



**HEXTAR GLOBAL BERHAD**

199001014551 (206220-U)



**2024**

**ANNUAL REPORT**

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Proxy Form

## OUR VISION

To become the preferred business partner and employer of choice, enriching lives with our products and solutions

## OUR MISSION

We build shareholder value by carving a niche in the global arena, earning market respect through outstanding products and services, endorse human capital development and enhance business synergy in diversity with sustainability principles underpinning our corporate thinking and actions

## CORE VALUE

### Humility

Fostering an environment of mutual respect that encourages appreciation and cooperation amongst each other, with self-awareness and open-mindedness to learn and grow

### Excellence

Pushing boundaries to achieve the highest possible standards of performance and quality

### X-factor

Ability to think outside the box to develop unique solutions to complex challenges and to push past traditions with innovative and progressive ideas

### Trustworthy

Being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values

### Adaptability

Ability to change and adjust to shifting demands and requirements by being proactive and resourceful

### Responsibility

Demonstrating reliability by staying true to the task, accepting accountability for your duties and carrying out the task to the best of our capabilities

# CORPORATE STRUCTURE

Our logo derives from our company name, which has been in use since 1985. At Hextar, our philosophy emphasises the empowerment of each subsidiary to become independent and competitive players in their respective industries. We proactively identify and nurture key talents within our organisation, enabling continuous career growth and advancement to fulfill the objectives of each subsidiary.


**HEXTAR GLOBAL BERHAD**

199001014551 (206220-U)

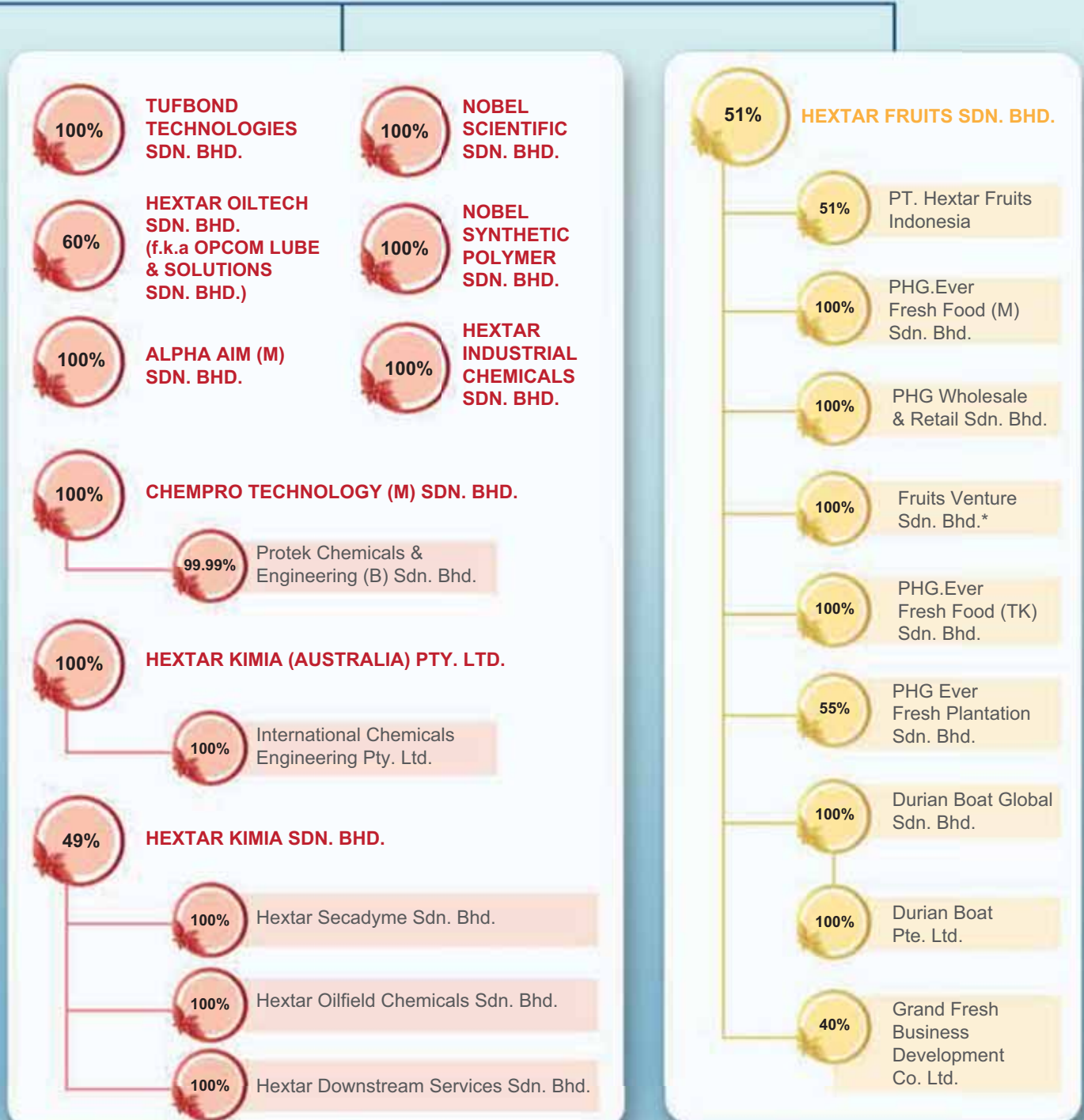


\* Company has applied for striking off



# CORPORATE STRUCTURE

cont'd



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**DATO' SRI DR ERWAN BIN  
DATO' HAJI MOHD TAHIR**

*Independent and  
Non-Executive Chairman*

**DATO' ONG SOON HO**

*Non-Independent and  
Non-Executive Vice Chairman*

**LEE CHOOI KENG**

*Group Managing Director*

**RAYBURN AZHAR BIN ALI**

*Executive Director*

**YEOH CHIN HOE**

*Senior Independent and  
Non-Executive Director*

**LIEW JEE MIN @**

**CHONG JEE MIN**

*Independent and  
Non-Executive Director*

#### AUDIT COMMITTEE

*Chairman*

**Yeoh Chin Hoe**

*Members*

**Liew Jee Min @ Chong Jee Min**

**Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir**

#### NOMINATION AND REMUNERATION COMMITTEE

*Chairman*

**Liew Jee Min @ Chong Jee Min**

*Members*

**Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir**

**Yeoh Chin Hoe**

#### RISK MANAGEMENT COMMITTEE

*Chairman*

**Lee Chooi Keng**

*Members*

**Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir**

**Yeoh Chin Hoe**

#### WHISTLEBLOWING COMMITTEE

*Chairman*

**Yeoh Chin Hoe**

*Members*

**Lee Chooi Keng**

**Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir**

#### COMPANY SECRETARIES

Tan Tong Lang (MAICSA 7045482)  
(SSM PC No. 202208000250)

Lim Wen Theng (MAICSA 7073397)  
(SSM PC No. 202308000441)

Phan Nee Chin (MIA 28178)  
(SSM PC No. 202008004339)

#### REGISTERED OFFICE

B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur,  
W.P. Kuala Lumpur, Malaysia.

Tel : +6(03) 9770 2200

Fax : +6(03) 2201 7774

Email : boardroom@boardroom.com.my

# CORPORATE INFORMATION

cont'd

## AUDITORS

**Crowe Malaysia PLT**  
201906000005  
(LLP0018817-LCA) & AF 1018  
Setia Alam Office,  
Suite 50-3, Setia Avenue,  
No. 2, Jalan Setia Prima S U13/S,  
Setia Alam, Seksyen U13,  
40170 Shah Alam,  
Selangor Darul Ehsan, Malaysia.

**Crowe China Group**  
Foshan Branch Office, 2F,  
Bi Cui Ya Xuan Commercial Building,  
No. 38, Lvjing 2nd Road,  
Chancheng District,  
Foshan, Guangdong, China.

**Robert Yam & Co (00612)**  
No. 190 Middle Road,  
#16-01/02/03 Fortune Centre,  
Singapore 188979.

**Stannards Accountants  
& Advisors Pty Ltd**  
A.C.N 006 867 441  
Level 1, 60 Toorak Road,  
South Yarra, Vic 3141.

**PKF Brunei**  
B7, First Floor, Block B,  
Shakirin Complex, Kampung Kiulap,  
Gadong B, Brunei Muara, BE1518,  
Brunei Darussalam.

**Paul Hadiwinata, Hidajat, Arsono,  
Retno, Palilingan & Rekan**  
UOB Plaza 42nd & 30th Floor,  
Jl. MH. Thamrin Lot 8-10  
Central Jakarta 10230, Indonesia

## CORPORATE OFFICE

No. 64, Jalan Bayu Laut 4/KS09,  
Kota Bayuemas,  
41200 Klang,  
Selangor Darul Ehsan, Malaysia.  
Tel : +6(03) 3003 3333  
Fax : +6(03) 3003 3331  
Email : hextarglobal@hextar.com  
Website : www.hextarglobal.com

## SHARE REGISTRAR

**Aldpro Corporate Services Sdn. Bhd.**  
B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur,  
W.P. Kuala Lumpur, Malaysia.  
Tel : +6(03) 9770 2200  
Fax : +6(03) 2201 7774

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
(Main Market)  
Stock Name : HEXTAR  
Stock Code : 5151

## PRINCIPAL BANKERS

Maybank Islamic Berhad  
OCBC Al-Amin Bank Berhad  
Hong Leong Islamic Bank Berhad  
Al Rajhi Banking & Investment  
Corporation (Malaysia) Berhad  
Export-Import Bank of Malaysia  
Berhad  
Citibank Berhad  
AmBank (M) Berhad  
United Overseas Bank (Malaysia)  
Berhad  
SME Bank (M) Berhad  
Bank Pertanian Malaysia Berhad  
CIMB Bank Berhad  
Public Bank Berhad



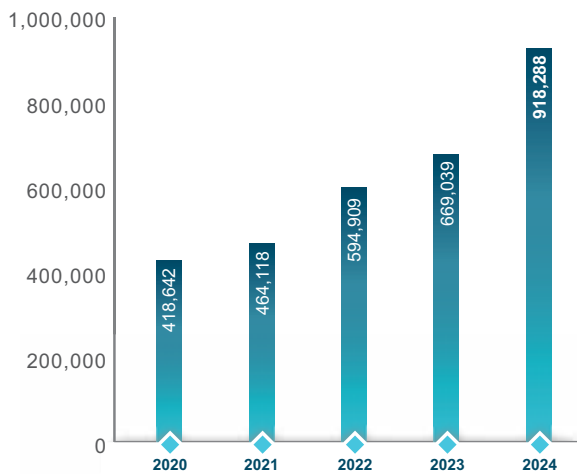
# FINANCIAL HIGHLIGHTS

GROUP FINANCIAL HIGHLIGHTS					
	2020	2021	*2022	2023	2024
Financial Year Ended 31 December	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	418,642	464,118	594,909	669,039	918,288
Gross Profit ("GP")	91,028	105,008	171,307	203,626	248,317
Profit Before Taxation ("PBT")	56,688	53,565	78,946	91,278	95,215
Profit After Taxation ("PAT")	44,484	39,210	58,955	67,664	71,675
<b>Ratios</b>					
GP Margin	21.7%	22.6%	28.8%	30.4%	27.0%
PBT Margin	13.5%	11.5%	13.3%	13.6%	10.4%
PAT Margin	10.6%	8.4%	9.9%	10.1%	7.8%
Basic Earnings Per Share (Sen)	3.42	3.01	^ 1.38	1.41	1.53

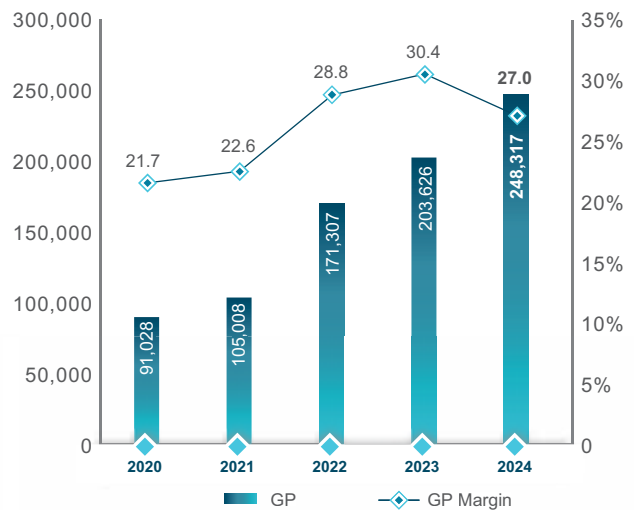
\* Restated to exclude discontinued operations

^ Restated to reflect the effect of bonus issue

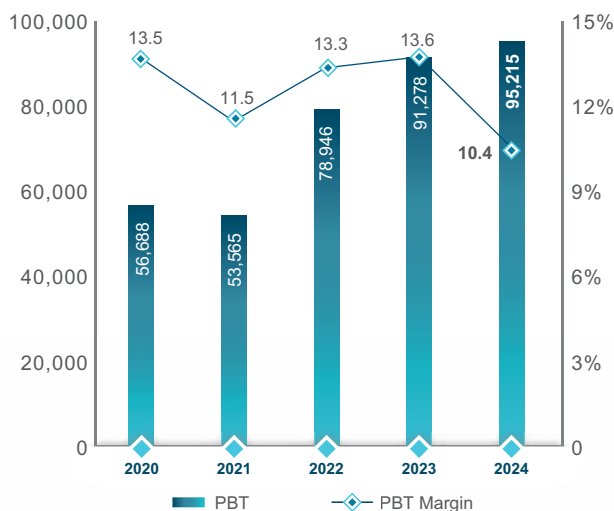
**REVENUE (RM'000)**



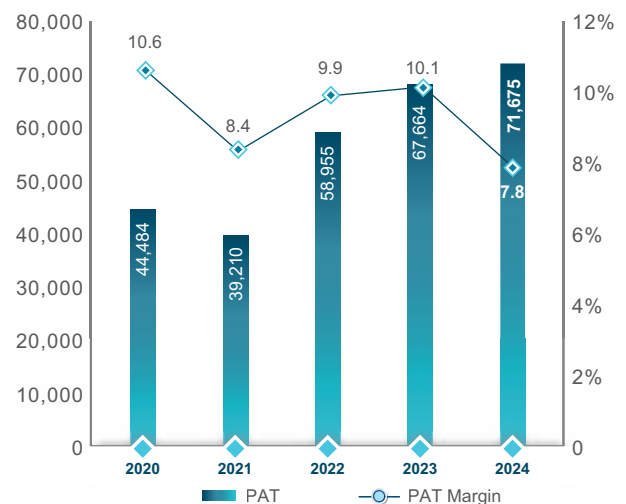
**GP (RM'000) & GP MARGIN (%)**



**PBT (RM'000) & PBT MARGIN (%)**



**PAT (RM'000) & PAT MARGIN (%)**



## BOARD OF DIRECTORS' PROFILE

**DATO' SRI DR. ERWAN BIN  
DATO' HAJI MOHD TAHIR***Independent Non-Executive Chairman*

📍 Malaysian 🏴🇲🇾 Male 👤 48 years old



**Dato' Sri Dr Erwan bin Dato' Haji Mohd Tahir** ("Dato' Sri Dr Erwan") was appointed to the Board on 22 May 2017. He is also a member of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Whistleblowing Committee.

Dato' Sri Dr Erwan has led and invested in a number of mergers and acquisitions, restructurings and financings, cross-border transactions, leveraged buyouts and other investment projects of various sizes and complexity and across a variety of sectors, including media and entertainment, consumer and retail, energy and resources, real estate and hospitality, commodities, and infrastructure.

He possesses an extensive network and experience in property development, mining, renewable energy, agriculture, defense technology, insurance, healthcare and education. He has served in senior positions at government departments, provided advisory services on public policy, socio-economic development, capacity building, institutional reform, change management and stakeholder management. Additionally, Dato' Sri Dr Erwan brings substantial experience in strategy, transformation, and business turnaround advisory.

In his global corporate experience, he has gained broad knowledge in business strategies, the ability to identify sustainable monetisation models, insights into customer dynamics and competitive landscapes, and the exploration of innovative business models with a focus remains dedicated to effective revenue generation and strategic cost management.

He graduated from the University of Wales (UK) with a Master's in Business Administration (MBA) in marketing management in 2005 and subsequently received a Doctorate in Philosophy (PhD) in Management in 2012.

Dato' Sri Dr Erwan's business journey commenced in 1997, he was awarded medium-scale contracts in construction, highways and painting. Among his first contracts were to paint the Prime Minister's Office, Prime Minister's Residence, KL International Airport, Sepang F1 Circuit and Suria KLCC. In 2006, he was involved in the business of timber and iron ore concessions in Pahang and Kelantan.

His major achievement was in 2009, when he started to diversify KBB Resources Bhd and its group of companies' ("KBB Group") business by taking over the largest switchgear and transformer company in the Malaysian power industry. In 2010, KBB Group took over the biggest rice vermicelli company in Malaysia which controls 80% of the local market.

In 2012, he further expanded KBB Group's business into coal mining in Samarinda, West Kalimantan, Indonesia for export internationally. At present, KBB Group has also ventured into the defense and security industry supplying aircrafts, helicopters, boats, armored vehicles and artillery supplies to the military and police to strengthen their defense and security systems. In addition, KBB Group also ventured into the manufacturing of the first Malaysian-made electrical bus.

In 2020, he was appointed by the Prime Minister as the Board Member of Perbadanan Putrajaya. Perbadanan Putrajaya (PPj) or Putrajaya Corporation (PjC) is a local authority that administers the Federal Territory of Putrajaya and is under the Department of Federal Territories of Malaysia, Prime Minister Department. Founded in 1995, the corporation is responsible for public health and sanitation, waste removal and management, capital planning, environmental protection and building control, social and economic development, and the general maintenance functions of the urban infrastructure of Putrajaya.

Recently he was appointed by the Minister of Higher Education as the Chief Executive Officer for Polytechnics and Community Colleges (PolyCC) Nilai, Negeri Sembilan Darul Khusus and as the Chairman of Industry Advisory Committee under Department of Polytechnics Education and College Community, Ministry of Higher Education.

He also sits on numerous local and foreign Board of Companies, both Public Listed Company (PLC) and Private Companies including the Subsidiaries Companies in which he holds the position as Chairman or serves as a Board member. The companies are EPE Power Corporation Berhad, Sersol Berhad, KBB Resources Berhad, Erwan Berhad, MKH Berhad, Perbadanan Putrajaya and Netherlands Maritime University College (NMUC).

Dato' Sri Dr Erwan has no family relationship with any Director and/or major shareholder of the Group. In addition, he has no business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Director of Hextar which would be disadvantageous to the Group. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He has attended all five (5) Board meetings for the financial year ended 31 December 2024.



## BOARD OF DIRECTORS' PROFILE

cont'd

**DATO' ONG SOON HO***Non-Independent**Non-Executive Vice Chairman*

Malaysian 
 Male 
 77 years old

**Dato' Ong Soon Ho** ("Dato' Ong") was appointed to the Board on 22 May 2017, bringing with him a wealth of experience as the founder of Hextar Chemicals Sdn Bhd. He plays a pivotal role in overseeing the growth and development of Hextar Group since its commencement.

He graduated with a Bachelor's Degree in Plant Pathology and Entomology from National Taiwan University and he furthered his academic pursuits by obtaining a Master's Degree in Mycology from the University of Aberdeen, Scotland, United Kingdom. He has over 30 years of professional experience, he has been an integral part of the senior management team of a multinational corporation, coupled with his extensive experience in the agricultural industry.

Dato' Ong is the father of Dato' Eddie Ong Choo Meng ("Dato' Eddie Ong"). Both of them are directors and shareholders of Hextar Holdings Sdn Bhd, the substantial shareholder of Hextar.

Save as disclosed, he has no family relationship with any Director and/or major shareholder of the Group and has no business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Director of Hextar which would be disadvantageous to the Group.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He does not hold any directorship in any public company and other listed corporation.

He has attended all five (5) Board meetings for the financial year ended 31 December 2024.

# BOARD OF DIRECTORS' PROFILE

cont'd

## LEE CHOOI KENG

*Group Managing Director*

 Malaysian  Female  67 years old



**Madam Lee Chooi Keng** ("Madam Lee") was appointed to the Board on 22 May 2017. She was promoted to the position of Group Managing Director on 20 June 2023. Additionally, she also serves as the Chairperson of the Risk Management Committee and is a member of the Whistleblowing Committee.

She graduated with a Bachelor of Science, majoring in Chemistry. She commenced her career as a chemist before gaining extensive experience in a senior management position in the private sector of the agrochemical industry for over 44 years. Currently, she oversees the overall development and business operations of the Hextar Group.

Madam Lee has no family relationship with any Director and/or major shareholder of the Group. In addition, she has no business or other relationship which could materially pose a conflict of interest or interfere with the exercise of her judgement when acting in the capacity of a Director of Hextar which would be disadvantageous to the Group.

She has not been convicted of any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

She does not hold any directorship in any public company and other listed corporation.

She has attended all five (5) Board meetings for the financial year ended 31 December 2024.

## BOARD OF DIRECTORS' PROFILE

cont'd



### RAYBURN AZHAR BIN ALI

*Executive Director*

Malaysian Male 55 years old

**Mr Rayburn Azhar Bin Ali** ("Mr Rayburn") was appointed to the Board as Executive Director on 29 November 2022. His journey with the Group began as the Chief Executive Officer of Hextar Kimia Sdn Bhd following the acquisition of Hextar Kimia Sdn Bhd from ENRA Group Berhad by Hextar Global Berhad and Ekopintar Sdn Bhd on 23 July 2021.

He graduated with a Bachelor of Business Administration (Accountancy) from the University of Notre Dame, Indiana, USA. He started his career as an auditor and budget analyst in Chicago before gaining over 25 years of experience in senior management positions in the oil and gas industry, specialising in specialty chemicals.

Mr Rayburn joined Darul Karisma Group in 1998 as the General Manager of Business Development. He was later appointed as the Director and Chief Executive Officer of one of its subsidiaries, DK Kurita Sdn Bhd. In 2008, he joined Daya SecaDyme Sdn Bhd, a distributor of specialty chemicals and catalysts in the oil and gas industry under Daya Materials Berhad as Chief Operating Officer. He was subsequently promoted to Chief Executive Officer. In 2013, he concurrently held the position of Group Chief Operating Officer of Daya Materials Berhad before finally being promoted to Deputy Group Chief Executive Officer.

In 2016, Mr Rayburn joined ENRA Group Berhad as Senior Vice President of the Downstream Oil & Gas Division. He was also appointed as Chief Executive Officer of ENRA Kimia Sdn Bhd, a new wholly owned subsidiary of ENRA Group Berhad at that time. Under his leadership, the company successfully evolved into a leading distributor of Specialty Chemicals and Catalysts in the oil and gas industry. The company eventually became the leading distributor of gas odorants in Malaysia, Australia and New Zealand.

Mr Rayburn has no family relationship with any Director and/or major shareholder of the Group. He has no business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Director of Hextar which would be disadvantageous to the Group.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He does not hold any directorship in any public company and other listed corporation

He has attended all five (5) Board meetings for the financial year ended 31 December 2024.

# BOARD OF DIRECTORS' PROFILE

cont'd

## YEOH CHIN HOE

Senior Independent  
Non-Executive Director

📍 Malaysian 🏴♂️ Male 👤 74 years old



**Mr Yeoh Chin Hoe** ("Mr Yeoh") was appointed to the Board on 22 May 2017. He is currently the Chairman of the Audit Committee and Whistle Blowing Committee, and a member of the Nomination and Remuneration Committee and Risk Management Committee.

He obtained a Master's degree in Business Administration (General Management) from the University Putra Malaysia in 1997. Mr Yeoh is a fellow member of the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators. He is also a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Mr Yeoh began his accountancy and audit career with Spicer & Pegler, Chartered Accountant (now merged with Deloitte) from 1973 to 1978 in London, United Kingdom and subsequently joined Coopers & Lybrand in Kuala Lumpur as the Assistant Manager. He joined Harrisons Trading (Peninsular) Sdn Bhd in 1980, progressing from Finance Director in 1990 to Managing Director in 1997 until he retirement in 2006. He then set up a business management consulting firm called BPI Corptall Consulting Sdn Bhd, as a consultant specialising in business process improvements and general business management services.

Mr Yeoh's present directorship in other public listed companies are as follows:

- Independent Non-Executive Director of Hextar Technologies Solutions Berhad; and
- Independent Non-Executive Director of Chin Hin Group Berhad

Mr Yeoh has no family relationship with any Director and/or major shareholder of the Group. He has no business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Director of Hextar which would be disadvantageous to the Group.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He has attended all five (5) Board meetings for the financial year ended 31 December 2024.



## BOARD OF DIRECTORS' PROFILE

cont'd



### LIEW JEE MIN @ CHONG JEE MIN

*Independent  
Non-Executive Director*

Malaysian Male 66 years old

**Mr. Liew Jee Min @ Chong Jee Min** ("Mr Chong") was appointed to the Board on 14 December 2017. He is currently the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

He graduated from the University of Leeds, England in 1984 with an Honours Degree in Law. He obtained his Certificate of Legal Practice in Malaya in 1985 and was admitted as an advocate and solicitor to the High Court of Malaya in 1986. He established the legal firm Messrs. J.M. Chong, Vincent Chee & Co. Advocates & Solicitors in December 1986, where he has been practicing law, specialising in banking, corporate, commercial and real estate matters. He is the managing partner of the firm.

Mr Chong is the Vice President of the Klang Chinese Chamber of Commerce & Industry ("KCCCI"), the Chairman of the Legal Affairs Committee of the KCCCI and The Associated Chinese Chamber of Commerce & Industry of Coastal Selangor ("ACCCICS"), a council member of The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("KLSCCCI"), and also the Chairman of its Legal Affairs Committee, and a member of the Legal Affairs Committee of The Associated Chinese Chamber of Commerce & Industry of Malaysia ("ACCCIM"). He is a legal advisor to the Malaysia Used Vehicle Autoparts Traders' Association ("MUVATA"), Kuala Lumpur & Selangor Furniture Entrepreneur Association ("KSFA") and Sekolah Menengah Chung Hua (PSDN) Klang, Zhang Association Selangor & Kuala Lumpur, and The Federation of Malaysian Manufacturers ("FMM"). Additionally, he is a council member of The Kuala Lumpur & Selangor Hopo Association.

Mr Chong's present directorship in other public listed companies are as follows:

- Independent Non-Executive Chairman of Hextar Healthcare Berhad
- Independent Non-Executive Director of Parkson Holdings Berhad
- Independent Non-Executive Director of Lion Posim Berhad
- Independent Non-Executive Director of Hextar Industries Berhad

Mr Chong has no family relationship with any Director and/or major shareholder of the Group and has no business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Director of Hextar which would be disadvantageous to the Group.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He has attended all five (5) Board meetings for the financial year ended 31 December 2024.

## KEY SENIOR MANAGEMENT'S PROFILE



### LO NGEN LOI

*Managing Director  
Agriculture Segment*

Malaysian  
 Male  
 68 years old

**Mr Lo Ngen Loi** ("Mr Lo") joined Hextar Chemicals Sdn Bhd on 1 June 2009, and he is currently the Managing Director of Hextar Chemicals Sdn Bhd. He is responsible for Hextar Group's marketing development and strategies for the agriculture segment.

Mr Lo graduated with a Bachelor's degree in Science, majoring in Chemistry and Botany. He has over forty (40) years of diverse industry experience, spanning across product launching, serving as a product specialist in the regional market as well as excelling in marketing and portfolio management of agrochemicals for multinational corporations.

Mr Lo has no family relationship with any director and/or major shareholder of Hextar Group. In addition, he has no business or other relationship which could materially pose as a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of her position which could be disadvantageous to Hextar Group. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He has no directorship in any public companies.



### CHEN SEN LOON

*Managing Director of Halex  
(M) Sdn Bhd  
Agriculture Segment*

Malaysian  
 Male  
 58 years old

**Mr Chen Sen Loon** ("Mr Chen") is currently the Managing Director of Halex (M) Sdn Bhd. He is responsible for driving the agriculture business operations of Halex (M) Sdn Bhd, Hextar Chemicals Sdn Bhd and all the companies under agriculture segment.

