share Sale Agreement.

On 17 May 2024, M&A Securities announced that the Company has fixed the issue price of the first tranche of 10,000,000 Placement Shares at RM0.4150 each. The aforementioned issue price of RM0.4150 per Placement Share represents a discount of approximately RM0.0991 or 19.3% from the five (5)-day weighted average market price of the Company from 10 May 2024 to 16 May 2024 of approximately RM0.5141 per Share.

On 24 May 2024, the Company increased its issued and paid-up share capital by way of issuance of 10,000,000 new ordinary shares for a cash consideration of RM4,150,000 through first tranche of private placement at an issue price of RM0.4150 per share.

On 13 June 2024, M&A Securities announced that the Company has fixed the issue price of the second tranche of the Placement Shares at RM0.4850 each. The aforementioned issue price of RM0.4850 per Placement Share represents a discount of approximately RM0.088 or 15.4% from the five (5)-day weighted average market price of the Company from 6 June 2024 to 12 June 2024 of approximately RM0.5730 per Share.

On 20 June 2024, M&A Securities announced that the Company has fixed the issue price of the third tranche of the Placement Shares at RM0.50 each. The aforementioned issue price of RM0.50 per Placement Share represents a discount of approximately RM0.0964 or 16.2% from the five (5)-day weighted average market price of the Company from 12 June 2024 to 19 June 2024 of approximately RM0.5964 per Share.

On 25 June 2024, the Company increased its issued and paid-up share capital by way of issuance of 24,000,000 new ordinary shares for a cash consideration of RM11,640,000 through second tranche of private placement at an issue price of RM0.4850 per share.



**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D )**

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONT'D )**

**B7. Status of Corporate Proposal (Cont'd)**

On 2 July 2024, the Company increased its issued and paid-up share capital by way of issuance of 79,813,000 new ordinary shares for a cash consideration of RM39,906,500 through third tranche of private placement at an issue price of RM0.50 per share.

On 3 July 2024, M&A Securities announced that the Proposed 30% Private Placement has been completed following the listing of a total of 113,813,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

As at 31 July 2024, the details of the utilisation of proceeds are as follows:-

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Proceeds Raised RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Unutilised Amount RM'000</b>	<b>Intended Timeframe for Utilisation</b>
Business expansion for F&B	30,725	40,897	6,734	34,163	Within 24 months
Proposed acquisition	14,000	14,000	14,042	(42)*	Within 12 months
Estimated expenses for Proposals	800	800	822	(22)	Within 6 months
<b>Total</b>	<b>45,525</b>	<b>55,697</b>	<b>21,598</b>	<b>34,099</b>	

\* The excess in utilisation arises from the payment of stamp duty for share transfer.

(2) The Company had on 29 April 2024 announced that the Company proposed to undertake the following :-

- i. proposed change of auditors; and
- ii. proposed Renewal of Share Buy-back Authority

(collectively, the "Proposals")

On 26 April 2024, the Company issued a Notice of Annual General Meeting (AGM) to be held on 13 June 2024 to seek approval from shareholders on the abovementioned Proposals and a circular relating to the Proposals has been issued on 29 April 2024.

The abovementioned Proposals have been approved in the AGM held on 13 June 2024.

**B8. Group Borrowings and Debt Securities**

As at 30 June 2024, the Group's borrowing is as follows:-

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total RM'000</b>
Short term borrowing (Unsecured)	3,375	-	3,375



**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD LISTING REQUIREMENTS (CONT'D)**

**B9. Derivative Financial Instruments**

As at 30 June 2024, the Group has no outstanding derivatives financial instruments.

**B10. Material Litigation**

Since the last Audited Financial Statements for the year ended 31 December 2023, the Group does not have any material litigation until the date of this report.

**B11. Dividends**

No dividend has been proposed or declared by the Board for the current quarter under review.

**B12. Earnings Per Share**

	<b>2QFY2024</b>	<b>2QFY2023 Restated</b>	<b>1HFY2024</b>	<b>1HFY2023 Restated</b>
<b>Basic earnings per share</b>				
Profit after tax attributable to owners of the Company (RM'000)	<u>499</u>	<u>195</u>	<u>753</u>	<u>1,717</u>
Weighted average number of ordinary shares (basic) ('000)	<u>385,136</u>	<u>378,658</u>	<u>382,257</u>	<u>375,155</u>
Basic Earnings Per Share (sen)	<u>0.13</u>	<u>0.05</u> *	<u>0.20</u>	<u>0.46</u> *
<b>Diluted earnings per share</b>				
Profit after tax attributable to owners of the Company (RM'000)	<u>499</u>	<u>195</u>	<u>753</u>	<u>1,717</u>
Weighted average number of ordinary shares (basic) ('000)	385,136	378,658 *	382,257	375,155 *
Effect of warrants on issue	<u>39,519</u>	<u>31,983</u> **	<u>31,339</u>	<u>53,198</u> **
Weighted average number of ordinary shares (diluted) ('000)	<u>424,655</u>	<u>410,641</u>	<u>413,596</u>	<u>428,353</u>
Diluted Earnings Per Share (sen)	<u>0.12</u>	<u>0.05</u> *	<u>0.18</u>	<u>0.40</u> *

The average market value of the Company's shares for purpose of calculating the dilutive effect of warrants was based on quoted market prices for the period during which the warrants were outstanding.

\* Adjusted for the effect of bonus issue completed on 12 May 2023.

\*\* Adjusted for the effect of additional warrants arising pursuant to the bonus issue completed on 12 May 2023.





**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD LISTING REQUIREMENTS (CONT'D)**

**B13. Profit Before Tax**

	2QFY2024	2QFY2023	1HFY2024	1HFY2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit before tax is arrived at after crediting/(charging):</b>				
Finance income	37	99	145	240
Finance costs	(44)	-	(61)	-
Depreciation of:				
- property, plant and equipment	(887)	(710)	(1,692)	(1,400)
- right-of-use assets	(373)	-	(565)	-
Amortisation of intangible assets	(41)	-	(41)	-
Net (loss)/gain on foreign exchange:				
- unrealised	(66)	(1,253)	(325)	(1,198)
- realised	(117)	553	(115)	289
Gain on disposal of:				
- property, plant and equipment	-	122	12	109
- a subsidiary	381	-	381	-

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

By order of the Board

LIM LI HEONG  
Company Secretary  
MAICSA 7054716