Mr Chen joined Halex Industries (M) Sdn Bhd in 1992 as a Chemist and was then promoted to Production Manager in 1993. Subsequently, he was appointed as the General Manager in 2001, responsible for overseeing the agrochemical manufacturing and export divisions. In 2014, Mr. Chen then joined the Board of Directors of Halex (M) Sdn Bhd as an Executive Director and ascended to the role of Group Managing Director in 2015. Hextar Group believes that his proficiency and expertise in the industry brings significant impact to the Group as he serves as the Managing Director of the company.

Mr Chen graduated from Universiti Kebangsaan Malaysia with a Bachelor's degree in Chemistry (Honours) and obtained his Master's Degree in Business Administration from Heriot-Watt University, United Kingdom. He has more than 30 years of experience in the agrochemical industry, as a chemist and senior management role.

Mr Chen has no family relationship with any director and/or major shareholder of Hextar Group. In addition, he has no business or other relationship which could materially pose as a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of her position which could be disadvantageous to Hextar Group. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He has no directorship in any public companies.

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd



### DR. LEE LENG CHOY

*Managing Director  
Research and Development*

Malaysian  
 Male  
 52 years old

**Dr. Lee Leng Choy** ("Dr. Lee") is currently the Managing Director of the research and development division. He is responsible for Hextar Group's research and development operations and technical matters, as well as the business aspects of specialty chemicals.

Dr. Lee obtained his Ph.D. in urban entomology and biochemistry in which he has developed strong foundation and robust background in research and development and regulatory compliance in crop protection industry of Asian market. With over twenty (20) years of experience in the industry, Dr. Lee has not only published more than twenty (20) peer reviewed publications but also has delivered over thirty-five (35) research papers at scientific meetings, showcasing his extensive expertise and contributions to the field.

Dr. Lee has no family relationship with any director and/or major shareholder of Hextar Group. In addition, he has no business or other relationship which could materially pose as a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of her position which could be disadvantageous to Hextar Group. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He has no directorship in any public companies.



### CHIAM LONG CHAI

*Managing Director  
Hextar Industrial  
Chemicals Sdn Bhd*

Malaysian  
 Male  
 52 years old

**Mr Chiam Long Chai** ("Mr Chiam") is currently the Managing Director of Hextar Industrial Chemicals Sdn Bhd. He is responsible for the trading of industrial chemicals, overseeing business operations and driving growth.

Mr Chiam graduated with a Bachelor's degree in Business Studies, majoring in Finance. He has more than twenty-five (25) years of extensive experience in the industrial chemical industry, focusing on administration, marketing and supply chain management of the business operations. He also has experience in managing products across various industries and has held expatriate positions abroad.

Mr Chiam has no family relationship with any director and/or major shareholder of Hextar Group. In addition, he has no business or other relationship which could materially pose as a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of her position which could be disadvantageous to Hextar Group. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

He has no directorship in any public companies

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd



### LIAN DAZHI

Managing Director  
Biogas Engineering Business

China  
 Female  
 71 years old

**Ms Lian Dazhi** ("Ms Lian") is currently the Managing Director of Hextar Biogas BEE Sdn Bhd and Biogas Environment Engineering Sdn Bhd. She is responsible for driving the Biogas business operations performance.

Ms Lian graduated from China Chongqing University with a Bachelor's degree in Automatic Specialised Control. She has more than forty (40) years of experience in methane project application technology, computer control system and the electrical machinery.

Ms Lian's professional journey includes roles as an engineer in Chinese Academy of Science Computer Application Research Institute and the Chinese Sichuan Ecology Resources Environmental Protection Research Institute. She has also served as the General Manager at Lanke Medical Service Research Center, Taishan Rock and Soil Engineering (M) Sdn Bhd and Jiama (M) Sdn Bhd, demonstrating her versatile expertise and leadership in various capacities.

Ms Lian has no family relationship with any director and/or major shareholder of Hextar Group. In addition, she has no business or other relationship which could materially pose as a conflict of interest or interfere with the exercise of her judgement when acting in the capacity of her position which could be disadvantageous to Hextar Group. She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

She has no directorship in any public companies.



### PHAN NEE CHIN

Chief Financial Officer  
Group Financial Department

Malaysian  
 Female  
 47 years old

**Ms Phan Nee Chin** ("Ms Phan") currently serves as the Chief Financial Officer and Company Secretary of Hextar Group. She graduated from University of Malaya with a Bachelor's degree in Accounting and is a Chartered Accountant with the Malaysian Institute of Accountants.

Ms Phan has professional working experience spanning over twenty (20) years in the areas of auditing, accounting, finance and administration. She embarked on her career with a local medium-sized accounting firm and has since held several senior finance positions in both private and public companies. She joined Hextar Group as Financial Controller on 16 March 2020 and she ascended to the role of Chief Financial Officer on 1 January 2023. In addition to her financial leadership, she serves as the Company Secretary of Hextar Group, further showcasing her diverse contributions to the organisation.

Ms Phan has no family relationship with any director and/or major shareholder of Hextar Group. In addition, she has no business or other relationship which could materially pose as a conflict of interest or interfere with the exercise of her judgement when acting in the capacity of her position which could be disadvantageous to Hextar Group. She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year under review.

She has no directorship in any public companies.



# MANAGEMENT DISCUSSION AND ANALYSIS

“On behalf of the Board of Directors, I am pleased to present the Management Discussion and Analysis for the financial year ended 31 December 2024 (“FYE 2024”). Despite the evolving economic landscape and sector-specific challenges, our Group has remained resilient and agile, delivering another year of commendable performance underpinned by our diversified portfolio and strategic focus on value creation.

We are thrilled to announce yet another year of exceptional revenue growth, from RM669.0 million in the previous financial year to a staggering RM918.3 million in FYE 2024 - our highest ever. This milestone marks the third consecutive year of our Group surpassing the RM500 million benchmark, a testament to the resilience, strength, and unwavering momentum of our business and we are expected to deliver sustainable earnings moving forward.

During the year, Specialty Chemicals segment experienced remarkable growth, fuelling our upward revenue trajectory. Our high-performing divisions continue to gain momentum, reinforcing our diversified portfolio and solidifying our position as an eminent force in the industry.

At the same time, our Agriculture and Fruits segments faced operational headwinds stemming from off-season production cycles and external market volatility. Nevertheless, we remain confident in the long-term potential of these segments. They continue to play a vital role in our diversified portfolio, and our focus moving forward will be on operational efficiency, productivity enhancement, and optimizing seasonal opportunities.

Our Group's financial position remains healthy, with total assets of RM825.6 million and total equity of RM255.5 million as at 31 December 2024. The slight decrease in shareholders' equity was mainly due to dividend distributions during the year. Nonetheless, our gearing level remains at a manageable level, providing us with headroom for future growth initiatives.

Looking ahead, we remain committed to our core strategy of building sustainable value through strategic acquisitions, operational excellence, and prudent financial management. The success of our Specialty Chemicals segment exemplifies the importance of synergistic growth and will serve as a blueprint as we evaluate future investment opportunities across our business pillars.

I would like to take this opportunity to thank our shareholders, customers, employees, and partners for their unwavering trust and support. Together, we will continue to strengthen our foundations and unlock new avenues for long-term value creation.”

**LEE CHOOI KENG**  
Group Managing Director



## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Hextar Global Berhad (“Hextar” or “the Company”) together with its subsidiaries (“Hextar Group” or “the Group”), were principally engaged in the following three (3) core business segments:

Segments	Principal activities
Specialty Chemicals	Manufacturing and distribution of specialty chemicals such as sanitising chemicals, industrial chemicals, chemical derivatives, coating, liquid odorant, dosing systems, gas and chemical related services, polymers, adhesive products and provision of technical assistance.
Agriculture	Manufacturing and distribution of agrochemicals such as herbicides, insecticides, fungicides, rodenticides and miticides.
Fruits	Trading and distribution of durian and durian related products.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

In FYE 2023, the Group disposed of its Consumer Products segment and diversified into the Fruits segment through the acquisition of PHG.Ever Fresh Food (M) Sdn Bhd, PHG.Ever Fresh Food (TK) Sdn Bhd, PHG Wholesale & Retail Sdn Bhd, and PHG Ever Fresh Plantation Sdn Bhd (collectively, the **"PHG Group"**).

Building on this diversification strategy, the Group made further progress in establishing its position as a key player in the market for durians. On 24 May 2024, the Group entered into a Joint Venture Agreement with Shenzhen Yoursender Investment Co. Ltd. to establish Grand Fresh Business Development Co. Ltd. (**"Grand Fresh"**), aimed at expanding the durian trading business in China - the world's largest importer of durian. This move allows Hextar to tap on the strong consumer demand within China for durian through Grand Fresh to generate a sustainable source of income.

As of the date of this report, the Hextar Group:

- (i) Owns and operates 7 manufacturing facilities across Peninsular Malaysia and Indonesia (3 for the Specialty Chemicals segment, 3 for the Agriculture segment, and 1 for the Fruits segment);
- (ii) Commands over 30% local market share in supplying agrochemicals to major plantation companies;
- (iii) Operates a durian processing factory in Raub equipped with advanced liquid nitrogen freezing and cold storage capabilities for export markets;
- (iv) Maintains an OECD Principles of Good Laboratory Practice (GLP) accredited laboratory under Hextar R&D International Sdn Bhd, enabling global pesticide registration and export to over 30 countries;
- (v) Deploys a special team to conduct market development, product training and technical talks on safe handling of pesticides and spray calibration, strengthening brand awareness and loyalty;
- (vi) Provides 24-hour / 365-day technical support for the sale and application of specialty cleaning chemicals;
- (vii) Maintains skilled in-house technicians to develop customised formulations tailored to specific industrial needs, such as in the rubber glove manufacturing industry; and
- (viii) Leads the oil & gas specialty chemical market in Malaysia, with an established presence in Australia and New Zealand, and exclusive distribution rights for more than 20 international principals.

## OVERVIEW OF OPERATING ACTIVITIES

### Specialty Chemicals

The Specialty Chemicals segment continues to be a key growth engine for the Group. The strategic acquisitions made in 2021 have begun yielding tangible returns, including an expanded customer base, a broader suite of products, and operational synergies through shared warehousing and R&D facilities.

In FYE 2024, this segment recorded impressive revenue growth and surpassed the Agriculture segment to become the Group's largest revenue contributor. This performance was driven by strong demand in the oil and gas industry as well as higher exports of specialty chemicals to support Thailand's rubber glove industry. Additionally, steady demand for institutional, hospitality, and food service cleaning solutions has further bolstered earnings as economic activities continued to stabilise post-pandemic.

The oil and gas specialty chemicals division delivered robust performance, supported by long-standing partnerships and exclusive distribution rights with more than 20 international principals. Despite fluctuations in industry pricing, this segment continues to deliver high-margin returns due to its strong market positioning and strategic pricing discipline. The Group remains committed to driving operational efficiency and sustaining profitability through cost optimisation and value-added solutions.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## Agriculture

The Agriculture segment faced a more challenging operating environment in FYE 2024. Volatile global commodity prices led to a softening in both raw material input costs and final selling prices. This price uncertainty affected customer sentiment, resulting in delayed purchase decisions as buyers anticipated further price reductions. Despite a slight drop in revenue, the Group managed the situation prudently by actively monitoring inventory levels and avoiding excessive high-cost stock in a declining price environment.

A significant earnings rebound was recorded in the second half of the year, supported by improved selling prices for herbicides and a gradual recovery in market demand. The Group maintained its healthy margin structure by leveraging a cost-plus pricing model and conducting proactive renegotiations with key suppliers and customers.

Hextar retains its leadership position in Malaysia's agrochemical market, commanding over 30% market share among major plantation companies. Further, in tandem with the acquisitions of the PHG Group in FYE 2023, the Group is now collaborating with durian farmers to develop agrochemicals tailored to the specific needs of durian plantations. Throughout the year, demand for agrochemicals and fertiliser remained resilient, underpinned by durian planting activities and steady market needs. The Group effectively capitalised on its strong brand presence and established distribution network to maintain a solid sales performance in Raub.

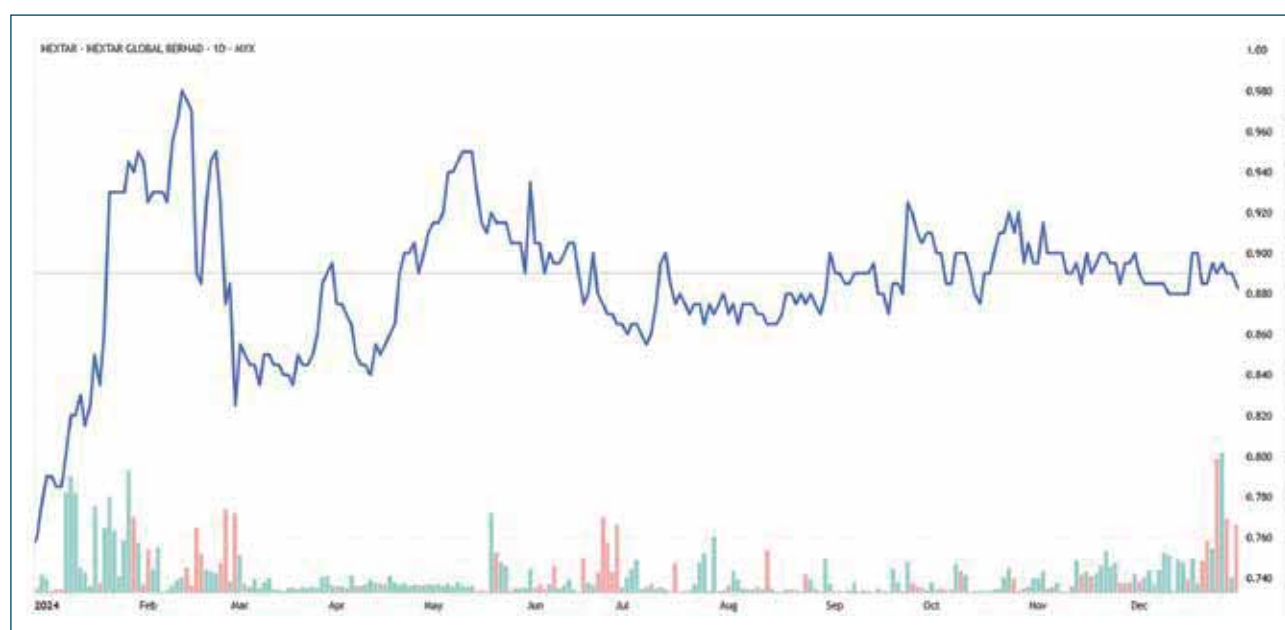
## Fruits

The Fruits segment, introduced through the acquisition of the PHG Group in FYE 2023, marked the Group's entry into the durian market. This segment was further strengthened in FYE 2024 by the establishment of Grand Fresh (a joint venture with Shenzhen Yoursender Investment Co. Ltd.) to expand the Group's durian trading footprint in China - currently the world's largest durian importer.

The Fruits segment only benefited from one durian season in FYE 2024 due to the second season being delayed to January 2025. This segment contributed RM183.5 million to the Group's revenue, an increase of more than threefold compared to RM52.1 million in FYE 2023.

Looking ahead, the Group is optimistic about the long-term prospects of the durian business. By leveraging its processing capabilities, export infrastructure, and extensive customer and supplier network, Hextar is well-positioned to capture future growth opportunities in both local and international markets.

## SHARE PRICE PERFORMANCE



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Hextar's share price started the year at RM0.790 on 2 January 2024 and quickly gained momentum to reach a peak of RM0.980 on 14 February 2024. Throughout the year, Hextar's share price remained relatively resilient, stabilising within the RM0.86 to RM0.92 range.

As at 31 December 2024, Hextar's share price closed at RM0.885, a 14.2% increase compared to RM0.775 at the end of FYE 2023. This upward trend translated into a market capitalisation of RM3.43 billion. Management believes this is underpinned by continued investor confidence in the Group's earnings visibility, sectoral positioning, and strategic direction.

## FINANCIAL PERFORMANCE

	FYE 2024	FYE 2023	Variance	
	RM'000	RM'000	RM'000	%
<b>Revenue from continuing operations</b>				
Specialty Chemicals	421,422	271,162	150,260	55.4
Agriculture	313,232	345,630	(32,398)	(9.4)
Fruits	183,515	52,096	131,419	> 100
Others	119	151	(32)	(21.2)
<b>Total</b>	<b>918,288</b>	<b>669,039</b>	<b>249,249</b>	<b>37.3</b>
Gross profit ("GP")	248,317	203,626	44,691	21.9
Profit before taxation ("PBT")	95,215	91,278	3,937	4.3
Profit after taxation ("PAT")	71,675	67,664	4,011	5.9
GP margin (%)	27.0	30.4		(3.4)
PBT margin (%)	10.4	13.6		(3.2)
PAT margin (%)	7.8	10.1		(2.3)

## Revenue

In FYE 2024, Hextar's revenue grew to RM918.3 million as compared to a revenue of RM669.0 million in the previous financial year, an increase of 37.3%. This growth was primarily driven by the Specialty Chemicals and Fruits segments.

The Specialty Chemicals segment recorded strong growth, led by better performance from the oil and gas industry as well as higher export of specialty chemicals for the rubber glove industry. Earnings improvement for this segment was also contributed by the Group's ability to consistently deliver high-value margins despite the volatility in the pricing landscape of the industries it services.

The Fruits segment experienced remarkable growth in FYE 2024 despite falling short of the Group's expectations. The segment is expected to have performed better if not for the delay of the second durian season (anticipated to occur by November 2024) to January 2025. Nevertheless, revenue for this segment grew to more than 3 times from RM52.1 million in FYE 2023.

In FYE 2024, revenue for the Agriculture segment decreased slightly by 9.4% as compared to FYE 2023. The decline in revenue for this segment was mainly due to unstable selling prices and the cyclical rainy season.



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## Specialty Chemicals

The Specialty Chemicals segment contributed 45.9% of the Group's total revenue in FYE 2024. Revenue from this segment grew by 55.4%, rising from RM271.2 million in the previous year to RM421.4 million, driven by strong demand across key products categories.

Oil and gas chemicals remained the largest contributor and accounted for 51.4% of this segment's revenue, followed by rubber gloves chemicals at 21.7% and institutional cleaning chemicals at 12.4%.

From a geographical perspective, the local market continued to dominate with 84.6% of this segment's revenue, while the remaining 15.4% was derived mainly from export to Thailand and Australia.



## Agriculture

The Agriculture segment contributed 34.1% to the Group's revenue. During the financial year, revenue from this segment declined by 9.4% from RM345.6 million to RM313.2 million, primarily due to selling price fluctuations and weather-related disruptions that affected planting activities.

Herbicides remained the primary revenue driver and accounted for 48.6% of this segment's revenue, followed by insecticides at 26.9% and other agrochemical products at 24.5%.

Geographically, the local market continued to lead with 86.9% of this segment's revenue, while the remaining 13.1% was contributed by overseas market, primarily Indonesia.



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## Fruits

The Fruits segment contributed 20.0% to the Group's total revenue in FYE 2024. Revenue from this segment surged by more than 200%, rising from RM52.1 million to RM183.5 million, largely due to the full-year consolidation of results.

Fresh durian remained the key contributor, accounting for 41.9% of this segment's revenue, followed by frozen durian at 28.6% and other products at 29.5%.

From a geographical standpoint, the overseas market contributed 61.8% of this segment's revenue, driven primarily by China (41.0%) and Singapore (18.3%), while the local market accounted for the remaining 38.2%.



	FYE 2024 RM'000	FYE 2023 RM'000
<b><u>Overall</u></b>		
Revenue	918,288	669,039
GP	248,317	203,626
GP margin (%)	27.0	30.4
<b><u>Specialty Chemicals</u></b>		
Revenue	421,422	271,162
Segmental profit	81,966	60,476
Margin (%)	19.4	22.3
<b><u>Agriculture</u></b>		
Revenue	313,232	345,630
Segmental profit	35,909	41,186
Margin (%)	11.5	11.9
<b><u>Fruits</u></b>		
Revenue	183,515	52,096
Segmental profit	7,181	12,593
Margin (%)	3.9	24.2

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

In line with revenue growth, GP increased by 21.9% from RM203.6 million in FYE 2023 to RM248.3 million in FYE 2024. GP margin for FYE 2024 was 27.0%, a decrease of 3.4% from the previous financial year.

In terms of segmental profits, the Specialty Chemicals segment recorded a strong increase of RM21.5 million, reflecting strong demand and effective cost management. Although margins were slightly lower at 19.4%, this segment continued to deliver healthy profitability, supported by a broader customer base and diversified products offerings.

Despite the increase in revenue for the Fruits segment, profits for this segment declined to RM7.2 million and margins fell to 3.9%. This was mainly due to a full 12-month consolidation of the segment's results in the current year, compared to only 2 months in the previous financial year. The decline in profit margin was mainly due to lower export volumes to Indonesia, as adverse weather conditions affected the durian harvest and reduced overall yield. Additionally, the higher cost of sales, logistics, and labour expenses, coupled with a less favourable product mix, further impacted profitability.

Other income increased by 6.3% from RM4.8 million in FYE 2023 to RM5.1 million in FYE 2024. This increase was mainly attributable to the inclusion of a full 12-month contribution from the Fruits segment.

Selling and marketing expenses increased by 50.7%, from RM21.1 million in FYE 2023 to RM31.8 million in FYE 2024. The increase was primarily due to the inclusion of a full 12-month contribution from the Fruits segment, which accounted for approximately RM6.0 million. In addition, higher sales commission expenses incurred by the Specialty Chemicals segment contributed a further RM1.5 million to the overall increase.

Administrative and other expenses increased by 34.7%, from RM75.2 million in FYE 2023 to RM101.3 million in FYE 2024. The increase was mainly attributed to the reversal of post-acquisition losses for discontinued operations amounting to RM11.3 million that had been recognised in the previous financial year. Additionally, the full-year consolidation of the Fruits segment contributed approximately RM11.0 million, while an impairment loss on short-term investments of RM3.5 million further increased the overall expenses.

Finance costs increased by 17.5%, from RM21.1 million in FYE 2023 to RM24.8 million in FYE 2024. The increase was primarily due to higher interest expense on term loans amounting to RM3.0 million, arising from the acquisition of the PHG Group.

Taxation decreased marginally by 0.4%, from RM23.6 million in FYE 2023 to RM23.5 million in FYE 2024. The Group's effective tax rate stood at 24.7%, slightly above the statutory tax rate of 24%, mainly due to certain non-deductible expenses incurred during the financial year.

The Group reported a PAT of RM71.7 million in FYE 2024, representing a 5.9% increase from RM67.7 million in the previous year. This growth was primarily driven by improved earnings from the Specialty Chemicals segment, which offset the lower contribution from both the Agriculture and Fruits segments.

The Group's strategic acquisition of profitable entities within the Specialty Chemicals segment in FYE 2023 has continued to generate positive returns. Looking ahead, the Group remains confident in its ability to replicate this success through similarly value-accretive acquisitions.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## FINANCIAL POSITION

	31 December 2024	31 December 2023	Variance	
	RM'000	RM'000	RM'000	%
Non-current assets	356,455	343,172	13,283	3.9
Current assets	469,104	535,481	(66,377)	(12.4)
<b>Total assets</b>	<b>825,559</b>	<b>878,653</b>	<b>(53,094)</b>	<b>(6.0)</b>
Non-current liabilities	160,992	174,033	(13,041)	(7.5)
Current liabilities	409,034	445,386	(36,352)	(8.2)
<b>Total liabilities</b>	<b>570,026</b>	<b>619,419</b>	<b>(49,393)</b>	<b>(8.0)</b>
<b>Net assets</b>	<b>255,533</b>	<b>259,234</b>	<b>(3,701)</b>	<b>(1.4)</b>
Current ratio (times)	1.15	1.20		
Gearing ratio (times)	1.59	1.48		
Net assets per share (RM)	0.07	0.07		

### Assets

As at 31 December 2024, the Group's total assets stood at RM825.6 million, a decrease of 6.0% compared to RM878.7 million in the previous year. The decrease was mainly due to lower current assets, partially offset by a moderate increase in non-current assets.

Non-current assets increased to RM356.5 million as at 31 December 2024 (31 December 2023: RM343.2 million), largely attributable to:

- (i) an increase in investment properties to RM5.2 million mainly resulting from the reclassification of certain assets from property, plant and equipment ("PPE") as well as right-of-use assets;
- (ii) investment in joint ventures increasing by RM5.2 million primarily due to the Group's investment in Grand Fresh during FYE 2024;
- (iii) PPE increasing by RM5.9 million to RM119.1 million, mainly attributable to additions amounting to RM18.1 million, offset by depreciation charges of RM10.4 million and the reclassification of certain assets to investment properties, amounting to RM1.3 million; and
- (iv) right-of-use assets declining by RM7.4 million due to the net impact of additions (RM3.2 million), depreciation (RM8.5 million), and assets reclassified to investment properties (RM3.2 million) for the period.

Current assets declined from RM535.5 million as at 31 December 2023 to RM469.1 million as at 31 December 2024, mainly due to:

- (i) inventories decreasing significantly by RM49.9 million, due to the seasonal nature of the durian business, which was in the off-season towards the end of the year;
- (ii) contract assets rising significantly from RM1.5 million as at 31 December 2023 to RM12.6 million as at 31 December 2024, reflecting an increase of RM11.1 million. This was mainly attributable to pending Goods Received Notes (GRNs) from customers, which delayed billing recognition; and
- (iii) cash and bank balances decreasing by RM27.1 million due to the repayment of borrowings and dividend payouts.

In addition, assets classified as held for sale amounting to RM1.6 million in the previous financial year were partially disposed of during FYE 2024 and partially transferred to investment properties.



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## Liabilities

Total liabilities decreased from RM619.4 million as at 31 December 2023 to RM570.0 million as at 31 December 2024, a decrease of 8.0%.

Non-current liabilities decreased from RM174.0 million as at 31 December 2023 to RM161.0 million as at 31 December 2024, a decrease of 7.5%. This was mainly due to:

- (i) lease liabilities decreasing by RM4.7 million, driven by partial repayment for the lease of warehouse and operating plant;
- (ii) borrowings decreasing slightly from RM129.7 million to RM126.1 million, reflecting partial net repayments of term loans; and
- (iv) deferred tax liabilities decreasing by RM3.9 million mainly due to the net effect of changes in taxable temporary differences.

Current liabilities decreased from RM445.4 million as at 31 December 2023 to RM409.0 million as at 31 December 2024, a decrease of 8.2%. This was mainly due to:

- (i) contract liabilities increasing from RM4.9 million to RM10.7 million, mainly due to higher advance payments from customers for project-related contracts, particularly in the Specialty Chemicals segment;
- (ii) short-term bank borrowings increasing by RM25.0 million, reflecting a net drawdown of borrowings during the year for additional working capital in line with increased business activities and acquisition of PHG Group during the year;
- (ii) other payables, deposits received and accruals decreasing by RM37.2 million, which was mainly due to the settlement of purchase consideration relating to previous acquisitions; and
- (iii) variable deferred consideration decreasing by RM27.5 million, attributable to the payment of deferred consideration for prior year acquisitions of Nobel Synthetic Polymer Sdn Bhd and Nobel Scientific Sdn Bhd, while the remaining balance being transferred to other payables.

## Equity

As at 31 December 2024, shareholders' equity stood at RM255.5 million, representing a decrease of 1.4% as compared to RM259.2 million as at 31 December 2023.

The marginal decline was attributable to the following key factors:

- (i) PAT of RM71.7 million recorded for FYE 2024;
- (ii) dividend distributions comprising an interim single-tier dividend of 1.0 sen per ordinary share in respect of FYE 2023 and total interim single-tier dividend of 1.3 sen per ordinary share in respect of FYE 2024, aggregating to approximately RM89.2 million; and
- (iii) the issuance of shares to non-controlling interests by a subsidiary amounting to RM14.7 million.

Despite the lower closing equity, the Group continues to maintain a strong capital base to support its growth initiatives and deliver sustainable shareholder value.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## CASH FLOWS

	FYE 2024	FYE 2023	Variance	
	RM'000	RM'000	RM'000	%
Net cash from operating activities	117,952	36,402	81,550	> 100
Net cash used in investing activities	(62,731)	(91,390)	28,659	(31.4)
Net cash (used in) / from financing activities	(86,116)	64,178	(150,294)	< (100)
Net change in cash and cash equivalents	(30,894)	9,191	(40,085)	< (100)

### Net cash from operating activities

For FYE 2024, net cash generated from operating activities stood at RM118.0 million, supported by the Group's PBT of RM95.2 million.

Operating profit before working capital changes amounted to RM143.7 million, after accounting for the following significant non-cash and financing adjustments:

- (i) depreciation of RM18.9 million; and
- (ii) interest expense of RM24.8 million.

Following working capital movements, cash generated from operations increased to RM171.4 million, mainly due to:

- (i) a decrease in inventories by RM49.5 million; reflecting the lower durian stockholding levels; and
- (ii) partially offset by a net increase in receivables of RM14.4 million, reflecting the higher sales revenue.

From the cash generated from operations, the Group made the following payments:

- (i) interest paid of RM24.0 million; and
- (ii) income tax paid of RM29.4 million.

These movements reflect the Group's strong cash-generating ability, prudent working capital management, and continued investment in operational efficiency.

### Net cash used in investing activities

Net cash used in investing activities amounted to RM62.7 million in FYE 2024.

The major cash outflows during the year were attributed to:

- (i) the acquisition of a joint venture amounting to RM5.5 million (refer to the "Overview of the Group's Business and Operations" for further details);
- (ii) deferred consideration payment amounting to RM64.0 million, being the retention sum for acquisitions in prior years, namely PHG Group, Nobel Synthetic Polymer Sdn Bhd and Nobel Scientific Sdn Bhd; and
- (iii) purchase of PPE amounting to RM16.1 million, reflecting the Group's continued investment in production and operational capacity.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

The above outflows were partially offset by cash inflow from:

- (i) a reduction in pledged deposits with licensed banks amounting to RM5.9 million; and
- (ii) proceeds from the issuance of shares to non-controlling interests by a subsidiary amounting to RM14.7 million.

These investing activities reflect the Group's continued strategic investments aimed at strengthening its operational capabilities, expanding its business portfolio, and supporting long-term growth.

## Net cash used in financing activities

For FYE 2024, net cash used in financing activities amounted to RM86.1 million.

The major cash outflows for the year were as follows:

- (i) dividend payment amounting to RM89.1 million;
- (ii) repayment of revolving credit facilities amounting to RM304.4 million; and
- (iii) repayment of term loans amounting to RM108.5 million.

These were partially offset by cash inflows, which include:

- (i) drawdown of revolving credit facilities amounting to RM309.4 million; and
- (ii) drawdown of term loan amounting to RM123.2 million, primarily to support business acquisition and working capital requirements.

The net cash outflow from financing activities reflects the Group's prudent capital management, balancing dividend distribution with efforts to optimize its financing structure and support operational growth.

## KEY RISKS AND MITIGATING FACTORS

Risk is inherent in the Group's operations, and the Board of Directors is responsible for ensuring that effective risk management and internal control systems are in place.

Hextar remains committed to a balanced approach in managing risks while pursuing strategic growth, with the objective of maximising returns and minimising the potential impact of adverse events, ultimately enhancing long-term shareholder value.

### Credit risk

Credit risk arises from the possibility that counterparties may fail to meet their contractual obligations. The Group is exposed to this risk in the normal course of providing products and services, particularly to corporates, government-linked entities and institutions. To limit this risk, the Group selects customers carefully based on criteria like market reputation, credit history and financial health, imposing limits on single customers and regular credit reviews and proactive account monitoring.

### Liquidity risk

Liquidity risk refers to the potential difficulty in meeting financial obligations when they fall due. To manage this risk, the Group maintains sufficient cash and cash equivalents, securing adequate credit facilities and monitoring short-term and long-term cashflow forecasts to ensure optimal liquidity management.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## Interest rate risk

The Group is exposed to fluctuations in interest rates, particularly in relation to floating-rate borrowings. Increase in interest rates may raise finance costs and affect profitability. To mitigate this risk, the Group enters into fixed-rate financing arrangements where feasible and considering the use of hedging instruments to manage exposure.

## Foreign exchange risk

Given that some transactions are denominated in United States Dollar (USD), Renminbi (RMB) and Singapore Dollar (SGD), the Group is exposed to exchange rate fluctuations, which may affect cost structure and margins. To mitigate this risk, the Group monitors closely its foreign assets and liabilities, maintaining foreign currency-denominated accounts. In addition, the Group may explore hedging strategies, such as forward contracts, when necessary.

## Market competition

The Group faces competition from both existing players and new entrants across its business segments. To mitigate this risk, the Group's continuously enhances product offerings through strong in-house R&D capabilities, expands into new product lines and geographical markets as well as maintains strong relationships with distribution partners and focuses on customer retention.

## Political, economic and regulatory risk

The agrochemical and specialty chemicals industries are subject to evolving regulations and policies across different markets. To mitigate this risk, management has dedicated in-house regulatory and R&D teams to ensure compliance with domestic and international standards. In addition, the Group monitors geopolitical developments and adopts flexible sourcing and distribution strategies and invests in ongoing employee training and regulatory knowledge.

## Reputational risk

Hextar's reputation, particularly its recognition as a constituent of the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, is critical to sustaining investor and stakeholder confidence. To ensure its continuous inclusion in the aforesaid indices, the Group continuously adheres to ESG disclosures and improves its sustainability practices, ensuring transparency, ethical business conduct, and compliance with sustainability standards as well as commitment to long-term stakeholder value through responsible governance and environmental stewardship.

## DIVIDEND

Since 2019, Hextar has consistently paid regular dividends as a token of appreciation for the continued trust and support of its shareholders. While the Group remains committed to rewarding its shareholders, the declaration and quantum of dividends will continue to be guided by several key considerations, including:

- (i) The Group's overall financial performance;
- (ii) The availability of sufficient financial resources to support both current operations and future growth initiatives; and
- (iii) The importance of maintaining an appropriate balance between reinvestment and shareholder returns.

In respect of FYE 2023, Hextar declared and paid a total dividend of 1.0 sen per ordinary share, amounting to approximately RM38.8 million.

In respect of FYE 2024, Hextar declared and paid a total dividend of 1.3 sen per ordinary share amounting to approximately RM50.4 million.

This continued commitment to dividend distribution reflects the Group's confidence in its long-term business prospects and financial sustainability.



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

## FUTURE PROSPECTS

### Specialty Chemicals

Hextar has an optimistic outlook for this segment, supported by the following key drivers:

- Rising demand for specialty cleaning chemicals, particularly from institutions, hotels and restaurants, aligned with the continued growth of the Malaysian economy as well as other markets in which the Group operates in;
- Strengthened marketing and technical capabilities, including ongoing efforts to recruit talent to help widen the Group's market coverage and enhance technical support for its customers; and
- Increased demand from the oil and gas industry, where we will continue to supply specialty chemicals, such as catalysts, odorants and related services to the oil and gas as well as petrochemical industries in Malaysia, Australia and New Zealand.

Although the oil and gas industry is expected to remain volatile over the next 2 years due to global economic uncertainties, aggressive tariff policies and geopolitical tensions, global oil demand remains robust, with crude oil production forecasted to reach record highs. This dynamic environment presents attractive opportunities for the Group to capitalise on.

For the rubber glove industry, the market for specialty derivative and coating chemicals is expected to experience moderate growth. The current oversupply situation is anticipated to gradually ease as producers scale back capacity by decommissioning older or less efficient facilities, helping to restore supply-demand balance and improve industry fundamentals.

Moving forward, the Group's strategic focus for this segment includes:

- continuously enhancing its product portfolio through R&D;
- investing in chemical innovations that enable the creation of higher-value products with customised solutions; and
- expanding its footprint into new Asian markets beyond Malaysia to diversify its revenue base and tap into new growth areas.

### Agriculture

Hextar remains optimistic about the outlook for this segment, underpinned by several key trends and structural drivers as follows:

- The increasing importance of sustainable agriculture to ensure food security and the upliftment of rural incomes in the face of growing population demands;
- The reduction of arable land due to rapid urbanisation, industrial development, and population expansion, which presents a challenge to agricultural productivity and thus highlights the need for efficient, high-performance agrochemical solutions; and
- Ongoing government support and incentives aimed at modernising the agricultural industry, including funding for smart farming technologies, agricultural education, and sustainable farming.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

In light of these trends, the Group's strategic focus for this segment includes:

- maintaining its leadership position in the local market through consistent product reliability, distribution strength, and customer engagement;
- exploring new regional markets to diversify its revenue base and tap into emerging agricultural economies;
- developing products in compliance with updated regulatory standards, ensuring continued access to key markets and competitiveness; and
- innovating with environmentally friendly solutions in support of the Group's sustainability goals and long-term ESG commitments.

## Fruits

Hextar is optimistic about the growth potential of this segment, supported by several positive developments below:

- Favorable market conditions, particularly following the signing of the memorandum of understanding in April 2024 between Malaysia and China, allowing for the export of fresh durian to China – the world's largest importer of durian;
- Rising global and domestic demand, driven by growing awareness and appreciation for durian, particularly in premium varieties such as the "Musang King" variety; which continues to enjoy strong recognition and preference globally; and
- Ongoing support from the Malaysian government, particularly in the areas of international marketing and promotional initiatives to elevate Malaysia's market position as a key durian exporter.

As the Fruits segment is a relatively new venture, the Group remains vigilant in managing the associated risks while actively exploring new opportunities to expand its geographical reach. The Group believes that this segment holds strong potential to become a sustainable and recurring income source for the Group, complementary to its existing business portfolio.

## CONCLUSION

FYE 2024 was a year of resilience and strategic progression for Hextar. Despite operating in a challenging macroeconomic landscape, the Group delivered solid financial results, driven by strong contributions from the Specialty Chemicals and Fruits segments, while continuing to navigate headwinds in the Agriculture segment with prudence and adaptability.

Hextar remains committed to strengthening its market leadership, investing in innovation, and expanding its regional presence across all core segments. With a disciplined approach to capital management and a continued focus on operational excellence, the Group is well-positioned to capitalise on growth opportunities and deliver sustainable value to all stakeholders.

The Board and Management extend their sincere appreciation to our shareholders, employees, customers, and business partners for their continued trust and support. We look forward to building on our momentum and driving further success in the years ahead.



# SUSTAINABILITY STATEMENT

Hextar Global Berhad ("Hextar") and its subsidiaries ("Hextar Group" or "the Group") believe that sustainable growth in our business does not only rely solely on the profitability of the business but also depends on our ability to strike a balance in fulfilling the sustainability requirements or expectations of our various stakeholders in the context of Environmental, Social and Governance ("ESG").







# SUSTAINABILITY STATEMENT

cont'd

## ABOUT THIS SUSTAINABILITY REPORT

The Board of Directors is pleased to present this Sustainability Report for the financial year ended 31 December 2024 ("FY2024"), outlining our strategic approaches to achieving industry-standard sustainability governance across the Group, aligned with the Environmental, Social, and Governance (ESG) pillars.

<b>Reporting Scope and Boundary</b>	<p>This statement covers the operations of Hextar Global Berhad ("Hextar") and its subsidiaries located in Malaysia, Brunei, Indonesia and Australia.</p> <p>Hextar currently operates in three business segments: Agriculture, Specialty Chemicals, and Fruits.</p> <p>This report covers all three segments.</p>
<b>Reporting Cycle</b>	Annually
<b>Reporting Period</b>	1 January 2024 to 31 December 2024 ("FY2024")
<b>Reporting Guidelines and Principles</b>	<p>Principle Guideline: With reference to Global Reporting Initiative (GRI) Universal Standards</p> <p>Additional Guidelines:</p> <ul style="list-style-type: none"> <li>• FTSE4Good Bursa Malaysia Index and Shariah Index</li> <li>• United Nations Sustainable Development Goals (UNSDGs)</li> <li>• Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia")</li> <li>• Bursa Malaysia Sustainability Reporting Guide 3rd Edition</li> <li>• The Ten Principles of the United Nations Global Compact ("UNGC")</li> </ul>
<b>Reporting Approach</b>	<p>A comprehensive and transparent approach to reporting conveys our sustainability performance, showcasing progress, challenges and impact on ESG metrics. Our commitment to data-driven disclosure ensures stakeholders are well-informed and engaged in our sustainability journey, fostering trust and accountability in our practices.</p> <p>In this Sustainability Statement, we have meticulously identified and shortlisted the most pertinent UNSDGs for each strategic pillar. These selected UNSDGs serve as our guiding compass, allowing us to set clear targets and Key Performance Indicators (KPIs) aligned with these global sustainability objectives.</p>
<b>Reliability of Information Disclosed</b>	<p>The accuracy of the Sustainability Statement's content has been:</p> <ul style="list-style-type: none"> <li>• Reviewed by the Sustainability Committee</li> <li>• Approved by the Board of Directors</li> </ul>
<b>Feedback</b>	<p>Hextar is dedicated to engage with its stakeholders and welcomes any feedback on the sustainability reporting and performance. Relevant feedbacks, comments or enquiries on this Statement can be directed to <a href="mailto:hextarglobal@hextar.com">hextarglobal@hextar.com</a>.</p>

## SUSTAINABILITY AT HEXTAR 2024

At Hextar, we are committed to leading with purpose, integrating sustainability into every facet of our business. We recognize our responsibility to operate ethically, contribute positively to society, and minimize our environmental impact. This unwavering commitment aligns with global best practices and responsible business principles, ensuring long-term value creation for all stakeholders.

# SUSTAINABILITY STATEMENT

cont'd

This year's sustainability report, prepared with reference to the GRI 2021 standard, offers a transparent and comprehensive view of our journey. We believe in taking a holistic approach, not only encompassing the traditional economic, environmental, and social pillars but also integrating strong governance practices as a cornerstone for sustainable success. This aligns with Bursa Malaysia's guidelines, highlighting our commitment to accountable leadership and ethical operations.

Guided by the UN Sustainable Development Goals (SDGs), we actively contribute to our communities, promote inclusivity, and protect our planet. We are taking decisive action on climate change, setting ambitious goals to achieve carbon neutrality by 2030 and net zero emissions by 2050, in line with Malaysia's national targets.

Our dedication to sustainability is recognized by our continuous inclusion in prestigious indices of the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index. These achievements underscore our commitment to upholding robust ESG principles and international standards, which we believe translates to transparency, long-term value for shareholders, and significant intangible benefits for all.

Out of the 17 SDGs, we identified eleven that most closely align with our strategies and initiatives, showcasing our commitment to contributing to the global sustainability agenda.

These include:



This report delves deeper into these areas, highlighting our achievements and outlining our future plans, guided by our comprehensive Hextar ESG Policy.

## SUMMARY OF HEXTAR'S ESG POLICY

Hextar's commitment to a sustainable future is unwavering, as reflected in our ESG Policy. Aligned with the Malaysian Code on Corporate Governance 2021, this policy integrates sustainability considerations into our business decisions, recognizing its vital role in long-term success and value creation for all stakeholders.

We place paramount importance on balancing ESG principles with the interest of our stakeholder. Responsible investments and environmental stewardship guide our actions, alongside our core values of integrity, loyalty, and hard work. We strive to contribute to a more sustainable society by minimizing our environmental impact, fostering social inclusivity, and empowering communities.

Our ESG policy encompasses robust frameworks for managing environmental and social risks. We meticulously assess and address potentially harmful impacts on occupational health, safety, and the environment, upholding the highest ethical standards.

Furthermore, our Corporate Governance Policy ensures strict compliance and ethical practices within our operations and investee companies. We value transparency and accountability, upholding the standing and integrity of all stakeholders.

Recognizing the ever-evolving business landscape, we remain committed to continuously reviewing and enhancing our ESG practices. Our ultimate objective is to ensure that all business activities adhere to these principles, creating a robust ethical foundation for Hextar's long-term success and positive impact on the world around us.

# SUSTAINABILITY STATEMENT

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## OUR APPROACH TO SUSTAINABILITY

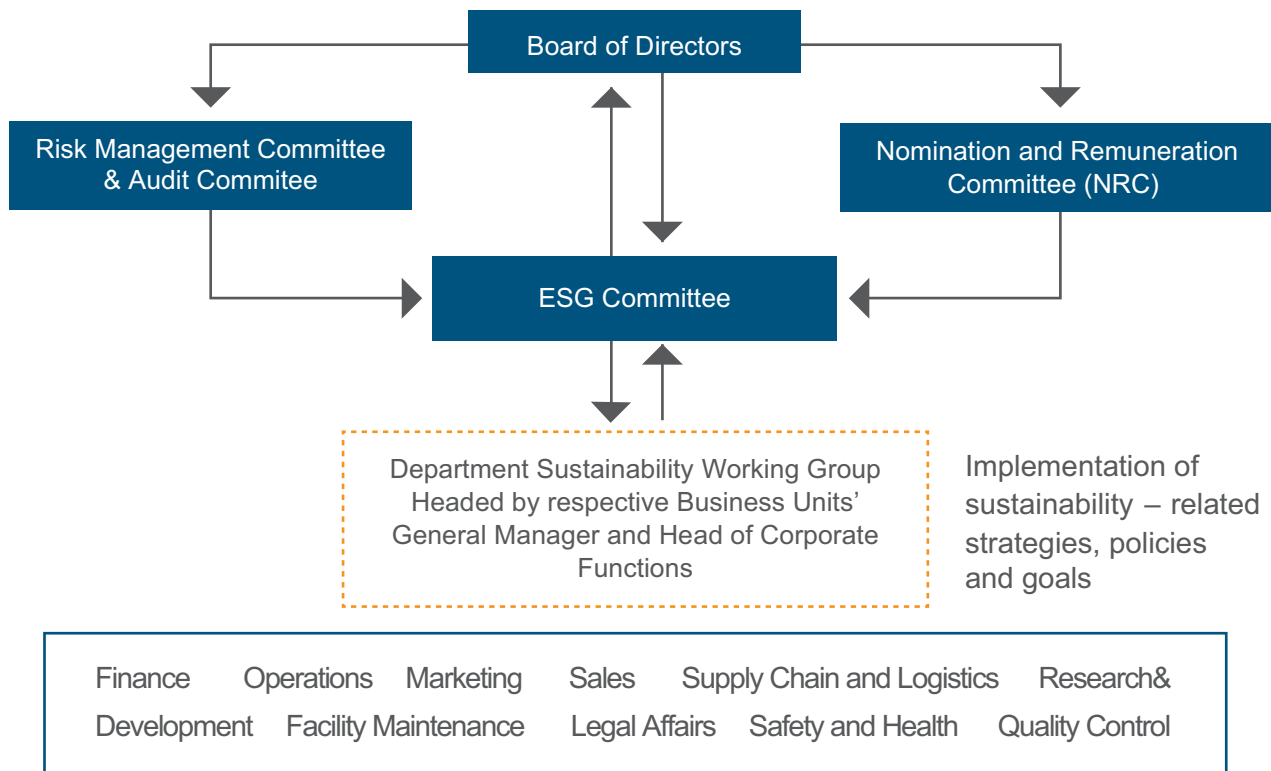
### SUMMARY OF HEXTAR'S ESG POLICY

Hextar's sustainability governance structure is integrated into our corporate governance framework. As the Group looks to ensure sustainability is embedded across all aspects of our organization, the responsibilities of our Board and its committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference. The Board of Directors is ultimately responsible for the Group's strategic direction on sustainability while being supported by the respective Board Committees by virtue of delegation.

Our ESG Committee, headed by the Head of Sustainability alongside Madam Lee Chooi Keng, the Group Managing Director as an advisor. Under the purview of the ESG Committee is the Department Sustainability Working Group represented by members from middle management across our operating countries and business units. The Department Sustainability Working Group is responsible for the day-to-day implementation of the organization's strategies and plans.

The Board of Directors strive to continuously be equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic capacity-building programs. The Board is also cognizant of ensuring that the required competencies in relation to sustainability are periodically assessed to strengthen board leadership and oversight of sustainability matters.

### Sustainability Governance Structure



# SUSTAINABILITY STATEMENT

cont'd

Roles	Governing Body	Roles and Responsibilities.
Governance	Board of Directors (Board)	<ul style="list-style-type: none"> <li>The Board holds ultimate responsibility for the Group's ESG performance and oversees the development and implementation of our sustainability strategy. The Board ensures that the Group complies with any reporting and other requirements imposed by the Bursa Malaysia and other relevant authorities with regards to the sustainability matters.</li> <li>Regular reviews and updates are conducted to ensure alignment with evolving stakeholders' expectations and best practices.</li> <li>Dedicated committees, such as the Risk Management Committee and the ESG Committee, further support the Board in fulfilling its governance duties related to sustainability.</li> </ul>
Governance	Risk Management Committee and Audit Committee	<ul style="list-style-type: none"> <li>These Committees integrate sustainability considerations into the Group's overall risk management approach.</li> <li>It proactively identifies and assesses potential ESG risks impacting the Group, including climate change, anti-corruption, labour and human rights, and talent management.</li> <li>These Committees develop and implement effective mitigation strategies to address these identified risks and capitalize on emerging opportunities.</li> <li>It regularly reports to the Board on ESG-related risks and proposed mitigation strategies, providing crucial assistance in fulfilling the Board's sustainability oversight responsibilities.</li> <li>The Risk Management Committee meets twice a year to ensure timely and comprehensive monitoring of ESG risks.</li> </ul>
Governance	Nomination and Remuneration Committee (NRC)	<ul style="list-style-type: none"> <li>To clearly define Sustainability Key Performance Indicators (KPIs). The NRC may also recommend incentive structures that reward achievement of sustainability goals.</li> <li>Reviews the Board and senior management performance evaluation against agreed sustainability-linked KPIs.</li> </ul>
Support / Execution Coordinators	ESG Committee	<ul style="list-style-type: none"> <li>This Committee provides strategic guidance and direction on all ESG matters pertaining to the Group.</li> <li>It comprises senior management representatives from relevant departments including Health &amp; Safety, Social Compliance &amp; Governance, Human Resources, Finance, Risk &amp; Compliance, and Madam Lee Chooi Keng, a Board Member acting as an advisor.</li> <li>The Committee oversees the implementation of the Group's sustainability strategy, monitors progress towards established goals, and recommends improvement initiatives.</li> <li>It facilitates cross-functional collaboration and knowledge sharing among departments on ESG matters.</li> <li>Recommends and develops the sustainability-linked KPIs as part of Board's and senior management's performance evaluation scorecard.</li> </ul>
Support / Execution	Department Sustainability Working Group	<ul style="list-style-type: none"> <li>Supports the ESG Committee in executing and monitoring sustainability activities and performance against established targets.</li> <li>This working group comprises representatives from various departments across the Group such as Human Resources, Finance, Culture, Information Technology and Corporate Department.</li> <li>They are responsible for translating the overarching sustainability strategy into department-specific action plans and initiatives.</li> <li>The working group regularly monitors progress, shares best practices, and collaborates on cross-departmental sustainability initiatives.</li> </ul>



# SUSTAINABILITY STATEMENT

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## SUSTAINABILITY STRATEGIES

Hextar's sustainability strategy is underpinned by a commitment to key reporting guidelines and principles. This includes strict adherence to the followings:-

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia")
- Bursa Malaysia Sustainability Reporting Guide 3rd Edition
- FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index
- United Nations Sustainable Development Goals (UNSDGs)
- With reference to Global Reporting Initiative (GRI) Universal Standards
- The Ten Principles of the United Nations Global Compact

In parallel, Hextar is unwavering in its support of Malaysia's Nationally Determined Contribution (NDC) under the Paris Agreement. The Group is dedicated to reducing Greenhouse Gas ("GHG") emissions intensity of GDP by 45% by 2030, reflecting both unconditional and conditional targets. This commitment is reinforced by policies implemented across various government ministries.

Recognizing the pivotal role of Environmental, Social, and Governance (ESG) considerations, Hextar's Board emphasizes their integration into business decisions. Beyond regulatory compliance, the Group adopts a strategic approach to support communities, foster social inclusivity, and enhance environmental stewardship. Significant investments are made for its sustainability initiatives, such as rainwater harvesting to reduce reliance on municipal suppliers.

Stakeholder engagement is central to Hextar's sustainability ethos. Actively seeking feedback and insights from stakeholders shapes the Group's sustainability agenda, ensuring alignment with evolving expectations and concerns.

In a notable move, Hextar joined the United Nations Global Compact initiative in 2022. This voluntary commitment places the Group among thousands globally dedicated to responsible business practices. It involves adherence to universally accepted principles covering human rights, labour, environment, and anti-corruption. This alignment supports the UN's broader goals and issues encapsulated in the SDGs.


Beyond commitments, Hextar's sustainability advocacy materializes in tangible projects. The Group's commitment to solar projects at our Pulau Indah factory, Raub factory and Corporate Office sites demonstrates its dedication to reducing the Group's carbon footprint. This initiative is a direct outcome of sustainability governance framework, showcasing Hextar's commitment to translating principles into meaningful and impactful actions.

## COMMITMENT TO STAKEHOLDER ENGAGEMENT

We maintain a steadfast commitment to creating enduring value for our primary stakeholders, those who wield influence and hold an interest in the Group. Given our significant roles in Agriculture, Specialty Chemicals, and Fruits, we actively cultivate strong connections with our stakeholders, staying attuned to their evolving concerns regarding material matters.







In alignment with this commitment, we proactively interact with our stakeholders regularly through diverse platforms. This ongoing engagement allows us to understand their viewpoints and perspectives on our sustainability practices. Our commitment to engaging with stakeholders played a pivotal role in shaping Hextar's sustainability agenda.

The subsequent overview highlights our engagement initiatives with key stakeholders during the reviewed year:

Stakeholders	Stakeholders' Concerns/Material Matters	Engagement Methods
<b>Investors</b> 	<ul style="list-style-type: none"> <li>Share price performance</li> <li>Business performance</li> <li>Business growth plans</li> <li>Return on investments</li> <li>Mitigation and adaptation to climate change</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Quarterly financial results and annual report</li> <li>Company website</li> <li>Announcement on Bursa Malaysia website</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

<b>Government/ Authorities</b> 	<ul style="list-style-type: none"> <li>Regulatory compliance including environmental and social compliance</li> <li>Occupational safety and health</li> <li>Permits and licenses</li> <li>Corporate governance and regulatory compliances</li> </ul>	<ul style="list-style-type: none"> <li>Meetings/visits</li> <li>Verification/compliance audit</li> <li>Quarterly announcement</li> <li>Ad-hoc information disclosure</li> </ul>
<b>Bankers</b> 	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Repayment capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Meetings/visits</li> <li>Announcement on Bursa Securities website</li> <li>Media release</li> </ul>
<b>Board</b> 	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Business strategic planning</li> <li>Continuous business and operational improvements</li> <li>Interest of various stakeholders and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>General meetings</li> <li>Company events</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Training and career development opportunities</li> <li>Talent and performance management</li> <li>Occupational safety and health</li> <li>Competitive remuneration and benefit packages</li> </ul>	<ul style="list-style-type: none"> <li>Training programs</li> <li>Internal communications with Senior Management</li> <li>Annual performance appraisal</li> <li>Company events</li> <li>Memo/newsletter</li> <li>In-house mobile application</li> <li>UNGC Academy</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Product quality and pricing</li> <li>Customer satisfaction</li> <li>Technological innovation</li> <li>New products development</li> <li>Competitive pricing and on-time delivery</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Feedback survey</li> <li>Product training</li> <li>Advertisement and marketing events</li> <li>Company website/social media</li> <li>Phone calls/email communications</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Long-term business relationships</li> <li>Supply chain management</li> <li>Selection of suppliers and credit terms</li> <li>Compliance to anti-corruption standards/integrity</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face interaction</li> <li>Email communications</li> <li>Supplier evaluation</li> </ul>

## MATERIALITY ASSESSMENT AND APPROACH

As an organisation, we are cognisant of the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. A materiality assessment was conducted in 2022 involving both our key internal and external stakeholders to ensure that their interests and concerns are addressed. Our material matters influence our business strategy and decision on allocation of resources to address material sustainability issues. While we aim to conduct a comprehensive materiality assessment once every 3 years, we will undertake an annual review of the relevance of our previously prioritised economic, environmental, social and governance impacts arising from our day-to-day activities.

Our materiality process referenced Bursa Malaysia's Sustainability Reporting Guide & GRI Standards.

# SUSTAINABILITY STATEMENT

cont'd

Our materiality assessment process followed three key stages:



## IDENTIFICATION

- We undertook comprehensive stakeholder engagement to identify sustainability matters of concern. This included consultations with internal stakeholders (employees, management) and external stakeholders (investors, NGOs, communities) through interviews, surveys, and stakeholder workshops.
- Based on these inputs, we compiled a preliminary list of potential material sustainability matters.



## PRIORITISATION






- Employing the concept of materiality, we evaluated the potential impacts of each identified sustainability matter on the Group's operations and strategy, as well as on our stakeholders' interests.
- We further assessed the likelihood of each matter to significantly influence the decisions of our stakeholders.
- This information was used to prioritize the identified matters, highlighting those with the greatest potential impact and relevance.



## REVIEW & VALIDATION OF PROCESS & OUTCOME










- The outcome of the materiality assessment was presented to the ESG Committee and the Board of Directors for review and validation.
- We established a formal review process to ensure the ongoing relevance and effectiveness of our materiality assessment approach, including determining the frequency for future revisions (e.g. every two years).

## INDICATORS COVERED IN MATERIALITY ASSESSMENT

Priority	Material Matters	Description	Related UN's SDG
 <b>ENVIRONMENT</b>			
High Priority	Energy & Climate Change	Managing energy and greenhouse gases effectively to reduce them whenever possible.	   
Medium Priority	Water Management	Using water efficiently.	
Medium Priority	Waste & Environmental Compliance	Hextar prioritizes responsible environmental stewardship by adhering to all relevant regulations and continuously seeking opportunities to minimize our environmental impact.	

# SUSTAINABILITY STATEMENT

cont'd

Priority	Material Matters	Description	Related UN's SDG
<div> <b>SOCIAL</b></div>			
Medium Priority	Diversity, Equity and Inclusion	Promoting diversity and equal opportunities and eliminating all forms of discrimination in the workplace.	<div></div> <div></div> <div></div> <div></div>
High Priority	Employee Management & Human Rights	Protecting all aspects of human rights, staff welfare and security and ensuring there is no child or forced labour.	
High Priority	Occupational Health & Safety	Retaining employees by offering training and education to employees to expand their knowledge base for career development.	
Medium Priority	Community Contribution	Having a positive influence on local communities through charitable contributions and Corporate Social Responsibility initiatives.	
<div> <b>ECONOMIC AND GOVERNANCE</b></div>			
High Priority	Corporate Governance	Introducing the highest standards of ethics, values and governance to increase stakeholder confidence.	<div></div> <div></div> <div></div>
High Priority	Economic Performance	Hextar's financial performance supports the creation of long-term value and the Group's sustainability agenda.	
High Priority	Quality assurance and product recognition	Hextar prioritizes Quality Assurance and Product Recognition to ensure customer satisfaction and build a strong brand reputation through consistently delivering high-quality products.	
Medium Priority	Supply Chain Management	Integrating environmentally and socially viable practices into the complete supply chain lifecycle.	
High Priority	Customer Satisfaction	Promoting quality throughout all aspects of operations to ensure high levels of customer satisfactions.	
High Priority	Cybersecurity & Data Protection	Protecting data through stringent cybersecurity systems.	

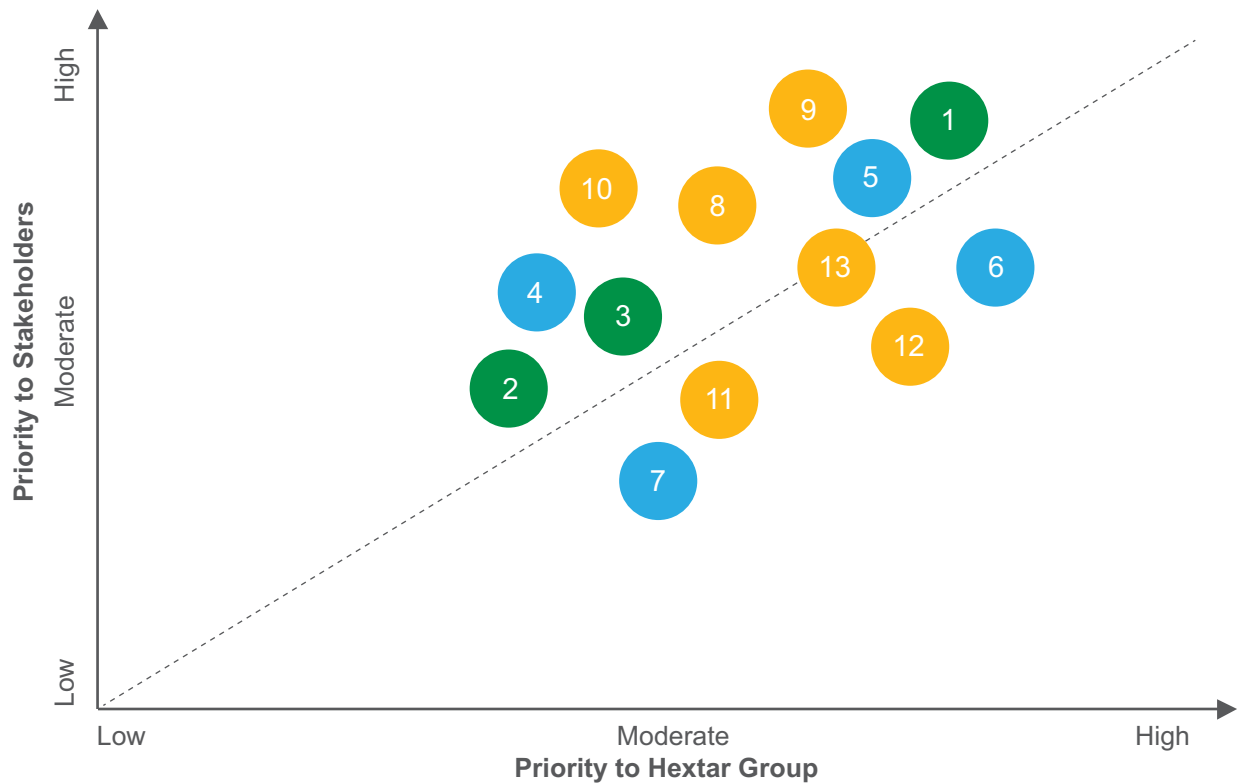
This year our existing 13 material matters remain aligned with Hextar's strategic priorities and stakeholder expectations. We continue to consider benchmarks against local and regional peers, emerging risks, and relevant frameworks like the Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and with reference to GRI Standards. We are pleased to report that all 13 material matters remain relevant.

Climate Change: Recognizing the growing urgency of addressing climate change, we maintained its importance at high priority material matter. This reflects our commitment to understanding and minimizing our environmental footprint, alongside developing a robust carbon management strategy.



# SUSTAINABILITY STATEMENT

cont'd



## Environmental

1. Energy & Climate Change
2. Water Management Performance
3. Waste Management & Environmental Compliance

## Social

4. Diversity, Equity and Inclusion
5. Employee Management and Human Rights
6. Occupational Health & Safety
7. Community Contribution

## Governance

8. Corporate Governance
9. Economic Performance
10. Quality assurance and product recognition
11. Supply Chain Management
12. Cybersecurity & Data Protection
13. Customer Satisfaction

The materiality matrix including the materiality assessment process undertaken has been reviewed by our ESG Committee and endorsed by the Board of Directors.

These material matters will guide our strategy development, resource allocation, and performance measurement, ensuring we address the issues that are most critical to our long-term success and stakeholder well-being.

# SUSTAINABILITY STATEMENT

cont'd

## RISK MANAGEMENT

Our Risk Management framework has integrated sustainability and climate-related risks in addition to our corporate, financial and operational risks. We ensure all identified risks stay within our risk appetite through revision and monitoring by designated risk owners and the Risk, Integrity and Compliance department, with further deliberation by the Board Risk Management and ESG Committee.

Materiality	Risk	Opportunities
Energy & Climate Change	<ul style="list-style-type: none"> <li>Non-compliance with existing and environmental / climate-related regulations may leads to financial penalties and legal action.</li> <li>Inadequate climate adaptation and mitigation may cause physical assets damage, financial loss and business disruption.</li> <li>Consumers are increasingly concerned about environmental responsibility. Non-compliance can damage Hextar's reputation as a sustainable and environmentally conscious company.</li> </ul>	<ul style="list-style-type: none"> <li>Effective mitigation and adaptation strategy ensures business continuity.</li> <li>Demonstrating a commitment to environmental compliance can strengthen Hextar's brand image and attract environmentally conscious customers and investors.</li> <li>In some industries, environmental compliance can be a competitive differentiator, allowing Hextar to gain an edge over competitors who are not as compliant.</li> </ul>
Water Management	<ul style="list-style-type: none"> <li>Poor water management leads to higher costs and potential scarcity of water resource.</li> </ul>	<ul style="list-style-type: none"> <li>Efficient water management may reduce operational costs and promote water conservation behaviour.</li> </ul>
Waste Management & Environmental Compliance	<ul style="list-style-type: none"> <li>Non-compliance with environmental regulations result in consequences from authorities and activists.</li> </ul>	<ul style="list-style-type: none"> <li>Waste reduction and increased resource efficiency can result in cost savings for operations.</li> </ul>
Diversity, Equal Opportunity and Non-Discrimination	<ul style="list-style-type: none"> <li>Discriminatory employment practices damage Hextar's reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive, diverse and empowering work culture attracts talents and brings a range of viewpoints that enhances the quality of decision making.</li> </ul>
Employee Management & Human Rights	<ul style="list-style-type: none"> <li>Disengaged and underdeveloped employees contribute to lower productivity and performance.</li> <li>Unattractive benefits and remuneration affect employee's motivation.</li> <li>Breaches in human rights practices lead to regulatory penalties, impact employee retention and culture, and damage reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Effective talent development and upskilling programmes with attractive benefits packages enable us to retain and attract top-quality industry talent as well as contribute to a high-performance culture.</li> <li>Strong human rights practices reinforce Hextar's reputation as a responsible employer.</li> </ul>
Occupational Health & Safety	<ul style="list-style-type: none"> <li>Accidents and injuries in workplace lead to productivity loss, legal repercussions such as penalties and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Strong safety culture with conducive working environment improves employee's wellbeing and productivity, and maintains Hextar's reputation.</li> </ul>
Community Contribution	<ul style="list-style-type: none"> <li>Failing to do so could lead to a negative public perception of Hextar, potentially impacting brand image and customer loyalty.</li> </ul>	<ul style="list-style-type: none"> <li>Regular engagements through community impact programmes strengthens our relationship with local communities.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

Materiality	Risk	Opportunities
Corporate Governance	<ul style="list-style-type: none"> <li>Poor corporate governance i.e Anti-Corruption practices may tarnish Hextar's reputation and image.</li> </ul>	<ul style="list-style-type: none"> <li>Effective corporate governance practices enhance Hextar's reputation as a trustworthy company amongst stakeholders.</li> </ul>
Economic Performance	<ul style="list-style-type: none"> <li>Fluctuations in the global or regional economy, such as recessions or inflation, can significantly impact Hextar's revenues, costs, and overall profitability.</li> <li>Increased competition from existing or new businesses can put pressure on Hextar's pricing strategies, market share, growth and profit margins.</li> </ul>	<ul style="list-style-type: none"> <li>Expanding into new markets or identifying emerging markets with favorable economic conditions can open up new revenue streams and opportunities for Hextar.</li> </ul>
Quality Assurance And Product Recognition	<ul style="list-style-type: none"> <li>Compromised product quality can lead to product recalls, safety incidents, and potential lawsuits, harming both Hextar's reputation and customer trust.</li> </ul>	<ul style="list-style-type: none"> <li>Consistent delivery of high-quality products leads to satisfied customers, fostering loyalty and repeat business.</li> </ul>
Supply Chain Management	<ul style="list-style-type: none"> <li>Suppliers' and contractors' noncompliance to Hextar's ethical principles, and safety culture exposes the business to operational disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>Regular supplier assessment, including environmental and social assessment upholds Hextar's commitment and high standards towards environmental and social aspects.</li> </ul>
Cybersecurity & Data Protection	<ul style="list-style-type: none"> <li>Exposure of sensitive customer or company data (e.g., financial information, intellectual property, trade secrets) due to cyberattacks or security vulnerabilities. This can lead to financial losses, regulatory fines, reputational damage, and legal action.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced brand trust by demonstrating a strong commitment to data security can build trust and confidence with customers, partners, and investors.</li> </ul>
Customer Satisfaction	<ul style="list-style-type: none"> <li>Inability to meet customers' expectations impact customers' confidence and loyalty which leads to lower revenue.</li> <li>Cyber threats including breach of customers' data may lead to loss of customer trust and reputational harm.</li> </ul>	<ul style="list-style-type: none"> <li>Regular customer engagements facilitate continuous improvement to meet customer's expectation.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

## RISK MANAGEMENT



### ZERO tolerance to bribery or corruption

**ACHIEVED ZERO** bribery or corruption case in FY2024.

There was no incident of bribery or corruption FY2024.



### To generate AT LEAST 10% electricity at manufacturing facilities from renewable energy source by 2030

Our Solar PV installation in our factory located at Pulau Indah, Selangor and our corporate office in Kota Bayuemas, Klang, Selangor are still generating renewable energy (RE) for our use.

In 2022 our factory in Raub, Pahang successfully installed its Solar PV system with a design capacity of 300.3kWp. This increased our RE generation drastically.

As of 31 December 2024, we are pleased to announced that we have successfully generated 15.7% of our total electricity consumption at manufacturing facilities from renewable sources. This has exceeded our initial goal of generating 10% electricity at manufacturing facilities from RE source. This demonstrates our commitment to exceeding our short-term goals while working towards our long-term vision of a sustainable future.

### To reduce 10% of our absolute GHG emissions for Scope 1 and Scope 2 by 2030 with FY2024 as a baseline.

### To reduce Class I product portfolio from base data of 4.3% to 2.5% and Class II product portfolio from 24.7% to 17.5% by year 2026

Class	Base Data	2024 Target	2024 Actual	2024 Performance	2025 Target	GOAL 2026
Class I (Highly Poisonous)	4.34%	2.97%	2.64%	11.15%	2.73%	2.50%
Class II (Poisonous)	24.66%	21.32%	26.12%	-22.54%	19.41%	17.50%
Class III (Harmful)	50.14%	52.63%	49.60%	-5.75%	53.82%	55.00%
Class IV (Least Toxic)	20.87%	23.08%	21.64%	-6.27%	24.04%	25.00%

Kindly refer to page 59 for further details

# SUSTAINABILITY STATEMENT

cont'd



Social

## 30% of the Board are women by year 2025

16.7% women directors in the current Board as at 31 December 2024.

## 30% of Top Management are women by year 2030

33% of Top Management are women as at 31 December 2024.

## ZERO tolerance to discrimination, harassment, violence, forced labour and child labour in the workplace

ACHIEVED ZERO incidence of discrimination or any violence in labour law in FY2024.

## ZERO incidence of fatalities

ACHIEVED ZERO incidence of fatalities in FY2024.

## ZERO tolerance to avoidable incidence of work-related injuries

ACHIEVED ZERO incidences of work-related injuries in FY2024.

## ALL MANUFACTURING COMPANIES to be ISO 45001:2018 certified by 2030

Currently **HEXTAR CHEMICALS SDN BHD** ("Hextar Chemicals"), **CHEMPRO TECHNOLOGY (M) SDN BHD** ("Chempro"), **ALPHA AIM (M) SDN BHD** ("Alpha Aim"), and **HEXTAR KIMIA SDN BHD** ("Hextar Kimia") are certified with ISO 45001:2018

As of 31 December 2024, 50% of our manufacturing companies are certified with ISO 45001:2018.

## ENVIRONMENT

At Hextar, we recognize the undeniable link between our business operations and the health of our planet. We embrace the responsibility to minimize our environmental footprint and contribute to a more sustainable future, aligning with both the global Net Zero 2050 ambition and the United Nations Sustainable Development Goals (SDGs). This report outlines our commitments and actions across key environmental materiality topics, demonstrating our dedication to sustainable practices and responsible growth.

With reference to the Global Reporting Initiative (GRI) 2021 standards and aligned with Bursa Malaysia's Sustainability Reporting Guide, we strive for transparency and accountability in our environmental efforts. We understand that addressing climate change, ensuring environmental compliance, managing water resources responsibly, and minimizing waste and pollution are crucial aspects of responsible stewardship. Throughout this report, we will thoroughly explore each of these areas, outlining our strategies, goals, and advancements as we strive to construct a more sustainable future for both present and future generations.



# SUSTAINABILITY STATEMENT

cont'd

Our ultimate goal is to achieve Net Zero by 2050. This ambitious target reflects our commitment to reducing our greenhouse gas emissions and contributing to a global effort to mitigate climate change. We acknowledge the urgency of taking action and are actively developing a comprehensive decarbonization roadmap to steer our journey towards achieving Net Zero emissions.

Nevertheless, ensuring that all companies within Hextar Group contributes to this ESG endeavor poses a distinct challenge. Each entity operates within different industries, with diverse business models and environmental impacts. Despite this complexity, we are unwaveringly committed to overcoming this challenge. In 2024, we embarked a strategic initiative to standardize our sustainability practices across the entire Hextar Group. This initiative encompasses the development of group-wide ESG policies, the establishment of consistent reporting frameworks, and fostering collaboration and knowledge sharing among our varied subsidiaries.

We believe that sustainability transcends mere compliance, it stands as a fundamental imperative for securing long-term prosperity and fostering a healthier planet for all. Through collective action, overcoming challenges together, and aligning our actions with the UNSDGs, we are confident that Hextar can achieve its ambitious ESG goals and make meaningful contribution towards a more sustainable future.

## ENERGY AND CLIMATE CHANGE

### Related UNSDGs:



Climate change is a pressing global issue demanding immediate action. Recognizing its intensifying impact on our planet and supporting Malaysia's goal of reducing carbon emission intensity by 45% by 2030, Hextar actively manages energy consumption and emissions for environmental preservation and cost efficiency. Given our reliance on natural gas and electricity, this approach is crucial for sustainable operations.

### CLIMATE CHANGE

At Hextar, the spectre of climate change looms large, urging us to acknowledge the significant threat it poses to our planet and our responsibility to minimize our environmental impact. We are committed to actively addressing this challenge through comprehensive strategies that encompass energy consumption reduction, greenhouse gas emission reduction, and adaptation measures.

Continuously reducing our energy consumption and improving energy efficiency across all operations is a keystone of our approach. This aligns seamlessly with our ambitious goal of achieving Net Zero emissions by 2050. To ensure we stay on track and identify areas for improvement, we diligently monitor and report our energy consumption and intensity, adhering to Bursa Malaysia and GRI 2021 guidelines.

Transparency is paramount to us. We disclose our greenhouse gas emissions, encompassing Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased electricity), and Scope 3 (other indirect emissions), following the Greenhouse Gas Protocol. Utilizing the operational control approach, we account for 100% of GHG emissions where we have the authority to implement operational policies. Our commitment extends to disclosing our environmental performance in accordance with GRI 2021 standards and Bursa Malaysia's Sustainability Reporting Guide. To further demonstrate our unwavering commitment to data accuracy and credibility, we have obtained internal assurance for our emissions disclosures in 2024.

While mitigation efforts are crucial, we recognize the importance of adaptation as well. We actively prioritize the adoption of new and green technologies in development and implement fuel efficiency measures across our operations. Furthermore, we have integrated a comprehensive monitoring system to track emissions, energy consumption, water usage, and waste generation within our manufacturing processes. This proactive approach empowers us to identify and address environmental concerns effectively.

# SUSTAINABILITY STATEMENT

cont'd

## CLIMATE TRANSITION STRATEGY



## PILLAR 1: MANAGING OUR EMISSIONS

With regards to our office activities, we have been carrying out initiatives on a non-consolidated basis to promote carbon neutral electricity consumption and reduce paper consumption and waste emissions through the use of containers with a low environmental impact, and will continue to promote green procurement. Across the Group, we are actively executing the following water and energy efficiency initiatives:-



# SUSTAINABILITY STATEMENT

cont'd

## PILLAR 2: INVESTING IN LOW EMISSIONS AND GREEN TECHNOLOGIES

### INVESTMENTS IN SUSTAINABILITY:

Our commitment to sustainability is reflected in our financial investments. Our investment in the Solar System installations and tools and equipment for measuring and monitoring renewable energy generation are providing savings in FY2024. These investments demonstrate our unwavering commitment to reducing our environmental footprint and transitioning towards a more sustainable future.

By actively managing our energy consumption, reducing our emissions, disclosing our environmental performance transparently, and investing in green technologies, we are demonstrating our leadership in sustainability and contributing to a more sustainable future.

### SOLAR POWERED BUILDINGS AND OPERATIONS PLANTS:

Our commitment to advancing clean energy solutions continued to gain momentum in with the successful installation and commissioning of solar PV systems across our operations. Following the initial deployment of a 183kWp solar PV system at our Pulau Indah factory in Selangor and a 20kWp system at our corporate office in Kota Bayuemas, Klang, we further expanded our renewable energy efforts by installing solar PV system at our PHG. Ever Fresh Food (M) Sdn Bhd factory in Raub, Pahang with a design of 300kWp.

These systems collectively harness solar energy with an efficiency rate of 15-22%, contributing to improved energy performance and reduced reliance on grid electricity. Building on these achievements, we remain proactive in evaluating the potential for additional solar PV installations across other Hextar facilities, prioritizing cost-effectiveness, operational efficiency, and their alignment with our long-term emissions reduction goal.



(Solar PV installations at PHG. Ever Fresh Food (M) Sdn Bhd in Raub, Pahang)

### INCREASED RENEWABLE ENERGY CONSUMPTION TARGET BY 2030:

Hextar is steadfast in its commitment to increasing reliance on renewable energy ("RE") sources. We have set an ambitious target to generate at least 10% of our electricity from RE sources by 2030. The table below shows the electricity consumption at our manufacturing facilities and the corresponding Solar PV generation:

DESCRIPTION	AMOUNT FY2024	AMOUNT FY2023	TARGET 2030
Purchased electricity at manufacturing facilities, kWh	3,158,281	2,309,288	
Total solar electricity generated, kWh	590,090	211,307	
Total Electricity Consumption including RE at manufacturing facilities, kWh	3,748,371	2,520,595	
Solar PV generation	15.74%	8.38%	10%

Note: Electricity utilization at manufacturing facilities includes energy from Solar PV.

In 2024, we successfully generated 590,090 kWh electricity from RE with the inclusion of RE from our Raub factory, a sharp increase from FY2023. This achievement signifies a remarkable leap, with renewable sources contributing 15.74% of our total electricity consumption at our manufacturing facilities. This milestone marks a significant step as we achieved our sustainability targets of achieving 10% reliance on renewable sources earlier than the target by the year 2030.

# SUSTAINABILITY STATEMENT

cont'd

## ONGOING MAINTENANCE OF EV CHARGING INFRASTRUCTURE

In FY2024, we installed a second 22kW Electric Vehicle (“EV”) Charging Unit at our corporate office as part of our commitment to promoting low-carbon mobility. This second unit continues to operate efficiently, supporting the charging needs of the Company’s hybrid vehicles and EVs within Hextar Group. We remained focus on the regular maintenance and optimal performance of the existing infrastructure to ensure its long-term contribution to our Scope 1 GHG emissions reduction efforts.



(2nd EV Charging Unit at our Corporate Office)

## PILLAR 3: LEVERAGING PARTNERSHIPS AND COLLABORATIONS

At Hextar, we recognize the power of collaboration in driving sustainable growth and fostering positive impact. Hence, partnerships stand as a cornerstone of our strategic approach.

We actively collaborate with research institutions to advance innovative agrochemical solutions, work alongside farmers to promote responsible resource management, and engage with local communities to champion healthier lifestyles through our consumer products. These strategic partnerships enable us to amplify our impact, share best practices, and accelerate our sustainability journey. Through collective action, we create shared value for all stakeholders while contributing to a more resilient, prosperous, and sustainable future.

## ENERGY AND INTENSITY

### OUR PERFORMANCE

Hextar diligently tracks and reports our purchased energy intensity across our core business segments: Agriculture, Specialty Chemicals and Fruits. This metric, measured in kWh per metric ton (MT) or per kiloliters of production output, offers valuable insights into our operational efficiency and environmental impact.

#### Total Purchased Energy at Manufacturing Facilities by Segments

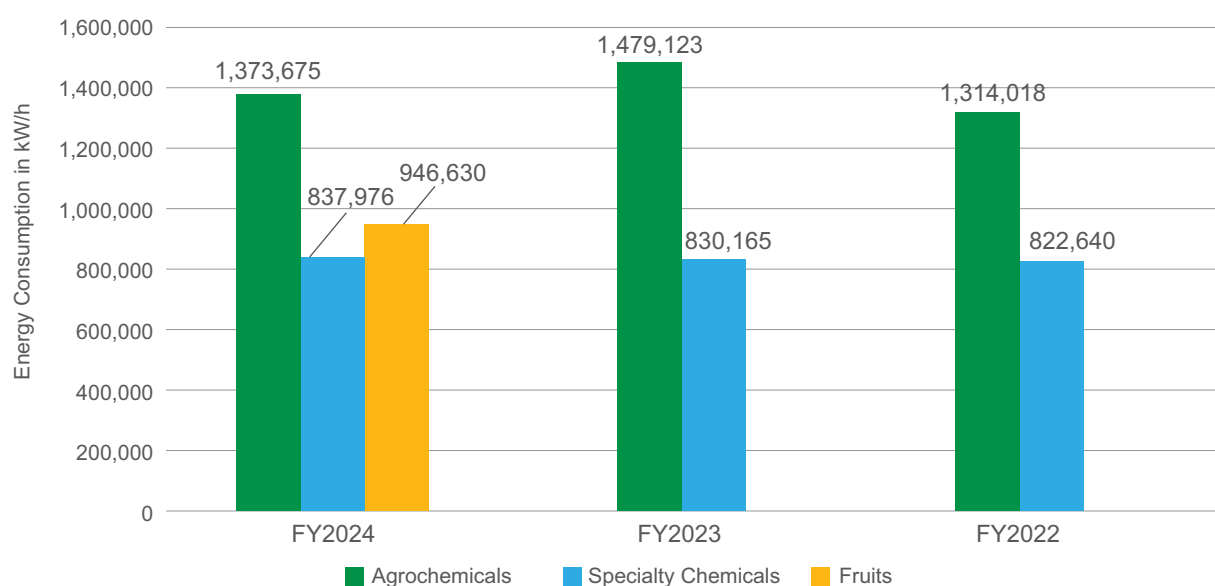
INTENSITY	FY2024	FY2023	FY2022
<b>Agriculture</b>			
Electricity Consumption (kWh)	1,373,675	1,479,123	1,314,018
Production Output (MT)	25,549	30,808	24,879
Intensity kWh/MT	53.77	48.01	52.82
<b>Specialtiy Chemicals Segment</b>			
Electricity Consumption (kWh)	837,976	830,165	822,640
Production Output (kiloliters)	26,255	23,529	24,090
Intensity kWh/kiloliters	31.92	35.28	34.15

# SUSTAINABILITY STATEMENT

cont'd

INTENSITY	FY2024	FY2023	FY2022
<b>Fruits Segment</b>			
Electricity Consumption (kWh)	946,630		
Production Output (MT)	2,190		
Intensity kWh/MT	432.20		
Total Electricity Consumption (kWh) at manufacturing facilities	3,158,281	2,309,288	2,136,658

**Energy Consumption at Manufacturing Facilities**



*Note: Energy consumption exclude Solar Energy*

We have started using renewable energy since February 2023 in our factory in Pulau Indah, corporate office in Klang and recently added Fruits factory in Raub, Pahang in 2024. This solar photo Voltaic ("Solar PV:") has helped us reduce our dependency on electricity generated from fossil fuels. The decrease in energy consumption in Agriculture segment is in line with the decreased in production in our Agrochemical division in Indonesia. Correspondingly the intensity of energy consumption in the Agrochemical has increased from 48.01 kWh/MT in FY2023 to 53.77 kWh/MT in FY2024 due to the sharp decreased in production at our Indonesia factory. Conversely for our Specialty Chemicals, the production increased in FY2024 thus improving our energy use intensity.

In FY2024, we begun including the energy consumption in our Durian factory in Raub, Pahang.

**Total Energy Consumption for the Company including offices and hostels**

INTENSITY	FY2024	FY2023	*FY2022
Total Company Electricity Consumption including offices and hostels (kWh).	3,655,738	2,678,376	3,102,124

*Note: \* FY2022 data includes electricity consumption of a company divested in FY2023  
Electricity Consumption excluded renewable energy generation.*

## TRACKING OUR CARBON FOOTPRINT

At Hextar, transparency and accountability in greenhouse gas (GHG) emissions reporting are cornerstones of our sustainability commitment. We diligently track and report our Scope 1, 2, and 3 emissions with reference to GRI 2021's mandatory requirement for disclosure of all three scopes, aligning with Bursa Malaysia's sustainability reporting requirements.



# SUSTAINABILITY STATEMENT

cont'd

To ensure the accuracy, consistency, and transparency of our carbon footprint calculation, we utilize the equity share consolidation method, accounting for 100% of GHG emissions from entities where we hold a significant influence or majority ownership stake. This method aligns with established best practices from the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) GHG Protocol, considered the gold standard for corporate emissions reporting.

For emissions calculation, we rely on relevant emission factors sourced from credible authorities like the Department for Environment, Food & Rural Affairs (DEFRA) in the United Kingdom and Malaysia's Green Technology and Climate Change Centre. By meticulously measuring both direct and indirect emissions across Scopes 1, 2, and 3, which encompass company-owned vehicles, purchased electricity, business travel, and employee commuting, we gain a comprehensive understanding of our environmental impact and identify areas for improvement.

This commitment to transparent and comprehensive GHG reporting, as mandated by GRI 2021, allows us to hold ourselves accountable, track progress towards our sustainability goals, and contribute to a more environmentally responsible future.

## GREEN HOUSE GAS EMISSION

INDICATOR	UNIT OF MEASUREMENT	FY2024 (MT)	FY2023 (MT)	FY2022 (MT)
<b>GHG Emissions</b>				
Scope 1	Tonnes CO <sub>2</sub> e	459	410	388
Scope 2	Tonnes CO <sub>2</sub> e	2,780	2,051	1,939
Scope 3				
Employee commuting	Tonnes CO <sub>2</sub> e	597	472	486
Business Travel (Land)	Tonnes CO <sub>2</sub> e	572	489	288
Business Travel (Air)	Tonnes CO <sub>2</sub> e	153	73	40
<b>TOTAL Scope 1+2</b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>3,239</b>	<b>2,461</b>	<b>2,327</b>
<b>TOTAL Scope 3</b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>1,322</b>	<b>1,034</b>	<b>814</b>
<b>TOTAL Scope 1+2+3</b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>4,561</b>	<b>3,495</b>	<b>3,141</b>

Note:

- Scope 1 emissions cover the emissions from natural gas consumption from our production facilities.
- Scope 2 emissions cover purchased electricity from our production facilities and corporate offices and location-based calculation method is used.
- Carbon emissions from fuel consumption (natural gas) are calculated based on the emission factors from the Federal Register EPA; 40 CFR Part 98; e-CFR, June 13, 2017.
- Carbon emissions from purchased electricity (Scope 2) are calculated based on the emission factors from Grid Emission Factor (GEF) in Malaysia report [<https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia>].

## SCOPE 1

Hextar diligently tracks and reports our Scope 1 emissions, which encompass direct greenhouse gas emissions from sources we own and control. These sources are categorized into two main groups:

Inventory	Details
Mobile Combustion	This includes emissions from our fleet of vehicles powered by petrol and diesel, such as company cars, trucks, and vans. To calculate these emissions, we utilize fuel consumption data and emission factors derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Department for Environment, Food & Rural Affairs (DEFRA) in the United Kingdom. This ensures our calculations adhere to recognized international standards and best practices.

# SUSTAINABILITY STATEMENT

cont'd

Inventory	Details
Stationary Combustion	This category encompasses emissions from machinery and equipment powered by diesel, utilized within our operations. Similar to mobile combustion, we calculate these emissions based on fuel consumption data and emission factors from credible sources like the 2006 IPCC Guidelines and DEFRA.

Through meticulous measurement and transparent reporting of our Scope 1 emissions, we not only gain valuable insights into our direct environmental impact but also identify areas where reductions are feasible. This commitment to transparency enables us to monitor our progress towards sustainability objectives and underscores our dedication to responsible business operations.

## SCOPE 2

Hextar calculates its Carbon Dioxide ("CO<sub>2</sub>") emissions from electricity consumption using the emission factor provided by the Grid Emission Factor (GEF) in Malaysia dated 25 November 2024. Additionally, we integrate emission factors from other relevant countries and locations to ensure a more accurate and comprehensive assessment of our carbon footprint. Scope 2 GHG emission showed an increment as we have included the emission from the Fruits segment.

## SCOPE 3

Additionally, we continue tracking and monitoring of our Scope 3 emissions, focusing specifically on business travel and employee commuting. This year, these emissions amounted to 1,323 tCO<sub>2</sub>-e. As we continue to refine our emission data across all operations, we will set targets for reducing our Scope 3 emissions.

### SCOPE 3: EMPLOYEES' DAILY COMMUTE TO WORK

We continue to monitor the GHG emission from employee commuting on our workforce. Employee commuting has increased in line with the inclusion of employees from the Fruits segment. Part of the initiative to reduce GHG emission is the encouragement for staff to car pool. On top of that, one staff has purchased an EV to help reduce the GHG emission. This ongoing initiative reflects Hextar's commitment to consistently monitor, analyze, and report these emissions each year, providing valuable insights to guide future reduction strategies.

Demonstrating our commitment to transparency and comprehensive sustainability reporting, we continue active collection of data on employee commuting emissions since 2021. This ongoing initiative to gather valuable information through annual surveys, including:

- **Primary mode of transportation:** We assess the main modes employees utilize for their daily commute, providing insights into commuting patterns and emissions sources.
- **Round-trip commuting distance:** By capturing the approximate daily distance travelled, we estimate the cumulative impact of employee commutes.
- **Personal vehicle details:** For those utilizing personal vehicles, we collect specific data including type of vehicle, and fuel type. This detailed information enables estimates of emission calculations.

This comprehensive approach considers data from the surveys conducted using an average annual work commitment of 264 days per employee, and relevant emission factors to arrive at a yearly estimate of Hextar's employee commuting emissions.

### SCOPE 3: BUSINESS TRAVEL (LAND AND AIR)

In FY2024, there was a slight decrease of GHG emission for business travel as compared to FY2023 as we managed to plan our business travel better and have incorporated online meetings.

# SUSTAINABILITY STATEMENT

cont'd

## WATER

### Related UNSDGs:



The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. As water cuts and scarcity are becoming more frequent, we at Hextar, strive to adopt responsible water management across our operations, encompassing facilities in Malaysia, Indonesia, Brunei and Australia. According to the WRI (World Resources Institute), our current operating facilities are NOT located at water stressed areas (<https://www.wri.org/applications/aqueduct.water-risk-atlas>). The Group intends to maintain these bases and have no immediate plans to relocate to any known water-stressed regions in Malaysia or overseas within the next five (5) years. Nevertheless, we acknowledge that floods, droughts and other water related risk issues brought on by unpredictable weather patterns and climate change will likely impact on the way businesses are organized and operated in future.

We are committed to managing and using water in the most cost-effective way that also promotes the long-term sustainability of the environment as well.

Our water consumption primarily stems from manufacturing activities such as chemical mixing, equipment and machinery cooling, site cleaning, worker facilities, owned office buildings and properties. We are committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises. These initiatives include:



We will annually review our water management plans across all operations to enhance efficiency continuously. This proactive approach ensures that we remain on track to achieve our targets for reducing water consumption.

### RESPONSIBLE WATER MANAGEMENT AT CHEMPRO TECHNOLOGY (M) SDN BHD ("Chempro")

As a subsidiary of Hextar Global Berhad, Chempro is committed to upholding the Group's sustainability principles. Responsible water management is a core focus area for us. The manufacturing facility is equipped with a state-of-the-art 48 metric tons per day effluent treatment plant. This advanced system utilizes a combination of semi-automated physical, chemical, and biological processes to effectively remove contaminants from wastewater before discharge. This ensures compliance with the stringent standards outlined in the Environmental Quality (Industrial Effluent) Regulations 2009. We further demonstrate our commitment to responsible waste management by partnering with licensed scheduled waste contractors for the disposal of solid sludge separated from the effluent treatment process.

# SUSTAINABILITY STATEMENT

cont'd

Chempro's commitment to water stewardship extends beyond wastewater treatment. We actively implement water conservation strategies to reduce our overall water consumption. Our innovative approach includes recycling reject water from the RO system for non-potable purposes, such as general cleaning and gardening. This not only minimizes water waste but also promotes resource efficiency within our operations. By prioritizing responsible water management practices, Chempro contributes to a more sustainable future for both the environment and Hextar Global Berhad's sustainability goals.



## OUR PERFORMANCE

In 2024, the Group consumed 80,132 cu.m water, representing a 7% increase compared to FY2023. This increase in water usage aligns with the inclusion of Fruits segment in FY2024. Notably, two of our manufacturing facilities continue to extract water from the ground.

Considering this upward trend in water consumption, the Group is committed to implementing additional rainwater harvesting systems across more facilities. Furthermore, we aim to install water recycling systems to reduce the reliance on municipal water sources and promote more efficient water usage throughout our operations.

### TOTAL VOLUME OF WATER USED (CU.M)

Segment	FY2024(cu.m)	FY2023(cu.m)	FY2022(cu.m)
Agriculture	25,964	24,380	20,852
Specialty Chemicals	47,049	50,993	34,456
Fruits	7,119		
<b>TOTAL (cu.m)</b>	<b>80,132</b>	<b>75,373</b>	<b>55,308</b>

Note: Water usage including workers' hostel and manufacturing offices, corporate and management offices.

Water Source	FY2024 Withdrawal Volume (cu.m)	FY2024 Usage (%)	FY2023 Withdrawal Volume (cu.m)	**FY2023 Usage (%)
Municipal Water	40,768	50.88%	*30,461	40.41%
Ground Water	39,360	49.12%	44,908	59.58%
Rainwater (Harvested)	4	0.00%	4	0.01%

Note: \* Municipal Water for FY2023 is restated to 30,461 cu.m.

\*\* Municipal Water usage for FY2023 restated to 40.41% and Ground Water usage restated to 59.58%.



# SUSTAINABILITY STATEMENT

cont'd

## WASTE MANAGEMENT

### Related UNSDGs:



At Hextar, we prioritise proper waste management to reduce our environmental impact to benefit the surrounding communities, especially in relation to our construction business. We generate different types of waste, including hazardous waste categorised as scheduled waste, as well as non-hazardous such as domestic waste, scheduled waste and recyclable waste. Improper waste management can have far-reaching consequences, including detrimental effects on air and water quality, soil contamination, and heightened risks of hazardous material exposure for both our employees and the surrounding communities in the areas where we operate. Recognising the severity of these potential impacts, it is imperative that we implement proactive measures to ensure responsible waste management practices across all operations.

Our actions are guided by the Group's ESG Policy that outlines the impact of its operations on the local community and seeks to ensure that potentially harmful occupational health and safety, environmental and social effects are properly assessed, addressed and monitored. The Group is also aware of the importance to minimise waste by reducing the amount of materials used in our operations, adopting the 3R approach – reduce, reuse, and recycle, and raising employees' awareness on the significance of sustainable waste management.

Hextar handles all hazardous wastes according to the Environmental Quality (Scheduled Wastes) Regulations 2005 and other relevant environmental-related legislation in the Environmental Quality Act 1974 (EQA 1974). Solid and general wastes are collected and disposed of by licensed collectors appointed by the local authority. As far as possible, we practice reducing waste, reusing and recycling resources before disposing of them. For our Indonesian entities, we abide by the local regulations stipulated by Indonesia's Ministry of Environment and Forestry.

### FOSTERING A CULTURE OF SUSTAINABILITY

We conduct regular ESG awareness training sessions, educating our workforce on key waste management topics such as source identification, sorting procedures, and safe waste handling practices. We empower employees to become active participants in our waste management initiatives through incentive programs that recognize and reward responsible behavior. This fosters a culture of ownership and accountability, driving positive behavioural change and collective progress towards our sustainability goals.

We have established initiatives to increase awareness among our employees in efforts to reduce waste such as:

- **Recycle Campaigns:** We organize regular recycle campaigns across our facilities, raising awareness about the importance of recycling and providing convenient ways for employees to participate. Our recent campaign, "Hextar Kitar," successfully collected 2 jumbo bags of recyclable materials, demonstrating the collective effort towards sustainability.
- **Gotong Royong:** Recognizing the interconnectedness of our environment, we organize gotong royong events in collaboration with local communities. These events, fostering community spirit and environmental responsibility, have resulted in the collection of waste from public spaces, contributing to a cleaner environment for all.

We promote waste reduction and recycling among employees by encouraging them to reuse items such as paper, plastics, and aluminum, and providing bins for the segregation of different types of waste. Recyclable waste is processed at recycling centers, while non-recyclable waste is sent to landfills. Moving forward, Hextar aims to reduce the amount of waste sent to landfills by exploring circular economy principles and implementing innovating solutions for waste management.

# SUSTAINABILITY STATEMENT

cont'd



To further support our commitment to sustainability, we have placed recycling bins across our office and factories, encouraging responsible waste segregation. This enables us to effectively separate and process recyclables, enhancing the efficiency of our waste management system and promoting sustainable practices among our employees.

We encourage our customers to buy bigger drum by offering attractive prices instead of buying smaller drum to reduce the usage of containers.

By integrating these strategies, we strive to minimize waste generation, maximize resource recovery, and cultivate a responsible waste management culture within our company. We recognize that this journey is continuous, and we are committed to ongoing improvement, collaborating with stakeholders, and contributing to a more sustainable future for all.

## SUSTAINABLE PACKAGING: COMMITMENT TO RESPONSIBLE SOURCING

Hextar is committed to minimizing its environmental footprint throughout the supply chain. This dedication extends to the materials we use for our carton boxes and paper products.

We prioritize the use of recyclable waste paper in our carton box and paper product manufacturing. This not only reduces reliance on virgin resources but also promotes a circular economy by giving new life to waste materials.

Furthermore, to ensure responsible sourcing practices, we partner with paper suppliers who are certified with both BMTRADA and Bureau Veritas. These certifications demonstrate our suppliers' commitment to ethical and sustainable forestry practices. This not only ensures responsible sourcing of wood fiber but also minimizes deforestation and promotes responsible forest management.

By prioritizing recyclable materials and partnering with certified suppliers, Hextar contributes to a more sustainable future for the paper and packaging industry.

## SUSTAINABLE WASTE MANAGEMENT AND GREEN ENERGY CHAMPION

Hextar Biogas BEE Sdn. Bhd ("Biogas"), a subsidiary of Hextar Global Berhad, stands as a leading green energy solutions provider. Their focus aligns perfectly with Hextar's commitment to environmental responsibility. Biogas tackles environmental challenges by transforming waste into a valuable resource.

Biogas employs anaerobic fermentation technology, a sustainable and eco-friendly process that significantly reduces pollution. This technology targets Palm Oil Mill Effluent (POME) wastewater, a major environmental concern in the industry. By harnessing anaerobic fermentation, Biogas achieves an impressive Chemical Oxygen Demand (COD) and Biochemical Oxygen Demand (BOD) removal rate exceeding 90%. This not only reduces pollution but also offers a valuable by-product – biogas. This biogas can then be utilized for electricity generation, promoting a cleaner and more sustainable energy source.

Biogas' commitment to innovation and responsible waste management extends further with their certification as a Technology Partner to the Malaysian Palm Oil Board (MPOB). This recognition highlights their dedication to advancing sustainable practices within the palm oil industry, aligning perfectly with Hextar Global Berhad's commitment to environmental stewardship and leadership within the palm oil sector.

In FY2024 we commissioned two Biogas projects in Pekanbaru, Indonesia and in Gemenceh, Negeri Sembilan, Malaysia.

# SUSTAINABILITY STATEMENT

cont'd



Successfully commissioned a biogas plant for a 60 metric tons palm oil mill in Pekanbaru, Indonesia



Successfully commissioned a biogas plant for a 40 metric tons palm oil mill in Gemenceh, Negeri Sembilan. This installation is able to help our client to reduce 33,000 MT CO2e annually.

## OUR PERFORMANCE

In 2024, Hextar generated a total of 484.99MT of hazardous and non-hazardous waste. While hazardous waste is categorised as scheduled waste, non-hazardous waste includes domestic waste, and recyclable waste.

We will intensify our efforts by fostering collaboration among stakeholders and enhancing the efficiency of raw materials and resources utilised in our daily operations. By actively engaging and involving all relevant parties, we seek to address the existing gaps in coordination and implement innovative solutions, where possible, to drive sustainable waste management practices across the Group.

WASTE GENERATED		Total Waste Generated (MT)			Disposal Method
		TOTAL 2024	TOTAL 2023	TOTAL 2022	
A) WASTE COMPOSITION - SCHEDULED WASTE	SW 204 - Sludges containing one or several metals	42.83	5.69	2.1	Approved disposal facility / licenced waste management companies
	SW 311 - Waste Oil or Oily Sludge	0.04	0	0	
	SW 321 - Mixed polymer waste	29.00	5.75	0	
	SW 322 - Waste of non- halogenated organic solvents	8.80	8.8	8.8	
	SW 410 - Rags, plastics, papers or filters contaminated with scheduled wastes	16.03	53.18	0.68	
	SW411 - Spent Activated Carbon	1.14	1.64	3.1	
	SW 409 - Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes	209.99	336.17	146.44	
	SW 421 - Contaminated Diesel	1.00	0.53	1.81	
	SW 430 - Obsolete Laboratory Chemicals	0.19	0	0	
	Liquid Latex	0.00	22.51	9.3	
	Empty /used drum	0.88	0	0	
	SW 429 - Expired chemical wastes	1.11	3.20	0	
	SW 301 - Acid waste	0.10	0.28	0	
	SW 309 - Mixture oil water	0.08	0	0	
	SW 408 - Contaminated Oil	0.06	0	0	
	Pesticide Liquid Waste	71.05	49.78	0	

# SUSTAINABILITY STATEMENT

cont'd

WASTE GENERATED		Total Waste Generated (MT)			Disposal Method
		TOTAL 2024	TOTAL 2023	TOTAL 2022	
B) WASTE COMPOSITION - EFFLUENT	Treated supernatant - M99E	0.00	16.3	0	Approved disposal facility / licenced waste management companies
C) WASTE COMPOSITION - GENERAL WASTE	Plastic	0.00	8.23	0	Waste management companies
	Paper	0.00	22.14	0	
	Rubbish Waste	102.69	145.85	134.6	
TOTAL WASTE GENERATION		484.99	680.05	306.83	
D) RECYCLED WASTE	a) Plastic	1.25	0	32.16	Recycling centres
	b) Paper	0.85	1.05	32.47	
	c) Others	0.00	37.12	78.61	
TOTAL WASTE RECYCLED		2.10	38.17	143.24	

## ENVIRONMENTAL COMPLIANCE

Environmental policies are put in place in our operations to govern our environmental management. The criteria for our environmental management are laid forth in ISO 14001 and 45001 Environmental, Health and Safety Management System Standards. In addition to our internal policies, we are committed to adhere to all applicable environmental laws and regulations, which include: -

Laws and Regulations	Our Commitments
<b>Wastewater Discharge</b> ➤ Environmental Quality (Industrial Effluent) Regulations, 2009	<ul style="list-style-type: none"> <li>Monthly water effluent lab test by third party</li> <li>Compliance to Industrial Effluent Registration (Tenth Schedule)</li> <li>Conduct of Chemical Oxygen Demand test via weekly waste water analysis</li> </ul>
<b>Scrubber System</b> ➤ Environmental Quality (Clean Air) Regulations 2014	<ul style="list-style-type: none"> <li>Appointment of a competent person for scrubber system</li> <li>Conduct of Air Emission Monitoring</li> <li>Conduct of Local Exhaust Ventilation ("LEV") Assessment</li> </ul>
<b>Waste Disposal</b> ➤ Environmental Quality Act 1974 ➤ Environmental Quality (Scheduled Wastes) Regulations, 2005	<ul style="list-style-type: none"> <li>Disposal of general waste to regulated landfills</li> <li>Disposal of scheduled waste to approved disposal facility</li> <li>Erection of scheduled waste storage cage bund</li> <li>Adoption of e-consignment note for scheduled waste</li> </ul>
<b>Noise Exposure</b> ➤ Environmental Quality Act, 1974 ➤ Occupational Safety and Health (Noise Exposure) Regulations 2019	<ul style="list-style-type: none"> <li>Conduct of Boundary Noise Measurement</li> <li>Conduct of Noise Risk Assessment</li> <li>Conduct of Baseline and Annual Audiometric Testing</li> </ul>



# SUSTAINABILITY STATEMENT

cont'd

<b>Laws and Regulations</b>	<b>Our Commitments</b>
<b>Chemical Management</b> <ul style="list-style-type: none"> <li>➤ Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000</li> <li>➤ Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2003</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of poison signed order form and poison wholesale sales book</li> <li>• Proper labelling on all products</li> <li>• Preparation of Personal Protective Equipment ("PPE") for workers in production</li> <li>• Conduct Chemical Health Risk Assessment and training on Hazard Logo Identification as well as PPE Usage for all production staff</li> <li>• Usage on enclosed mixing system with vacuum system and scrubber system</li> <li>• Installation of LEV system</li> </ul>
<b>Poison Management</b> <ul style="list-style-type: none"> <li>➤ Environmental Quality Act, 1974</li> <li>➤ Poison Act Regulation, 1952</li> <li>➤ Department of Environment Guided Self-Regulation ("GSR")</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of poison signed order form and poison wholesale sales book</li> <li>• Registration of poison license</li> <li>• Implementation of ISO 14001:2015 Policy</li> <li>• Maintenance of effluent treatment plant and scrubber system</li> <li>• Formulation of Environmental Performance Monitoring Committee and Environmental Regulatory Compliance Monitoring Committee</li> <li>• Identification of competent person on: -               <ul style="list-style-type: none"> <li>o Certified Environmental Professional in Scheduled Waste Management (CePSWaM)</li> <li>o Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (Biological Processes) (CePIETSO-BP)</li> <li>o Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems - Physical Chemical Processes (CePIETSO-PCP)</li> <li>o Certified Environmental Professional in Scrubber Operation (CePSO)</li> </ul> </li> <li>• Transparency of information on eco-labelling products</li> </ul>

We did not have any penalty imposed by Department of Environmental ("DoE") in FY2024.

We are also committed to responsible sourcing by selecting suppliers who uphold high standards on environmental management. In order to achieve such objective, we have embarked on an environmental risk assessment on our suppliers to cover several environmental criteria in FY2024.

## MAXIMIZING AVOIDED ENVIRONMENTAL POLLUTION THROUGH THE PROVISION OF OUR PRODUCTS

### REDUCING CLASS 1 AND CLASS 2 AGROCHEMICALS: A WIN FOR CLIMATE AND BEYOND

At Hextar, we recognize the urgency of addressing climate change and are committed to sustainable practices throughout our operations. One key aspect of this commitment is reducing our reliance on Class 1 and Class 2 agrochemicals. While these highly and moderately poisonous products may offer quick solutions for pest and disease control, their negative impacts on the environment and human health are significant. By making strategic shifts in our product portfolio, we aim to create a win-win scenario for both climate and sustainability.

#### CLIMATE BENEFITS:

- **Reduced greenhouse gas emissions:** Class I and II agrochemicals often require intensive manufacturing processes, contributing to greenhouse gas emissions throughout their lifecycle. Replacing them with safer alternatives can significantly reduce our carbon footprint and mitigate climate change.
- **Improved soil health:** These chemicals can harm soil biodiversity and disrupt crucial natural processes that contribute to carbon sequestration. Transitioning to more sustainable solutions promotes healthier soil, enhancing its ability to store carbon and improve overall ecosystem health.
- **Reduced water pollution:** Many Classes I and II agrochemicals are water-soluble, increasing the risk of contaminating waterways and aquatic ecosystems. By minimizing their use, we can protect water quality and safeguard sensitive aquatic life.

# SUSTAINABILITY STATEMENT

cont'd

## BEYOND CLIMATE:

- **Enhanced worker safety:** Exposure to these highly and moderately poisonous substances poses serious health risks to farmers and agricultural workers. Reducing their use promotes safer working conditions and protects the well-being of our communities.
- **Consumer confidence:** Consumers are increasingly seeking safe and sustainable food options. By offering products grown with minimal reliance on harmful chemicals, we can build trust and cater to evolving consumer preferences.
- **Biodiversity preservation:** These chemicals can harm beneficial insects and pollinators, disrupting essential ecosystem functions. Shifting to safer alternatives fosters biodiversity and promotes a healthier, more balanced environment.

## OUR APPROACH:

We are actively engaged in a multi-pronged approach to reduce our Class I and Class II agrochemical portfolio:

- **Investing in research and development:** We are dedicated to exploring and developing innovative, more sustainable solutions for pest and disease control.
- **Collaborating with stakeholders:** We work closely with farmers, policymakers, and research institutions to share best practices and accelerate the adoption of sustainable agricultural practices.
- **Transparency and education:** We are committed to transparent communication about our sustainability efforts and actively educate our stakeholders about the benefits of safer alternatives.

By strategically reducing our reliance on Class I and Class II agrochemicals, we are not only addressing climate change but also contributing to a healthier planet, safer working conditions, and a more sustainable food system for all.

As a means of adapting to the environmental abnormalities derived from climate change, Hextar is carefully assessing risks and expanding its range of suitable products. We plan to reduce our Class I and Class II product portfolio gradually and we have set the goal to be achieved by 2026 as follows: -

Statistics of the \*performance as follow: -

Class	Base Data	2024 Target	2024 Actual	Performance	2025 Target	GOAL 2026
Class I (Highly Poisonous)	4.34%	2.97%	2.64%	11.15%	2.73%	2.50%
Class II (Poisonous)	24.66%	21.32%	26.12%	-22.54%	19.41%	17.50%
Class III (Harmful)	50.14%	52.63%	49.60%	-5.75%	53.82%	55.00%
Class IV (Least Toxic)	20.87%	23.08%	21.64%	-6.27%	24.04%	25.00%

Many of the chemical products we provide go through various life stages in the hands of our customers, including processing, use, and disposal. Through our products with environmental contribution value, we aim to maximize avoided environmental pollution over the entire product life cycle. In order to achieve this, by 2026, we have set product portfolio goals as part of our sustainability strategy to preserve the ecosystem, hereafter, we plan to incorporate measures to expand the lineup of and increase sales revenue of Class III and IV products into the individual strategies of each business domain.

We are pleased to note, our target to reduce class I product in FY2024 is within our target, however we did not achieve our targets to reduce Class II and to increase the Class III and Class IV product portfolio in 2024. We will continue to monitor and improve the performance to achieve the targets set for year 2026.

# SUSTAINABILITY STATEMENT

cont'd

## SOCIAL

### Related UNSDGs:



### DIVERSITY, EQUITY AND INCLUSION

At Hextar, we firmly believe that diversity and inclusivity at work give us a competitive edge through accumulation of, and ability to tap into a wide range of knowledge, perspectives, and ideas. In line with this, we strive to promote equal employment opportunities and non-discrimination, by actively encouraging diversity of gender, race, religion, age and nationality.

We align our social responsibility efforts with GRI 2021 Standards addressing human rights, labor practices, and society, contributing to the United Nations Sustainable Development Goals (SDGs). In line with Bursa Malaysia's sustainability reporting requirements, we are committed to fostering a workplace that embraces diversity, promotes equal opportunities, and respects the rights of all employees.

Hextar proactively monitors and remains well-informed about evolving labour, health, and safety policies and legislations. We extend our efforts beyond our organizations to ensure that our business partners follow the same standards.

Here is an overview of our key initiatives:

**Gender Equality:** We strive to achieve 30% female representation in top management by 2030, aligning with SDG 5. We actively promote gender equality through initiatives like, mentorship programs, and flexible work arrangements. As of 31 December 2024, we are pleased to announce that we managed to maintain 33% female representative in the top management which is above our initial goal.

**Equal Treatment:** We uphold fair and equitable treatment for all employees, regardless of gender, race, religion, age, or disability. Our human resources policies, including the labor rights policy, non-discrimination policy, workplace harassment policy, and dispute resolution policy, provide a robust framework for ensuring equal opportunities and addressing any concerns. We are proud to report zero incidents of discrimination recorded in the year under review (2024), demonstrating our commitment to creating a safe and inclusive workplace for all 716 employees.

**Creating an Inclusive Culture:** We foster an inclusive culture through various initiatives, including diversity and inclusion workshops, employee resource groups, and open communication channels. We celebrate diverse perspectives and experiences, recognizing their value in enriching our company culture and driving innovation.

We are dedicated to maintaining fair employment practices, and consistently reviewing our recruitment process to ensure equality from the beginning, in alignment with our Recruitment Policy and procedures. At Hextar, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merits. We strongly advocate for equitable gender representation on our Board, and to that end, have established a dedicated Board Diversity Policy to ensure a minimum of 30% women representation at the Board level.

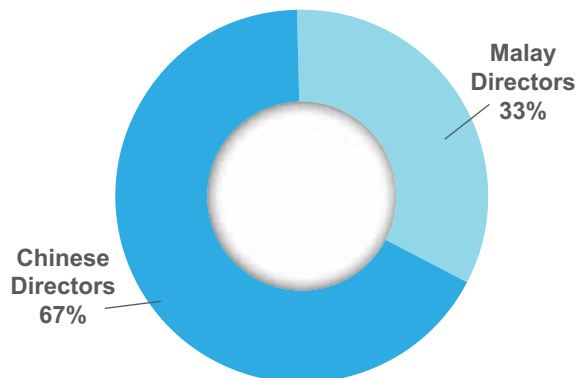
# SUSTAINABILITY STATEMENT

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## OUR PERFORMANCE

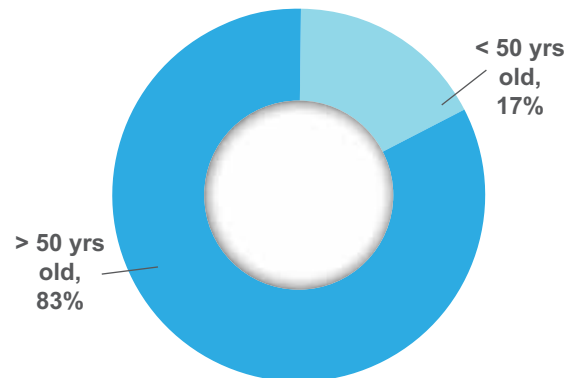
### DIVERSITY AND INCLUSION IN LEADERSHIP

CHART 1: BOARD ETHNICITY DIVERSITY (FY2024)



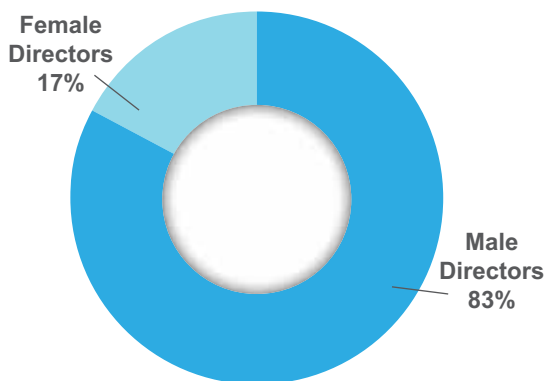
This chart depicts the ethnic composition of our Board of Directors, highlighting our commitment to representing the diverse communities we serve. We recognize the importance of this diversity in fostering culturally informed decision-making and building trust with our stakeholders.

CHART 2: BOARD AGE DIVERSITY (FY2024)



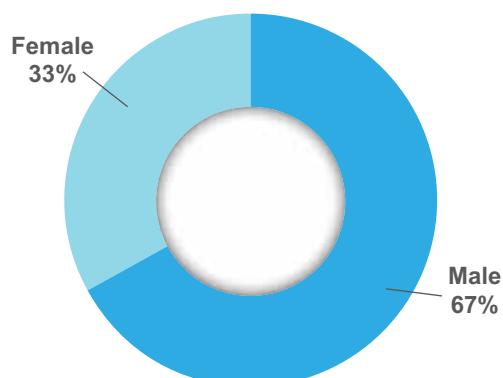
This chart illustrates the age range of our Board members, showcasing a healthy mix of experience and fresh perspectives. We believe this balance is crucial for ensuring both continuity and innovative thinking within our leadership team.

CHART 3: BOARD GENDER DIVERSITY (FY2024)



This chart highlights our current progress towards achieving 30% female representation on the Board by 2025 as mandated by the Malaysian Code on Corporate Governance. As of 31 December 2024 we have one female director representing 17% of the total directors. While we acknowledge that we are not yet at our target, the Board is actively seeking qualified female candidates to join its ranks. This commitment reflects our understanding that diverse perspectives and experiences enrich boardroom discussions and ultimately lead to better outcomes.

CHART 4: TOP MANAGEMENT - GENDER DIVERSITY (FY2024)



This chart showcases our achievement of 33% female representation in top management, surpassing our target of 30% by 2030, aligned with SDG 5: Gender Equality. We are proud of this accomplishment and remain committed to further fostering an inclusive environment where talented women can excel and reach their full potential.

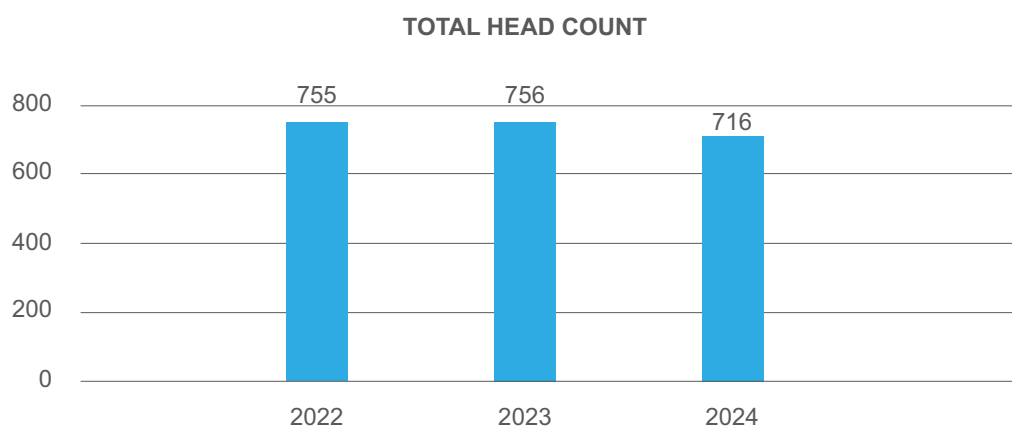
Beyond these data points, we emphasize our ongoing efforts to create a culture of inclusion at all levels. We actively seek diverse talent, provide unconscious bias training for all leaders, and promote flexible work arrangements to support work-life balance. We believe that fostering a truly inclusive leadership team will not only benefit our company but also contribute to a more equitable and diverse society at large.

# SUSTAINABILITY STATEMENT

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## HEADCOUNT COMPARISON

Hextar Global Berhad is committed to transparent communication and fostering trust with our stakeholders. In line with this commitment, we present our headcount comparison for the past three years:

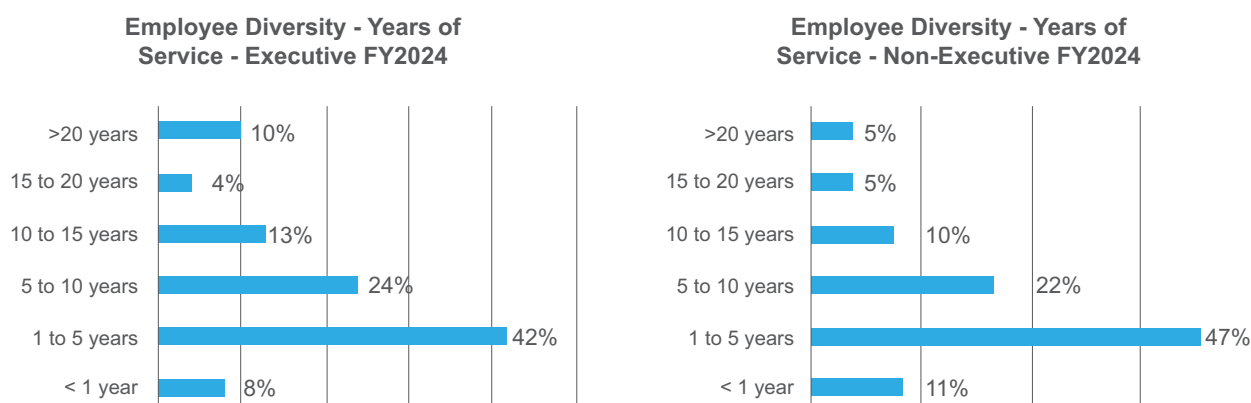


Notably, the headcount decrease in FY2024 was due to the reduction of workforce in our Indonesia factory.

Beyond acquisitions, we actively invest in organic growth, attracting skilled professionals through talent development and recruitment initiatives. This contributes to local economic development by creating new jobs on top of strengthening our capacity to deliver on our ambitious expansion plans.

## EMPLOYEE DIVERSITY AT HEXTAR

At Hextar, we embrace the richness of a diverse workforce, recognizing that each individual's unique experiences and perspectives contribute to our collective success. Aligned with GRI 2021 Standard 405: Diversity and Equal Opportunity, we strive to foster an inclusive environment where everyone feels valued and empowered to contribute their best. Here, we unveil insights into our employee diversity through a series of informative charts:





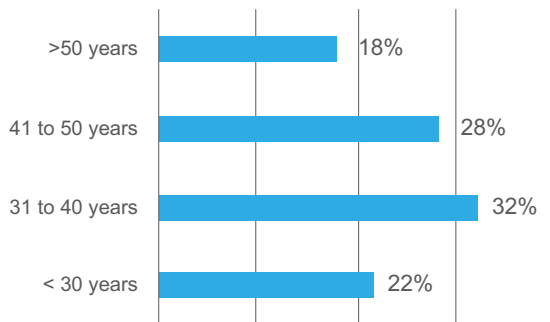
# SUSTAINABILITY STATEMENT

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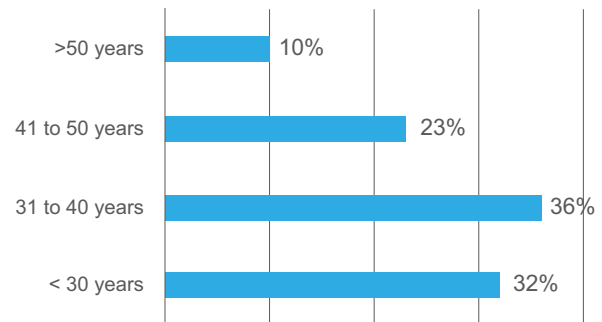
## EMPLOYEE DIVERSITY (YEARS OF SERVICE) - EXECUTIVE AND EMPLOYEE DIVERSITY (YEARS OF SERVICE) - NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)

These charts illustrate the distribution of executive and non-executive employees based on their years of service, revealing the balance between experienced professionals and those bringing fresh perspectives to the company. This balanced mix fosters the transfer of knowledge while encouraging innovation. Almost 50% of our executive employees has been with the company for more than 5 years.

Age Diversity FY2024 - Executive



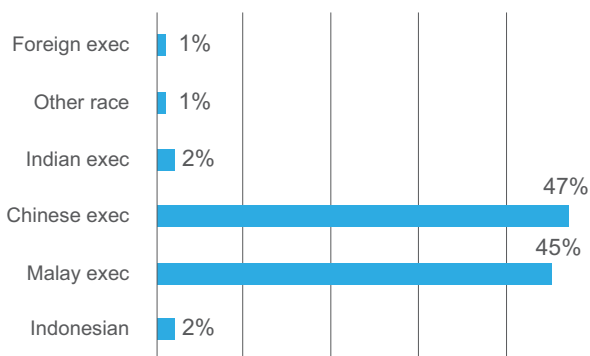
Age Diversity FY2024 - Non-Executive



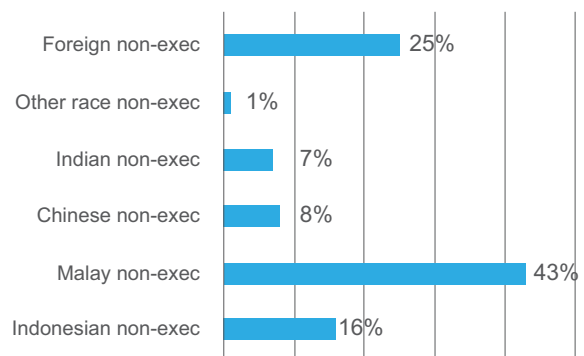
## AGE DIVERSITY - EXECUTIVE AND CHART 4: AGE DIVERSITY - NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)

These charts showcase the age range of our executive and non-executive employees, highlighting a healthy mix of diverse voices and perspectives across generations. This age diversity ensures well-rounded decision-making informed by both established knowledge and contemporary viewpoints.

Employee Ethnicity FY2024 - Executives



Employee Ethnicity FY2024 - Non-Executives



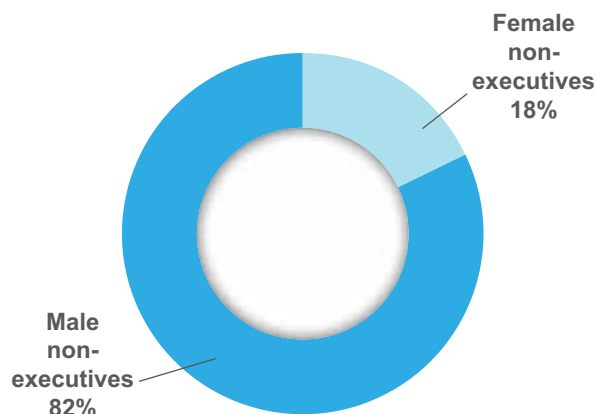
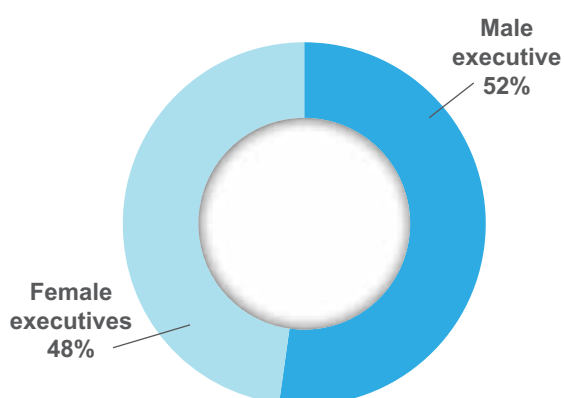
## EMPLOYEE ETHNICITY EXECUTIVES AND CHART 6: EMPLOYEE ETHNICITY NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)

These charts depict the ethnic composition of our executive and non-executive workforce, reflecting the diverse communities we serve and operate within. We believe this representation strengthens our understanding of our stakeholders and fosters culturally sensitive business practices. Our non-executive includes 16% Indonesian as we do have a manufacturing facility in Indonesia.

# SUSTAINABILITY STATEMENT

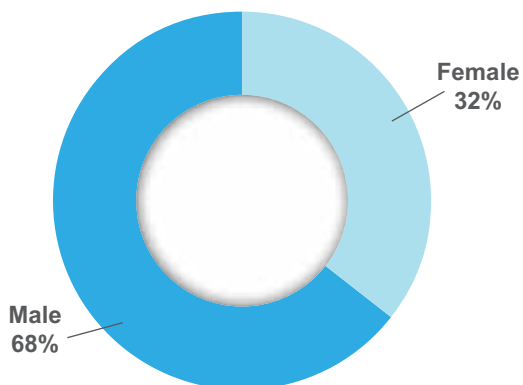
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## GENDER DIVERSITY FY2024 EXECUTIVE AND GENDER DIVERSITY FY2024 NON-EXECUTIVE (GRI 405-1: DIVERSITY COMPOSITION)



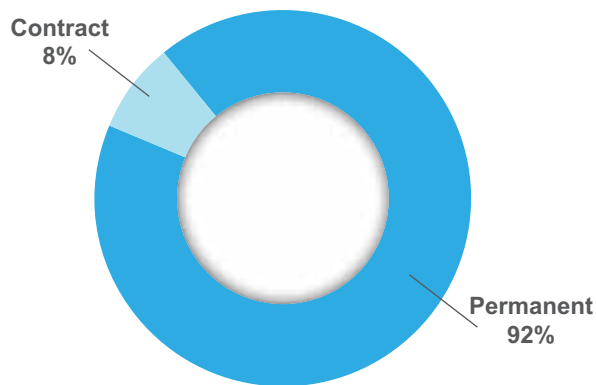
Our gender diversity for executive is quite balance with 48% female vs 52% male showing our commitment to providing equal opportunity to all. However, our non-executive distribution is more for males in line with the kind of work that we do in manufacturing of agrochemicals and specialty chemicals. This is relevant with UNSDGs 5: Gender Equality.

## OVERALL GENDER DIVERSITY FY2024 (GRI 405-1: DIVERSITY COMPOSITION)



This chart presents the combined gender diversity of our entire workforce in FY2024, providing a comprehensive snapshot of our progress towards creating a more equitable and inclusive work environment. Our overall workforce are predominantly male in line with the kind of production activities in our manufacturing facilities.

## EMPLOYMENT STATUS FY2024 (GRI 405-1: DIVERSITY COMPOSITION)



This chart depicts the breakdown of our employees based on their employment status, permanent and contract basis, offering insights into the composition of our workforce and enabling us to tailor our policies and benefits accordingly. Our employees are predominantly on a permanent basis.

By presenting these diverse workforce demographics, we demonstrate our commitment to transparency and accountability in fostering an inclusive work environment. We recognize that diversity is not just a statistic, but a powerful force that unlocks innovation, strengthens decision-making, and fuels sustainable growth. We are dedicated to continuous improvement, actively seeking diverse talent, promoting equal opportunities, and fostering a culture of inclusion where everyone can thrive.

As of 31 December 2024 we do not have any employee with disability. We do not discriminate employee with disability. We do practice giving priority to employee who are residing within the vicinity of the places we operate.

# SUSTAINABILITY STATEMENT

cont'd

## EMPLOYEE MANAGEMENT

### Related UNSDGs:



Hextar believes that our employees are our most valuable assets and are the driving force for our success and growth. We are committed to recruiting, developing, and retaining high-performing employees while providing work environment that is both conducive and empowering. On top of that, we invest significantly in development programmes to ensure our employees remain competitive, progressive and future ready.

### Talent Acquisition and Onboarding

Talent attraction and recruitment are vital to build a strong and sustainable talent pipeline for the future. At Hextar, we adhere to our Recruitment Policy and Procedures to ensure individuals are hired based on merits, i.e., skills, experience and credibility for the role while also sharing our values, culture, and vision. Effective talent attraction and recruitment, without bias and prejudice can help build a strong employer brand to attract top talent. A positive reputation can in turn increase customer loyalty and improve organisational performance. In 2024, we participated in career fairs as part of our strategy to attract fresh talent and facilitate their seamless integration into our workforce.

### UPSKILLING AND RESKILLING

At Hextar, we understand that today's employees crave regular feedbacks, open dialogue, and personalized engagement with their managers. Gone are the days of one-way communication and static top-down approaches. To address this shift and retain valuable talent, we have made feedbacks a cornerstone of our management culture.



ESG Training

We actively foster employee-employer relationships built on mutual trust and a continuous feedback loop. Regular performance reviews, open-door policies, and anonymous surveys facilitate honest communication, allowing us to identify strengths, address challenges, and support individual growth.

We believe that investment in people is an investment in the future. Our commitment to employee development shines through our comprehensive training and development programs. We continuously assess industry trends and evolving skillsets to tailor our initiatives, ensuring they remain relevant and aligned with job expectations.

### EXAMPLES OF TRAINING PROGRAMMES HELD OR ATTENDED DURING THE YEAR:

In 2024, we remain committed to investing in training and development programmes, utilising both physical and online channels. Our training and development programmes include the following:

Employee Training and Development Programs in FY2024	
Professional Training	Managing Sales Tax Exemption Facilities & Scrap/Waste Disposal
	Scheduled Waste Risk & Hazard Assessment
	Chemical Spillage and Hazardous Logo Identification
	Scheduled Waste Analysis & Characteristic
	Guideline for Waste Card Preparation (7th Schedule)

# SUSTAINABILITY STATEMENT

cont'd

Employee Training and Development Programs in FY2024	
Professional Training (cont'd)	Do's and Don'ts in Scheduled Waste Packaging, Labelling and Storage
	Scheduled Waste Handling and Spillage Management
	Understanding The Chemical Applications
	Clarifier Unit Design Analysis
	IETS - Technical Control Operational Analysis
	Execution & Optimisation for Chemical & Biological Process of Industrial Effluent Treatment Operations
	Halal Awareness
	Metal Free Policy
	Inhouse Chemical Handling
	Inhouse GMP Training
	Environmental Management of Waste Water Treatment - The Science, Technology & Design
	Safe Handling of Hazardous Chemical
	M to M Sales Strategies & Planning
	Tools to Streamline Environmental Management
	Business Continuity
	Effective Sewage and Industrial Effluent Control
	Auditing Scheduled Waste Management
	Environmental Aspect-Impacts with Risk & Opportunity & Life Cycle
	Course for CePSWaM
	The Holistic Treatment Approach of Raw Water and Boiler Water
Technical Training	Navigating Tax Audit and Investigation
	Understanding Dismissal and Termination
	Engineering, Science & Technology Conference 2020
	Withholding Taxes and Other Related Tax Issues
	Basic Tax Compliance for Tax Professionals
	Sales Service Tax (SST) Latest Updates - Common Implementation
	Data Management with Pivot Table using Microsoft Excel
	Fast Track Excel Advanced
	Incident Investigation and Analysis Technique
	Malaysian Customs Procedures
	Strategic Procurement and Inventory Management System
	Understanding Benefits and Risks of Incoterms 2020
Soft Skills Training	Train The Trainer
	English Grammar Session
	Corporate Dressing & Personal Grooming
	Disciplinary Procedure
	Successful Project Scheduling Common Mistakes and How to Avoid Them
	Effective Business Presentations Tools with Power Point
	Interpersonal Communication & Logical Thinking Strategies
	Basics of Disciplined Agile

# SUSTAINABILITY STATEMENT

cont'd

## Employee Training and Development Programs in FY2024

Safety Training	ESG Awareness Training
	PPE Training
	Forklift Operators' & Safety Training
	Webinar Training Safety at Workplace
	Basic Occupational First Aid, CPR & AED
	Talk on Introduction to Hazard and Operability
	Sanitation Process
	Kesedaran Mengenai Risiko Pengurusan Gas Pembau
	Pengurusan Gudang & Inventori Yang Berkesan

## PERFORMANCE MANAGEMENT AND COMPENSATION

At Hextar, we firmly hold onto our principles of being result-driven, accountable, collaborative, and shared success to drive individual and team performance. In promoting a high-performance culture, we have implemented a systematic performance review process and measurement system which includes employees' Key Performance Indicators ("KPIs"). At the beginning of each year, we ensure expectations setting conversations are initiated. We conduct a year-end performance review for all employees, providing them with the opportunity to self-assess, provide feedback, engage in competency discussions, and receive necessary coaching and support. We recognise and celebrate achievements when one has demonstrated exceptional performance within their peer group, deliver high quality results and display outstanding behaviour, through bonuses and promotions. We aim to create a motivating and encouraging environment by offering competitive benefits and compensation packages that attract and retain top talents.

The following are amongst the benefits provided to our employees:

### Leave

- Annual leave, sick or hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave, sabbatical leave, child care leave, unpaid leave, hajj leave, and examination leave

### Medical

- Insurance coverage, health screening, and medical coverage

### Others

- Phone allowances, long service awards, employee education assistance, and employee's children education excellence awards

## OUR PERFORMANCE

### EMPLOYEE TRAINING HOURS

Employee Category	FY2024	FY2023	FY2022
Executives	2,997	1,958	2,753
Non-Executives	2,051	1,793	1,702

### AVERAGE TRAINING HOURS PER EMPLOYEE

Employee Category	FY2024	FY2023	FY2022
Executives	9.1	5.9	10.2
Non-Executive	5.4	4.2	3.5
Overall Average Training Hours per Employee	7.1	4.9	5.9



# SUSTAINABILITY STATEMENT

cont'd

## EMPLOYEE RETENTION AND ATTRITION

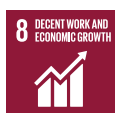
Hextar is proud to have a highly engaged workforce, which is reflected in the longevity of our employees' tenure. We are pleased to note that 14% of our executive employees has been with the Group for over 15 years.

In FY2024, Hextar had a voluntary turnover rate of 11% showing an improvement as compared to FY2023

Description	FY2024	FY2023	FY2022
New hire rates (no)	38	131	152
Turnover rates (%)	11%	14%	17%

## HUMAN RIGHTS

### Related UNSDGs:



### HUMAN RIGHTS AT HEXTAR

As a responsible organisation, Hextar is committed to protecting and respecting human rights across all our business operations. We believe that strong human rights practices coupled with fair and ethical treatment improves productivity and promotes a healthy working culture.

We support the United Nations Global Compact ("UNGC") Ten Principles, and the Universal Declaration of Human Rights. We also adhere to applicable laws and regulations in all our operating countries, which include but are not limited to Malaysia's Employment Act 1955 and Trade Union Act 1959; Singapore's Employment Act 1968; and Indonesia's Labour Law 2003.

Our commitment is reflected in the below policies to ensure that our approaches to human rights always meet, or at best, go beyond regulatory requirements.



#### Labour Rights Policy

To protect employee's human rights from the areas of forced labour, child labour and discrimination, with the inclusion of clear line of responsibilities for the Board, managers, supervisors and all employees.



#### Non-Discrimination Policy

To ensure that all employees are treated equally. Investigation will be conducted for any discrimination reported and disciplinary and corrective action will be taken, where appropriate.



#### Workplace Harassment Policy

To provide a safe, healthy and harassment-free working environment. Hextar has zero-tolerance to any form of harassment. Disciplinary measure will be taken for any breach of this policy.



#### Dispute Resolution Policy

To support prompt and fair resolution of all disputes of any nature. Employees should discuss any problems or concerns promptly with their immediate supervisor, or Head of Human Resource, if necessary, to resolve such issue.

# SUSTAINABILITY STATEMENT

cont'd

We have communicated to all our employees and workers about our grievance handling process and whistleblowing policy. Our whistleblowing channels offer employees a safe and confidential way to report anonymously of any violation of labour practices, disputes, and inappropriate behaviour. We guarantee the protection of the whistleblower's identity throughout investigation and all reports will be taken seriously.

Communication of our expectations on the above policies and codes of conduct are carried out on all employees during orientation programs and new recruits. We encourage open active communication between employees and Management with regards to these policies. These policies are available for reference at the Human Resource Department, or on our website at <https://www.hextarglobal.com/ir.php> in both English and Malay.

## HUMAN RIGHTS GOVERNANCE AND ACCOUNTABILITY

At Hextar, we recognize that respect for human rights is not just a legal obligation, but a fundamental value woven into the very fabric of our organization. We are committed to ensuring ethical practices and upholding the dignity and rights of all individuals throughout our operations and supply chain.

Recognizing the importance of labour rights in the chemical manufacturing industry, our Chemical Manufacturing division prioritizes responsible labour practices in alignment with the International Labour Organisation's ("ILO") Indicators of Forced Labour. We ensure fair wages and compensation, decent living quarters, and adequate training for all our workers, including foreign labourers, empowering them to perform their jobs safely and effectively.

## OUR PERFORMANCE

Maintaining ethical and responsible labor practices remains a priority at Hextar. Throughout 2024, we proudly achieved zero grievances related to living and working conditions involving our contractors' workers. This positive outcome reflects our ongoing efforts to promote fair treatment and ensure a safe and healthy work environment for all.

Description	FY2024	FY2023	FY2022
Number of substantiated complaints concerning human rights violations	0	0	0

Building upon this positive progress, we further strengthened our commitment by enhancing procedures for managing workers' accommodation. These comprehensive updates align with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. The improved procedures include:

- Regular inspections: Our team conducts regular inspections of worker accommodations to ensure they meet established standards for hygiene, safety, and overall quality.
- Engagement sessions: We actively engage with workers through regular feedback sessions to understand their needs and address any concerns related to their living conditions.

### Facilities provided for Workers at Our Hostels

Acceptable living conditions. Safe and comfortable accommodation with security facilities	Adequate supply of safe potable water
Safe and appropriate mode of transportation to and from work	Eating and food storage facilities in compliance with food hygiene requirements
Fire safety and prevention, first aid access and fire emergency procedures in place	Facilities such as kitchen, washing area, bathroom, laundry service, cafeteria, convenience store, sports facilities, assembly area and surau
Social and recreational activities	Helpline for emergency assistance

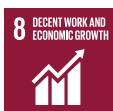
By prioritizing transparent communication, proactive inspections, and continuous improvement, we aim to contribute to a positive and respectful work environment for all individuals involved in our operations.

# SUSTAINABILITY STATEMENT

cont'd

## OCCUPATIONAL SAFETY AND HEALTH

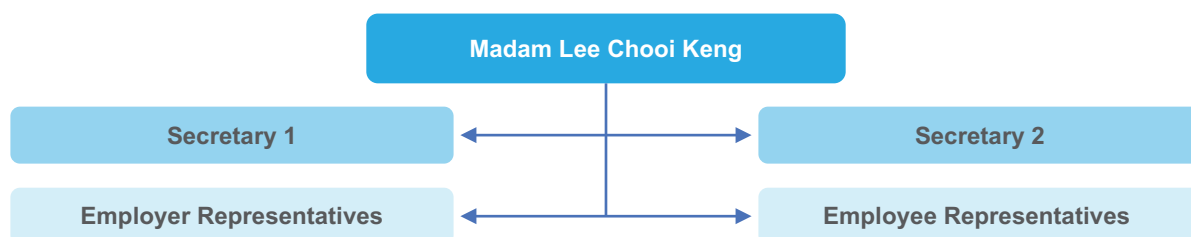
### Related UNSDGs:



At Hextar, we prioritise the health and safety of our employees and contractors in our business operations and workplaces. By ensuring a healthy, safe and conducive workplace, we aim to prevent injuries and illnesses among those working within our premises, which ultimately leads to increased efficiency and output.

In supporting SDG 3, we have established a Safety, Health and Environmental (SHE) Committee to develop, review and disseminate safety and health standards and procedures, monitor compliance with regulations, recommend corrective actions for potential hazards, and ensure continuous improvement throughout our operations. Leading the charge is our Group Managing Director, Madam Lee Chooi Keng, who chairs our dedicated Safety, Health, and Environmental (SHE) Committee to ensure that performance and directions are discussed at all levels.

Furthermore, we establish joint management-worker health and safety committees at our facility to enable workers from all levels to participate in discussing Occupational Health and Safety ("OHS") matters, including hazards identification, risk assessment, and idea contribution to manage or reduce risk levels.



### ADDRESSING SAFETY AND HEALTH

We are proud to announce that the Occupational Health and Safety Management System of our subsidiaries namely Hextar Chemicals Sdn Bhd, Chempro Technology (M) Sdn Bhd, Alpha Aim (M) Sdn Bhd and Hextar Kimia Sdn Bhd are certified with ISO 45001:2018. We are proud to announce that currently 50% of our manufacturing facilities are certified with ISO 45001:2018.

Our commitment to best practices is further solidified by our achievement of ISO 45001 accreditation for our facility, a testament to our robust occupational health and safety management system. We do not stop there, though. Through regular internal audits, we comprehensively assess our performance across various areas, including emergency preparedness, chemical and electrical safety, occupational injury and illness, storage safety, food hygiene, sanitation, and housekeeping. This proactive approach allows us to identify and address potential risks before they materialize, building a proactive shield around our employees' health and safety.

At Hextar, we firmly believe in fostering a strong safety culture, prioritizing the well-being of all our employees and stakeholders. We achieve this through several key initiatives:

#### 1. Collaborative Safety Committees:

- Joint management-worker committees: Convening quarterly, these committees empower workers of all levels to discuss:
  - ▶ Hazard identification
  - ▶ Risk assessment
  - ▶ Idea contribution for risk management

# SUSTAINABILITY STATEMENT

cont'd

## 2. Proactive Risk Management:

- Project life cycle integration: Robust risk management processes are embedded ensuring:
  - ▶ Early hazard identification
  - ▶ Continuous risk reduction
  - ▶ Enhanced health and safety management

## 3. Monthly Toolbox Meetings:

- Supervisor-led sessions: Engage workers in open discussions on:
  - ▶ Specific jobsite hazards
  - ▶ Safe work practices
  - ▶ Sharing near-miss experiences and learnings

## 4. Ongoing Communication and Training:

- Regular safety briefings, Induction training and other relevant training programmes, and awareness campaigns reinforce safe work practices and SHE policy awareness.



*Safety Meeting*



*Induction Meeting*



*Handling Forklift training on 25 May 2024*

At Hextar, we offer medical care to our employees, including mandatory health screening and annual health surveillance. We provide designated medical transport at our manufacturing sites to ensure easy access for employees to seek medical attention when necessary. Additionally, we provide health and safety training at the point of recruitment, on-the-job, and regular refresher training to employees. Our training programmes include both knowledge-based and skills-based training, covering topics such as emergency response, hazard and risk management, as well as health awareness. These programmes are reviewed on a regular basis to ensure their relevance.

By combining these measures, we cultivate a collaborative safety culture where everyone feels empowered to identify and address risks, contributing to a healthier and safer work environment for all.

# SUSTAINABILITY STATEMENT

cont'd

## SAFETY, HEALTH AND ENVIRONMENTAL POLICY

Our employees also guided by our SHE Policy as follows:

- 1 To provide safe and healthy working environment for the prevention of work-related injury and ill health to all workers, contractors and visitors
- 2 To comply with all relevant legal and other requirements
- 3 To eliminate hazards and reduce occupational health and safety risks associated with our operations
- 4 To encourage proactive involvement of all workers through consultation and participation for continuous improvement of occupational health & safety and environmental management

On top of the general SHE Policy above, we had also on 3 December 2021 introduced a Prevention and Eradication of Drug, Alcohol and Substance Abuse ("PEDAS") Policy to our people as follows:

- 1 **NOT** to possess, sell, trade or offer for sale illegal substances, or otherwise participate in the use of illegal drugs, alcohol, or other substance abuse while at work.
- 2 **DO NOT** report to work under the influence of illegal drugs or alcohol.
- 3 **DO NOT** use prescription drugs illegally at the workplace.

Furthermore, our all-encompassing Safety and Health Policy extends its protective shield to all employees, contractors, and external stakeholders. Aligned with regulations like the Occupational Safety and Health Act 1994 (OSHA 1994), the Factories and Machinery Act 1967 (FMA 1967), and the Environmental Quality Act 1974 (EQA 1974), this policy serves as an unwavering commitment to creating a safe haven for everyone within and around our operations.

The employee must report or seek clarification with the supervisor if any illegal use of drug is found at the workplace. The PEDAS Policy is also published on our Company website at <https://www.hextarglobal.com/ir.php>.

## OUR PERFORMANCE

### HEALTH AND SAFETY TRAININGS

As a safety-centric organization, we strive to empower our people with a strong knowledge base of HSE best practices. Through regular communication and training, we aim to cultivate a safety-first culture and prevent occupational health and safety risks.

Training programmes cover areas relevant to on-site safety, such as emergency response, first aid, chemical management, amongst others. In FY2024, a total of 255 participants were given various trainings on health and safety standards.

Number of employees trained on health and safety standard.

Description	FY2024	FY2023	FY2022
Executives	99	50	75
Non-Executive	156	64	108



# SUSTAINABILITY STATEMENT

cont'd

## WORK-RELATED INJURIES (EMPLOYEES)

Description / Years	FY2024	FY2023	FY2022
Hours Worked	1,060,965	1,050,185	1,208,015
Work Related Injuries	0	3	2
Lost Time Incident Rate	0	0.57	0.33
Work Related Fatalities	0	0	0

Hextar's ultimate goal is to ensure all workers return home safely each day. We strive for zero fatalities annually by actively preventing and minimizing workplace incidents. In FY2024, we are proud to note that we achieved our goal of having zero incidences of reported injuries.

## WORK-RELATED INJURIES (CONTRACTORS)

Description	FY2024	FY2023	FY2022
Work Related Injuries	0	0	0
Work Related Fatalities	0	0	0

Under our stringent control on occupational safety and health affairs in Hextar Group, we are pleased to inform that we have successfully achieved our goal of having zero incidences of fatalities for contractors providing services to Hextar.

## EFFECTIVE MANAGEMENT OF CHEMICALS

Due to the use of chemicals and hazardous materials in our operations, employees required to handle such substances and chemicals must undergo the relevant training thus are equipped with appropriate PPE, the use of which is compulsory within the designated work areas. PPE includes, but not limited to Full-face Respiratory Mask, chemical protective gloves to protect hands, chemical protective clothing and safety boots.

Based on Hextar's OSH Procedures – Chemical Handling, personnel handling hazardous chemicals are trained on:

- Handling of chemicals and spillage control
- Use of suitable fire extinguisher
- Suitable clean up kit
- Relevant work instruction established



*Chemicals handling & spillage control training at Pulau Indah factory*

All chemicals are also clearly labelled as per Occupational Safety and Health Regulations. In the event of any spillage or leakage incidents, we have a chemical spillage and leakage response procedure in place and Emergency Preparedness Response Committee members who have undergone the necessary training and are on standby, which has been sub divided into Fire Fighting, Rescue, First Aid Team and 5S Team. Each team will consist of representatives from the Management and staffs or production operators. A management staff is appointed by General Manager to lead each team.

# SUSTAINABILITY STATEMENT

cont'd

## ADDRESSING GLOBAL HEALTH ISSUES

We tackle workplace health concerns and broader global health challenges. Engaging employees and communities through awareness campaigns, sanitation drives, regular testing, vaccinations, fogging and promoting responsible behaviour to curb transmission helps prevent and control COVID-19, HIV/AIDS, tuberculosis, malaria and dengue.

## COMMUNITY CONTRIBUTION

### Related UNSDGs:



We firmly believe that fostering a positive relationship between businesses and communities promotes better social inclusion, and creates tangible and favourable outcomes in the long run. At Hextar, we strive to be a responsible corporate citizen by giving back to the surrounding communities in which we operate, through our community engagement and impact programmes, with a focus on education and social welfare. By investing in education, we aim to nurture local talent to provide them with opportunities to reach their full potential. We are confident that by empowering and supporting exceptional individuals within the communities, we will contribute to forming a high-quality talent pool that will not only benefit Build Up in the near term but also serve as future leaders of organisations. Additionally, we are convinced that our contributions towards the betterment of local communities through welfare-related initiatives will strengthen our relationship with them.

## HEXTAR FOUNDATION

At Hextar, we believe that forging strong partnerships with our communities fosters social inclusion and creates lasting positive impact. Guided by this principle, the Hextar Foundation serves as our dedicated platform for giving back, focusing on three key areas:

**Empowering Underprivileged Children:** We recognize the importance of investing in the future generation. Through various initiatives, we provide opportunities for underprivileged children, granting them the tools and resources to reach their full potential. This includes educational support, access to essential services, and programs that nurture their talents and aspirations.

**Cultivating Educational Excellence:** We believe education is the cornerstone of individual and community development. Through scholarships, infrastructure development, and technology integration within schools, we strive to enhance the educational landscape in our communities. This ensures children have access to quality education, equipping them with the knowledge and skills necessary for a bright future.

**Promoting Sports and Health:** We understand the vital role that physical activity and well-being play in shaping healthy and vibrant communities. By supporting sports programs, providing access to healthcare facilities, and promoting healthy lifestyle initiatives, we aim to empower individuals of all ages to lead active and fulfilling lives.

These core areas of focus demonstrate Hextar's unwavering commitment to community development and social responsibility. By investing in our communities, especially the younger generation, we believe we are building a stronger, healthier, and more prosperous future for all.

# SUSTAINABILITY STATEMENT

cont'd

## EMPLOYEES ENGAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY IN 2024

Hextar recognizes the importance of employee engagement, fostering a positive working environment and driving organizational success. Throughout FY2024, we actively engaged our employees through various initiatives including Group Events and Training & Development:

### Food Basket

Throughout 2024, we continued our commitment to supporting the community by providing food baskets to 10 families each month. This initiative successfully ensured consistent access to essential groceries, reinforcing our dedication to social responsibility.



### Buka Puasa Program at Masjid Kg Pandamar

Hextar's 'Buka Puasa' program was successfully held on March 15, 2024, at Masjid Kg Pandamar, Klang, with 70 participants.





# SUSTAINABILITY STATEMENT

cont'd

## Hextar Blood Donation Campaign

Hextar proudly supported the Blood Donation Campaign, contributing to life saving efforts and community well-being. Our consistent commitment to blood donation ensures a readily available supply, saving countless lives.



## Gotong Royong Event

In 2024, ESG Warriors from across Hextar came together for a Gotong Royong event at our Lot 5, Pulau Indah Factory. Beyond cleaning, the initiative strengthened teamwork, fostered connections, and reinforced our shared commitment to sustainability and community spirit.



# SUSTAINABILITY STATEMENT

cont'd

SPASTIC – Walk Jog Wheel A-thon	<p>Hextar proudly participated in the 29th Annual Charity Walk-Jog-Wheel-a-Thon at Dataran Merdeka on November 17, 2024. This event is an annual charity walk and jogathon with the disabled with the effort to raise funds for all participated NGOs in this event. With 70 Hextarians joining various runs, we celebrated inclusivity and community spirit for the third consecutive year. It was organized by Spastic Children's Association of Selangor &amp; Federal Territory.</p>
	  
Karnival Bandaraya, Kompleks Sukan Pandamaran	<p>Hextar and Halex are proud sponsors of the Karnival Bandaraya at Kompleks Sukan Pandamaran from October 25-27, 2024.</p>
POLTERA – Persatuan Kebajikan Keluarga Bekas Polis dan Tentera	<p>On 30 January, 2024, Chempro, a subsidiary of HGB, contributed to POLTERA – Persatuan Kebajikan Keluarga Bekas Polis dan Tentera, supporting the well-being of veteran families and honoring their service.</p>
Montfort Youth Centre	<p>On 21 February, 2024, Chempro extended its support to Montfort Youth Centre, empowering underprivileged youth through education and skill development.</p>
The Salvation Army	<p>On 21 February, 2024, Chempro contributed to The Salvation Army, supporting their mission to uplift communities in need.</p>
Montfort Boys Town	<p>On 24 May, 2024, Chempro, contributed to Montfort Boys Town, supporting the education and skill development of underprivileged youth.</p>
Selangor and Federal Territory Association	<p>On 19 July, 2024, Chempro contributed to the Selangor and Federal Territory Association for the Mentally Handicapped, supporting the well-being and development of individuals with special needs.</p>
Yayasan WWRC	<p>On 31 July, 2024, Chempro contributed to Yayasan WWRC, supporting their mission to create positive social impact and community well-being.</p>
Little Sisters of the Poor	<p>On 13 and 31 August, 2024, Chempro contributed to Little Sisters of the Poor, supporting their dedication to caring for the elderly in need.</p>



# SUSTAINABILITY STATEMENT

cont'd

<p>Pertubuhan Orang Cacat Penglihatan Malaysia</p>	<p>On 4 October, 2024, Chempro contributed to Pertubuhan Orang Cacat Penglihatan Malaysia, supporting the visually impaired community in their empowerment and well-being.</p>
<p>Sponsorship - Malaysian paragliding team</p>	<p>Hextar Kimia, a subsidiary of HGB, proudly sponsored the Malaysian Paragliding Team for the 8th Thailand Paragliding Accuracy ASEAN Friendships Open (FAI CAT 2) and the Paragliding Accuracy World Cup 2024 in Nongkhai, Thailand. We are honored to support these talented athletes as they showcase their skills on the international stage.</p> <div data-bbox="464 667 930 969">  </div> <div data-bbox="959 667 1430 969">  </div> <div data-bbox="633 999 1265 1301">  </div>
<p>Financial contribution for Sekolah Kebangsaan Kampung Melayu Kerteh</p>	<p>Hextar Kimia provided financial support to SK Kampung Melayu Kerteh for their school beautification and facility improvement project, enhancing the learning environment for students.</p> <div data-bbox="464 1451 930 1753">  </div> <div data-bbox="959 1451 1430 1753">  </div> <div data-bbox="464 1783 930 2085">  </div> <div data-bbox="959 1783 1430 2085">  </div>

# SUSTAINABILITY STATEMENT

cont'd

Zakat Wakalah - Pusat Jagaan Anak Kesayangan Kami in Miri.

Hextar Kimia contributed to Pusat Jagaan Anak Kesayangan Kami in Miri, supporting facility enhancements and resources to ensure the children receive the care and support they deserve.



Zakat Wakalah - Donated air conditioners to the Musalla at SMU (A) Mehelih in Geting, Tumpat, Kelantan

Hextar Kimia donated air conditioners to the Musalla at Sekolah Menengah Ugama (Arab) Mehelih in Geting, Tumpat, Kelantan. This contribution aims to create a more comfortable and conducive environment for prayer and learning.





# SUSTAINABILITY STATEMENT

cont'd

Zakat Wakalah - Surau Al-Falah, located at Sekolah Menengah Teknik Kuala Lumpur.

Hextar contributed to Surau Al-Falah at Sekolah Menengah Teknik Kuala Lumpur. Beyond material support, this initiative aims to inspire students with kindness and provide them with a conducive space for prayer and personal growth.



Sponsorship - Malaysian Paragliding Team

Hextar Kimia proudly sponsored the Malaysian Paragliding Team at the Paragliding Accuracy World Cup Superfinals 2024. The team achieved an outstanding #First Place in the Teams category and an impressive #Second Place in the Individual Overall category. We remain committed to supporting excellence in sports and congratulate the team on becoming World Champions for the first time.

Sponsorship & CSR - "PTPTN Run 2024" Organized by KoPPZ

Hextar Kimia proudly sponsored and supported the 'PTPTN Run 2024' organized by KoPPZ. Aligned with our commitment to corporate social responsibility, we are honored to contribute to initiatives that promote healthy living and foster a spirit of togetherness.



# SUSTAINABILITY STATEMENT

cont'd

Zakat Wakalah & CSR -  
SMK Kijal

Hextar Kimia contributed to Sekolah Menengah Kebangsaan Kijal, reinforcing our commitment to supporting the educational needs of the community.



Zakat Wakalah & CSR -  
SK Kijal

Hextar Kimia contributed to Sekolah Kebangsaan Kijal, reaffirming our commitment to supporting the educational needs of the community.



Zakat Wakalah & CSR  
- Contribution for school  
KAFA Raudhatul Ilmi,  
Kampung Wallace Bay,  
Pulau Sebatik, Tawau,  
Sabah

Hextar Kimia contributed to KAFA Raudhatul Ilmi in Kampung Wallace Bay, Pulau Sebatik, Tawau, Sabah. This initiative aims to enhance the comfort and usability of the space, providing students and the community with a more conducive environment for prayer and learning.

# SUSTAINABILITY STATEMENT

cont'd

<p>Sponsorship - Thirteen Rhino Rugby Club, SK Seksyen 13, Shah Alam for their team jerseys and rugby equipment</p>	<p>Hextar Kimia proudly sponsored Thirteen Rhino Rugby Club at SK Seksyen 13, Shah Alam, providing team jerseys and rugby equipment. This sponsorship supports the development of young athletes while strengthening our community engagement and corporate presence.</p>   
<p>Badminton Matches</p>	<p>In an exciting display of skill and sportsmanship, Hextar engaged in three friendly badminton matches with Rubberex, JCI Bandar Klang and Opcom. It was a 1 – 2 win for Hextar, with our win against Opcom and losses against Rubberex and JCI Bandar Klang.</p>

## CONTRIBUTION TO COMMUNITY

### Community Performance Data

Description	FY2024	FY2023	FY2022
Total amount invested in the communities	RM85,903	RM126,376	RM52,062
Total number of beneficiaries of the investment in communities	11,105	5,460	294

Hextar recognises the importance to practise exemplary CSR initiatives and be on the line of globally sustainable development contribution. Moving forward, we are committed to :-

- Making social and environmental conscious investments
- Decreasing carbon footprints and climate change
- Adjusting corporate policies for environmental benefits
- Engaging in charity and volunteer activities within our community



# SUSTAINABILITY STATEMENT




cont'd

## CORPORATE GOVERNANCE

### GOOD GOVERNANCE AS FOUNDATION FOR A SUSTAINABLE HEXTAR

At Hextar, we recognize that strong governance is not just a compliance obligation, but the bedrock of our long-term success. By upholding ethical and transparent practices, we not only build trust with investors and stakeholders but also create an environment that fosters sustainable growth and unlocks new opportunities.

In this section, we delve into the robust governance framework that guides our operations. We unveil the policies and practices that ensure ethical decision-making, responsible conduct, and unwavering commitment to compliance. It is through these frameworks that we create a solid foundation for economic prosperity, attracting and retaining talent, and ultimately, shaping a future where success goes hand-in-hand with ethical responsibility

	<p><b>Corporate Code of Conduct &amp; Ethics (“Code”)</b></p> <ul style="list-style-type: none"> <li>Employees are required: -           <ul style="list-style-type: none"> <li>To act honestly and legally at all times;</li> <li>To avoid any conducts that could risk or damage the Group’s reputation;</li> <li>To ensure confidentiality of the Group’s information; and</li> <li>To avoid personal interest being ahead of the Group’s interest.</li> </ul> </li> <li>All applicable laws, rules and regulations must be adhered to accordingly.</li> <li>Any conflict of interest must be avoided/ disclosed promptly.</li> <li>Disclosure of confidential information to unauthorised personnel and insider trading are strictly prohibited.</li> <li>All employees must not engage in any fraudulent or dishonest activity.</li> <li>Discrimination and harassment in workplace are prohibited.</li> </ul>
	<p><b>Anti-Bribery and Corruption Policy (“ABCP”)</b></p> <ul style="list-style-type: none"> <li>As per the Malaysian Anti-Corruption Commission Act 2009 and the Guidelines on Adequate Procedures issued by the Prime Minister’s Department, the ABC Policy was introduced as part of the Group’s commitment to good corporate governance and to eradicate any form of bribery and corruption.</li> <li>The Group has zero-tolerance against all forms of bribery and corruption.</li> <li>The Group is committed to acting professionally, fairly and with integrity in all business relationships and dealings.</li> <li>Head of Compliance Unit in the Group, Abdul Wahid Bin Abu Bakar has been recognized and commissioned as Certified Integrity Officer (CeIO) by Malaysian Anti-Corruption Academy.</li> <li>Due diligence shall be conducted before entering into any formalised relationship.</li> <li>“No Gift” policy is implemented.</li> <li>Facilitation payments are strictly disallowed.</li> </ul>
	<p><b>Whistle Blowing Policy</b></p> <ul style="list-style-type: none"> <li>To make report for any suspected and/or known fraud or unethical/improper conducts.</li> <li>For every disclosure made in good faith, all concerns or complaints raised will be treated fairly and with confidentiality in order to protect the whistleblower.</li> <li>The whistleblowing policy has been made aware to all employees under Hextar through mandatory orientation programme which were attended by all employees.</li> <li>Investigation will be conducted and appropriate disciplinary actions will be undertaken, if applicable. For year under review, we recorded zero whistleblowing case.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd



## Supply Chain Policy

- The policy acts as a best practice approach to sustainable procurement and sets out the guiding principles in our supplier selection process, which prioritizes suppliers who adopt sustainability practices in their organizations and business dealings especially in the area of :-
  - (1) Energy use
  - (2) Climate change
  - (3) Water use
  - (4) Biodiversity impacts
  - (5) Pollution
  - (6) Waste reduction
  - (7) Resource use
- Hextar's suppliers are expected to comply with all applicable laws, codes or regulations of the countries, states and localities in which they operate.
- Suppliers must also ensure that their own vendors, including temporary labour agencies, are in compliance with such laws and regulations. They must also align their practices with any published standards for their industry.

All the above policies are published on our website at <https://www.hextarglobal.com/ir.php> and are communicated to the employees through various programs and trainings. During FY2024, no employees had been disciplined or dismissed, no contracts with suppliers or customers being terminated, nor have any public cases been brought against Hextar and its employees due to non-compliance with our Code, ABCP and/or any laws and regulations. Thus, no fines, penalties or settlements were imposed or made during the year.

Whilst maintaining sound corporate governance, we also perform annual risk assessments to identify, evaluate and mitigate material risks that may result in significant adverse impact to our business operations. Risk Management Committee is responsible to oversee the Group's risk management process in order to protect our shareholders' investment, stakeholders' interests as well as the Group's assets. Our risk management and internal controls system is detailed in the Statement on Risk Management and Internal Control in this Annual Report.

## ANTI-BRIBERY AND CORRUPTION (ABAC)

### Related UNSDGs:



Hextar upholds high standards of business ethics and compliance across the Group as a reflection of our zero-tolerance policy towards corruption and bribery, encompassing all forms of unethical conduct such as kickbacks, fraud, money laundering, and facilitation payments. This policy applies to all board members, employees, and stakeholders, ensuring a unified front against corruption. This is crucial for us to protect the interests of both the business and stakeholders while building trust and reinforcing confidence of our stakeholders in us.

### CODE OF ETHICS & CONDUCT, ANTI BRIBERY & CORRUPTION POLICY AND WHISTLE BLOWING POLICY

The Board and senior management remain committed to conducting business with integrity, guided by our Code of Ethics and Conduct, which communicates Hextar's fundamental principles and guidelines to all employees, including Directors in addressing ethical issues and carrying out their responsibilities. The Group's zero tolerance stance against corruption is outlined in our Anti-Bribery and Corruption ("ABC") Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

# SUSTAINABILITY STATEMENT

cont'd

All new joiners undergo an induction programme where they are required to familiarise themselves with the Group's Code of Ethics and Conduct, ABC Policy, and other accompanying policies and procedures. Once they have completed the induction, all employees are required to sign a declaration form to abide by the policy and the relevant laws. Our suppliers are also subject to ethical conduct and anti-bribery and corruption guidelines as entailed within the ABC Policy. All suppliers will need to sign a declaration form indicating their agreement to abide by the guidelines and policies set forth by Hextar in their business dealings.

Hextar has established a dedicated whistleblowing channel under the Whistleblowing Policy, which allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The Group has made our CoC, ABC Policy and Whistleblowing Policy available on our corporate website and company intranet to ensure they are accessible to all stakeholders.

## OUR APPROACH

We actively implement comprehensive risk management processes to mitigate potential bribery and corruption risks. This includes:

- Regularly reviewing and updating our Anti-Bribery and Corruption Policy to align with evolving regulations and best practices.
- Providing mandatory anti-corruption training to all employees, including Board members, during onboarding and periodically thereafter. This training equips them with the knowledge and tools to identify and report potential risks.
- Establishing clear reporting mechanisms through whistleblowing channels, allowing employees and stakeholders to confidentially report suspected unethical behavior. We ensure these channels are accessible and protected from retaliation.
- Conducting comprehensive risk assessments to identify potential bribery and corruption risks across our operations, particularly in high-risk areas. This includes assessing the risk associated with intermediaries, contractors, and agents.
- Clearly communicating our Anti-Bribery and Corruption Policy to all stakeholders, including business partners, contractors, and subcontractors. We also share our expectations regarding ethical conduct and compliance with relevant regulations.
- Enforcing our Code of Conduct through disciplinary measures for violations, demonstrating our serious commitment to upholding ethical standards.
- Regularly reviewing our ethical culture through surveys, focus groups, and assessments to identify areas for improvement and ensure our policies and practices are effective.

## OUR PERFORMANCE

### Corruption risk assessment

In FY2024, we have undertaken a bribery and corruption risk assessment that covers our operations and various stakeholder groups. There were zero cases of corruption across the Group and all management level employees have completed the necessary anti-corruption training. Given that non-executive employees and general workers have limited involvement in our decision-making processes, we prioritised anti-corruption training for our management and executives and have managed to get all non-executives to sign an employee declaration that they will abide with our policies and will not participate in any forms of corruption or bribery.

Description	FY2024	FY2023	FY2022
Percentage of operations that underwent corruption risk assessments	100%	67%	55%

# SUSTAINABILITY STATEMENT

cont'd

## Corruption-related training

All employees have completed the necessary training in FY2024. Additionally, employees are required to complete a staff declaration form to indicate compliance with our existing Anti-bribery and Corruption policy.

Employee Category	Attended ABC Awareness Training (%)		
	FY2024	FY2023	FY2022
Executive	100%	94%	96%
Non-Executive	100%	29%	5%

## Corruption incidents

We are proud to report that in FY2024, we had zero cases of Anti-Bribery and Corruption reported across Hextar Global Berhad's business operations. This achievement serves as a testament to the effectiveness of our risk management frameworks and the unwavering commitment of our employees and stakeholders to uphold ethical conduct. We aim to maintain zero incidents of corruption across our operations in FY2025.

Description	FY2024	FY2023	FY2022
Number of confirmed corruption incidents	0	0	0

As part of our commitment to ethical conduct, Hextar integrates comprehensive Anti-Bribery and Corruption (ABC) training into the new employee orientation process. This ensures all employees receive crucial knowledge and understanding of responsible business practices from the outset.



*Anti Bribery & Corruption Training at Hextar's Corporate office in July 2024*



*Anti Bribery & Corruption Training at Hextar's Corporate office in Kota Bayuemas, Klang in November 2024*

We recognize that the fight against corruption is an ongoing battle. We remain committed to continuously strengthen our anti-corruption program and foster a culture of integrity throughout our organization. By prioritizing ethical business practices, we believe we can contribute to a more transparent and responsible business environment for all.

# SUSTAINABILITY STATEMENT

cont'd

## ECONOMIC PERFORMANCE

### Related UNSDGs:



Hextar's financial performance supports the creation of long-term value and the Group's sustainability agenda. We are mindful of our responsibilities to create decent employment opportunities and promote economic development within the local communities. Our ultimate goal is to ensure long-term resilience by leveraging our assets and sharing the generated wealth with our stakeholders.

Hextar's approach to sustaining and achieving good economic performance is by executing our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, pursuing technological advancement, mitigating identified risks relevant to our business as well as pursuing market expansion through diversification into new geographies.

### FINANCIAL PERFORMANCE

#### REVENUE

**RM918.3  
million**

FY2023: RM669.0 million  
FY2022: RM594.9 million

#### GROSS PROFIT

**RM248.3  
million**

FY2023: RM203.6 million  
FY2022: RM171.3 million

#### PROFIT AFTER TAX

**RM71.7  
million**

FY2023: RM67.7 million  
FY2022: RM59.0 million

This year, the Group recorded a total revenue of RM918.3 million, with the majority of revenue derived from our Specialty Chemicals division in Malaysia. Hextar continuously generates wealth for our stakeholders, as shown above.

In spite of the soaring raw material prices due to global supply chain disruption, our economic resilience is proven as Specialty Chemicals segment experienced remarkable growth, fuelling our upward revenue trajectory.

With our current business strategies to create synergy across various business segments within the Group and venturing into new business segments via acquisitions, we are optimistic that the corporate exercises cost incurred now will in turn to be a great return to the Group in near future.

Further analysis on the financial performance for FY2024 can be referred to Management Discussion and Analysis ("MD&A") section in this Annual Report.



# SUSTAINABILITY STATEMENT

cont'd

## REWARDING SHAREHOLDERS

At Hextar, we believe in rewarding our shareholders for their continued trust and support, while concurrently aligning these actions with our Environmental, Social, and Governance (ESG) principles. Responsible and transparent shareholder engagement is a cornerstone of good governance, fostering long-term value creation and trust within the financial ecosystem. By sharing our success through dividends and bonus issues, we empower our shareholders to be active participants in our sustainable journey. This reinforces our commitment to long-term growth and shared prosperity, ultimately contributing to a more sustainable future for all.

Furthermore, our approach to rewarding shareholders extends beyond mere financial returns. We are committed to aligning compensation with sustainability goals, incentivizing both management and employees to prioritize sustainable practices and achieve tangible ESG outcomes. This ensures that financial success is pursued hand-in-hand with environmental and social responsibility.

Our commitment to ESG extends beyond financial incentives. Recognizing its critical impact on long-term success and value creation, our Board of Directors actively oversees the implementation and progress of our ESG initiatives. Their dedication ensures that ESG considerations are embedded in all decision-making processes, aligning our goals with the expectations of our stakeholders and broader society.

At Hextar, we firmly believe in rewarding our shareholders for their continued trust and support. We strive to achieve this through two primary methods: bonus issues and dividend distributions.

### DIVIDEND DISTRIBUTION:

We understand the importance of regular dividend payments as a sign of the Group's success and future potential. In FY2024, we declared two (2) interim single-tier dividends of 0.5 sen per ordinary share and 0.8 sen per ordinary share amounted to a total of RM50.4 million.

We wish to express our utmost gratitude to our shareholders for their long-term support.

## QUALITY ASSURANCE AND PRODUCT RECOGNITION

### Related UNSDGs:



At Hextar, we believe that product quality and positive brand recognition are intertwined, forming the foundation of our market presence and commitment to delivering value to our customers. With the expansion into new business segments, we now offer a diverse range of products across three major categories:

### AGROCHEMICALS

Hextar stands out as a leading player in the agrochemical industry, recognized for its extensive brand awareness and diverse product portfolio. We offer over 600 branded agrochemicals, including herbicides, insecticides, fungicides, and more, serving over 30 countries worldwide. Transparency is paramount, with all our products labeled with accurate information and chemical contents, adhering to relevant regulations and guidelines.

# SUSTAINABILITY STATEMENT

cont'd

## SPECIALTY CHEMICALS

Hextar now offers specialty chemicals catering to various industries, including institutional, food & beverage, and industrial sectors. Our subsidiary, Chempro provides cleaning products like detergents, sanitizers, and coatings, while Nobel and Tufbond specialize in synthetic latex polymers for paints, coatings, and textiles. We actively launch new products like fog sanitizers, industrial polymers, and chlorinated cleaners, demonstrating our commitment to continuous innovation.

## FRUITS

Hextar Fruits, our subsidiary, manages a durian plantation and exports high-quality durian to international markets. We are committed to enhancing our product variety and expanding our market presence across all segments to ensure sustainable growth.

We are committed to continuous improvement in all aspects of our operations, including product quality, sustainability, and customer satisfaction. We actively seek feedback from stakeholders and utilize it to refine our processes and product offerings.

As we move forward, we remain focused on delivering high-quality, innovative products that meet the evolving needs of our customers. We will continue to invest in research and development, expand our product portfolio, and maintain our commitment to ethical and sustainable practices.

## MASTERING QUALITY

As a manufacturer of agrochemicals, specialty chemicals and trading and processing of fruits, we deeply understand that the quality and safety of our products is of utmost importance. It is our responsibility to ensure that we deliver high-quality products to our customers whilst all relevant requirements and regulations are closely adhered to.

Our agrochemical products are registered with and regulated by the Malaysia Pesticide Board under the Pesticides Act 1974 and other relevant international boards. On top of industrial compliances, we also comply to the following general standards for a more stringent quality control: -

	<p><b>International Organisation for Standardisation ("ISO")</b></p> <ul style="list-style-type: none"> <li>• ISO is a worldwide standard to ensure the products and services are safe, dependable and of high quality.</li> <li>• Our products across various segments, including agrochemicals, specialty chemicals and tissue papers are ISO certified.</li> <li>• A minimum of annual review will be carried out by the certification authority to ensure that our compliance and production standards are satisfactory.</li> </ul>
	<p><b>Good Manufacturing Practice ("GMP")</b></p> <ul style="list-style-type: none"> <li>• GMP governs the manufacturers, processors, and packagers of drugs, medical equipment, blood, and certain foods to ensure that the products are in safe, pure, and effective conditions.</li> <li>• Our consumer hygiene products are GMP regulated and certified. This has proven that our relevant products are reliable both in quality and safety.</li> </ul>
	<p><b>Forest Stewardship Council ("FSC")</b></p> <ul style="list-style-type: none"> <li>• FSC is an original pioneer of forest certification body that promote environmentally appropriate, socially beneficial and economically viable management of forests.</li> <li>• With FSC certification, our products are certified to be using sustainable raw materials and we are contributing in shifting the global forest trend towards sustainable use, conservation, restoration, and respect for all.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

In our efforts to achieve the highest quality standard of products and services, we have obtained the following accreditations: -

Entity		Scope of Accreditation
Agriculture	Halex (M) Sdn Bhd	<b><u>ISO 9001:2015</u></b> Formulation, manufacture and repacking of Herbicides, Fungicides, Insecticides, Fertilizers and Agrochemicals
	Hextar Chemicals Sdn Bhd	<b><u>MS ISO 9001:2015</u></b> Manufacture, formulate, repacking and marketing of agricultural and industrial chemicals  <b><u>ISO 45001:2018</u></b> Manufacture, formulate, repacking and marketing of agricultural and industrial chemicals
	Hextar R&D International Sdn Bhd	<b><u>MS ISO/IEC 17025:2017</u></b> Accredited laboratory
Speciality Chemical	Hextar Kimia Sdn Bhd	<b><u>ISO 9001:2015</u></b> Corporate support services for supply and delivery of chemicals  <b><u>ISO 14001:2015</u></b> Corporate support services for supply and delivery of chemicals  <b><u>ISO 45001:2018</u></b> Corporate support services for supply and delivery of chemicals
	Chempro Technology (M) Sdn Bhd	<b><u>ISO 9001:2015</u></b> Development, manufacture and marketing of specialty chemicals  <b><u>ISO 45001:2018</u></b> Development, manufacture and marketing of specialty chemicals  <b><u>SIRIM ECO 003:2004</u></b> Biodegradable cleaning agents  <b><u>Certification of Authentication Halal</u></b> Several cleaning agents, softeners and conditioners

## RESEARCH AND DEVELOPMENT

In Hextar Group, we have our Hextar R&D International Sdn Bhd ("Hextar R&D") to act as the Group's backbone for product research and development, testing as well as formulation and licenses registration. Thanks to our passionate team in Hextar R&D, we are capable of improving existing products and develop new products to meet the ever-changing market demands.

Hextar Biogas BEE Sdn Bhd ("Hextar Biogas BEE") had also performed R&D on the usage of enamel coated steel and explore cooperation opportunities for the investment in biogas engineering projects.

# SUSTAINABILITY STATEMENT

cont'd

## Usage of Enamel Coated Steel

Manufactured by ceramic glaze layers fired on both sides of a steel plate at high temperatures, the enamel coated steel has the advantage of corrosion resistance, acid and alkali resistance as well as long useful life.

Despite of its numerous advantages, it is only being used as a fermenter currently in Malaysia. We are exploring the possibilities to utilize enamel coated steel in water storage for public use and palm oil storage for industrial use.



We are exploring cooperation opportunities with palm oil mills with proper management, stable production and stable demand in energy consumption to participate in biogas engineering project. We see great potential in the biogas engineering project as it generates renewable energy that is environmentally friendly and it shall yield good returns to the Group in the event of success.

In our specialty chemicals segment, we conduct R&D on our products continuously to extend and improve our product range in order to meet various ever-changing market demands. Notably, we are working towards SDG Target 8.2 through the innovation of 'Sustainable with Environmentally Efficient Transfer' ("SwEET") method in our liquid chemical transfer process. With this SwEET method, nitrogen gas via portable nitrogen gas cylinder is utilized to power the air driven pump for the transfer of liquid chemical between two storage tanks in a closed cycle flow. This method will result in zero emission of chemical vaporization during the liquid chemical transfer process. It can also be used at customer's remote chemical (gas odorant) refilling station without using compressed air that requires electricity power supply to generate the mobile air compressor unit.



## SUPPLY CHAIN MANAGEMENT

### Related UNSDGs:



Hextar is dedicated to promoting responsible procurement practices and enhancing our supply chain resilience by incorporating sustainability elements throughout our procurement lifecycle. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. To achieve this, we prioritise sourcing from local suppliers and providing business opportunities to small and medium enterprises ("SMEs") contractors, improving their livelihoods. We ensure that our sustainability expectations pertaining to procurement practices are extended to our suppliers, which include contractors, service providers, and consultants.

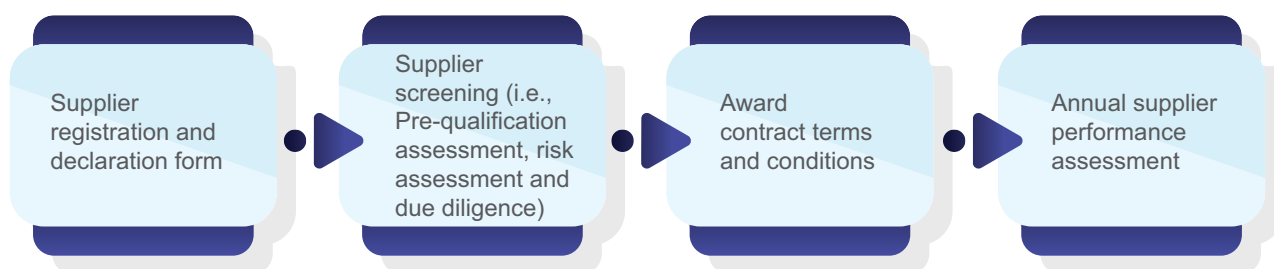
### SUPPLY CHAIN POLICY

All of our suppliers are required to adhere to Hextar's Supply Chain Policy which encompasses our principles and guidance for sustainable procurement practices. This policy entails suppliers' adherence to Hextar's ethical business practices, including zero corruption, minimising environmental impacts and safeguarding employees' and workers' rights. This policy should be read together in conjunction with our ESG Policy and Anti Bribery and Corruption Policy, all of which can be accessed through our corporate website.

# SUSTAINABILITY STATEMENT

cont'd

We are committed to ensuring that our procurement practices are fair and transparent in order to award tenders to the most credible suppliers while also collaborating with socially and environmentally conscious suppliers. We have adopted a procurement system that allows suppliers to efficiently undertake the following procurement processes:



Recognizing the importance of responsible sourcing, Hextar integrates sustainability elements throughout its entire procurement process, from the initial registration of suppliers to the annual performance assessment. This commitment extends beyond simply meeting operational needs as we also prioritize sourcing products and services locally whenever possible. This practice not only contributes positively to the local economy but also minimizes our carbon footprint through reduced transportation requirements.

In 2024, we further elevated our sustainability efforts by introducing a comprehensive "Sustainability Supply Chain Survey." This mandatory survey, completed by all new and existing suppliers, assesses their practices against our defined sustainability criteria, focusing on ethical dealings, health and safety, environmental management, and adherence to human rights principles. By making this assessment part of our evaluation process, we aim to drive awareness and encourage responsible sourcing practices throughout our entire supply chain.

Following the assessment, we categorize our suppliers based on their level of sustainability maturity. This enables us to tailor support and resources to each supplier, helping them embrace sustainable sourcing principles and build a more resilient and responsible supply chain for the future.

This combined approach, encompassing local procurement and comprehensive sustainability assessments, ensures that Hextar not only meets its operational needs but also contributes to a more sustainable and ethical business environment for all stakeholders.

## OUR PERFORMANCE

Description	Target FY2024	Actual FY2024
Percentage of new suppliers that were screened using environmental criteria	50%	70%
Number of suppliers assessed for environmental impacts	80%	82%
Percentage of new suppliers that were screened using social criteria	50%	70%
Number of suppliers assessed for social Impacts	80%	82%

SEGMENT	SPENDING	FY2024 (%)	FY2023 (%)	FY2022 (%)
AGRICULTURE	LOCAL	31%	34%	31%
	OVERSEA	69%	66%	69%
SPECIALTY CHEMICALS	LOCAL	83%	49%	72%
	OVERSEA	17%	51%	28%
FRUITS	LOCAL	98%		
	OVERSEA	2%		
OVERALL	LOCAL	63%	40%	45%
	OVERSEA	37%	60%	55%



# SUSTAINABILITY STATEMENT

cont'd

We strive to support the local economy by spending on local business. For agrochemicals, our raw material is mainly imported. We are pleased to inform that in FY2024 our Specialty Chemicals segment spends 83% on local suppliers while our Fruits segment spent 98% on local suppliers for obvious reasons in purchasing durians from local farmers. Moving forward, we will continue to support the local economy by sourcing available raw materials locally, whenever possible.

On the other hand, long-term business relationship with our suppliers is sustained by fair, transparent and ethical business behavior. In this regard, we play our role strictly by incorporating ethical corporate governance practices across our supply chain. Hence, our policies including the Code of Conduct Policy, Anti-Bribery and Corruption Policy and Whistle Blowing Policy are also applicable to our suppliers to promote ethical business conducts.

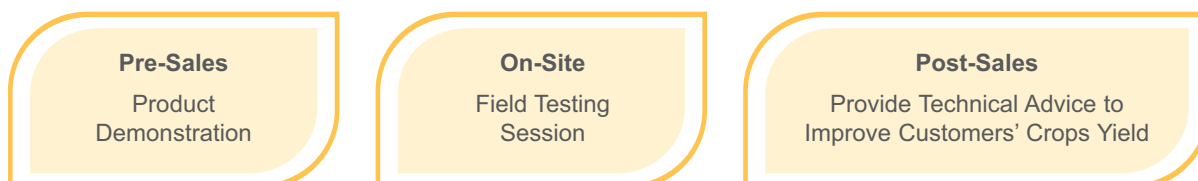
In FY2025, we will focus on deepening supplier engagement by expanding training programs and collaboration initiatives to encourage greater adoption of sustainable practices. We are committed to transparency and reporting, and we will strengthen our mechanisms to provide stakeholders with clearer information on our supply chain ESG performance. Finally, we will continue to identify and mitigate ESG risks within our supply chain through comprehensive evaluation and proactive measures.

## CUSTOMER SATISFACTION

### Related UNSDGs:



The Group acknowledges that customer satisfaction and loyalty are key factors in achieving long-term success and maintaining our reputation as one of the leading developer and service provider in the market. With this in mind, we strive to enhance customer satisfaction by considering their feedback and ensuring that high quality standards are met across all our products and services. Specifically in our Agriculture segment, we provide more than just the products, as we support our customers with a full range of customer service from pre-sales stage to post-sales stage as follows: -



### Pre-Sales:

**Product Demonstration:** Our dedicated team conducts on-site product demonstrations at plantations. These demonstrations allow farmers to see firsthand how our products work, ask questions, and voice any concerns they may have about the agrochemical industry. We believe in open dialogue and use these sessions as a platform to understand their challenges and tailor solutions accordingly.



Farmers talk and demonstration of management of Rhino Beetles in immature plots in Temerloh on 27 July 2024

# SUSTAINABILITY STATEMENT

cont'd



*Farmers talk and demonstration. Safety briefing and bagworm census programme in Mentakap on 12 March 2024*

## Post-Sales:

**Technical Advice:** Our commitment extends beyond the sale. Our team provides ongoing technical advice to help farmers improve their crop yields.

We share best practices and offer guidance to ensure they get the most out of our products and achieve optimal results.



*We were invited by the Department of Agriculture, Malaysia to share our experience in application and handling of agrochemicals. The event was held in Ulu Tiram, Johor on 24 October 2024.*

By investing in comprehensive customer service, we aim to build long-term partnerships with our customers in the agriculture segment. We believe that their success is our success, and through open communication and tailored solutions, we can address their concerns and collaboratively navigate the challenges of the agrochemicals industry.

## OUR APPROACH

At Hextar, we recognize the importance of building strong customer relationships and ensuring their satisfaction throughout their journey. To address specific concerns related to logistics and products, we have designated a dedicated team within our marketing division to handle these inquiries efficiently.

This dedicated team serves as a central point of contact for customers facing issues with deliveries, product functionalities, or any other logistics- or product-related concerns. This ensures a seamless and efficient resolution process, as customers do not need to navigate through different departments.

Furthermore, our commitment extends beyond just handling complaints. We actively learn from customer feedback regarding logistics and product experiences. This valuable information is shared with our project teams, allowing us to identify areas for improvement, implement solutions, and continuously enhance our offerings.

To further elevate our customer-centric approach, we regularly conduct employee training programs focused on complaint handling procedures. This ensures that all our team members are equipped to handle complaints professionally, empathetically, and in a timely manner.

By combining a dedicated team, accessible support platforms, continuous improvement based on feedback, and ongoing employee training, we strive to provide exceptional customer service and address all logistics and product concerns efficiently, ultimately fostering long-lasting and positive relationships with our valued customers.

# SUSTAINABILITY STATEMENT

cont'd

## CUSTOMER SATISFACTION SURVEY

We are committed to enhancing our customers' experience by engaging them through multi-faceted channels, including obtaining periodic feedback and conducting our annual Customer Satisfaction Survey questionnaire. These efforts enable us to gain insights into our customers' needs and expectations and enhance our products and services offerings. This Customer Satisfaction Survey questionnaire covers a range of topics, including but not limited to:

- Products quality or performance;
- Packing or labelling;
- Products delivery;
- Safety awareness;
- Equipment suitability and reliability;
- Routine maintenance service call;
- Professionalism; and
- Technical support

Any complaints or feedback received from our customers are handled by our people within a short period of time in accordance with our internal Standard Operating Procedures. We take all positive or negative feedbacks constructively by developing customers' feedback into appropriate improvement plans to enhance our quality of products and services.

## OUR PERFORMANCE

Customer satisfaction index of the main agriculture operations subsidiary company which had conducted survey: -

FY2024	FY2023	FY2022
Local: 97%	Local: 93%	Local: 81%
Overseas: 85%	Overseas: 97%	Overseas: 85%

## CYBERSECURITY & DATA PROTECTION

Related UNSDGs:



## DATA PRIVACY AND SECURITY OF CUSTOMERS

In recent years, we have seen the acceleration of various trends revolving around remote working, e-commerce and automation, which has propelled the adoption of digital technologies and infrastructure. However, it has also made data more susceptible to cybersecurity risks. Consequently, we have a responsibility to manage the growing threat of cyber-attacks on Hextar, including protecting our customers' sensitive information, to prevent any leaks, threats or loss of customer information.

In compliance to the Malaysian Personal Data Protection Act 2010, we protect our customers' personal information on best effort basis. We are well aware that any breach of consumer privacy will result in disappointment or loss of trust and confidence from customers as well as regulatory fines and penalties.

# SUSTAINABILITY STATEMENT

cont'd

## Your Data, Our Responsibility:

- **Strict Data Privacy Policy:** We adhere to a comprehensive Data Privacy Policy that outlines how we collect, use, and protect your personal data. This policy is readily available for your review and ensures transparency in our data handling practices.
- **Robust Security Measures:** We implement industry-leading security measures, including robust firewalls, encryption technologies, and access controls, to protect your data against unauthorized access, theft, or misuse.
- **Continuous Improvement:** We are constantly reviewing and updating our security protocols to stay ahead of evolving cyber threats. Our commitment to continuous improvement ensures your data remains secure in an ever-changing digital landscape.

## HEXTAR'S IT POLICY AND PROCEDURES

Hextar takes the security of your data very seriously. We have established comprehensive IT policies and procedures to safeguard customer and other stakeholders' information and ensure its confidentiality, integrity, and availability. These policies cover various aspects of data handling, including:

- **Electronic File Storage:** This section outlines how Hextar stores electronic files securely, including procedures for file categorization, storage locations, and data backup.
- **Email and Internet Usage:** This section details proper email etiquette, internet browsing guidelines, and acceptable use policies to protect against online threats.
- **Information Security:** This section outlines Hextar's commitment to information security, encompassing data protection practices, reporting suspicious activity, and employee security training.
- **Password Protection:** This section emphasizes the importance of strong passwords and outlines procedures for creating and managing them.
- **Data Backup and Recovery:** This section details Hextar's data backup and recovery plan to ensure information availability in case of unforeseen circumstances.
- **Personal Data and Privacy Policy:** This section outlines Hextar's commitment to protecting your personal data, including type of information collected, how it is used, and how it is secured.

## OUR PERFORMANCE

As of 31 December 2024, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

DESCRIPTION	FY2024	FY2023	FY2022
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

# SUSTAINABILITY STATEMENT

cont'd

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023	2024
<b>Bursa (Anti-corruption)</b>					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Executive	Percentage	41.00	96.00	94.00	100.00
Non-executive/Technical Staff	Percentage	0.00	5.00	29.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	50.00	55.00	67.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	0
<b>Bursa (Community/Society)</b>					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	180,000.00	52,062.00	126,376.00	85,903.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	204	934	5,460	11,105
<b>Bursa (Diversity)</b>					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Executive Under 30	Percentage	9.00	15.00	21.62	22.00
Executive Between 31-40	Percentage	46.00	37.00	32.13	32.00
Executive Between 41-50	Percentage	28.00	30.00	28.23	28.00
Executive Above 50	Percentage	18.00	17.00	18.02	18.00
Non-executive/Technical Staff Under 30	Percentage	51.00	34.00	40.23	32.00
Non-executive/Technical Staff Between 31-40	Percentage	32.00	42.00	32.47	36.00
Non-executive/Technical Staff Between 41-50	Percentage	10.00	15.00	18.12	23.00
Non-executive/Technical Staff Above 50	Percentage	7.00	9.00	9.18	10.00
Gender Group by Employee Category					
Executive Male	Percentage	54.00	52.00	57.00	52.00
Executive Female	Percentage	46.00	48.00	43.00	48.00
Non-executive/Technical Staff Male	Percentage	83.00	77.00	83.00	82.00
Non-executive/Technical Staff Female	Percentage	17.00	23.00	17.00	18.00
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	83.00	83.00	83.00	83.00
Female	Percentage	17.00	17.00	17.00	17.00
Under 50	Percentage	33.00	33.00	17.00	33.00
Above 50	Percentage	67.00	67.00	83.00	67.00

Internal assurance

External assurance

No assurance

(\*)Restated



## SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2021	2022	2023	2024
<b>Bursa (Energy management)</b>					
Bursa C4(a) Total energy consumption	Megawatt	1,887.59	3,102.12	2,678.38	3,655.74
<b>Bursa (Health and safety)</b>					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.33	0.57	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	120	183	114	255
<b>Bursa (Labour practices and standards)</b>					
Bursa C6(a) Total hours of training by employee category					
Executive	Hours	1,216	2,753	1,909	2,997
Non-executive/Technical Staff	Hours	976	1,702	1,793	2,051
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	21.00	18.00	13.00	8.00
Bursa C6(c) Total number of employee turnover by employee category					
Employee	Number	47	126	108	77
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0
<b>Bursa (Supply chain management)</b>					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	19.00	45.00	40.00	63.00
<b>Bursa (Data privacy and security)</b>					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0
<b>Bursa (Water)</b>					
Bursa C9(a) Total volume of water used	Megalitres	0.000000	55.308000	75.373000	80.132000
<b>Bursa (Waste management)</b>					
Bursa C10(a) Total waste generated	Metric tonnes	-	-	-	484.99
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	-	2.10
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	-	482.89
<b>Bursa (Emissions management)</b>					
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	-	-	459.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	-	-	2,780.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	-	1,323.00

# SUSTAINABILITY STATEMENT

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# SUSTAINABILITY STATEMENT

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## LIMITED STATEMENT OF ASSURANCE ON HEXTAR GLOBAL BERHAD'S ("HEXTAR" OR "THE COMPANY") SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

To: Board of Directors, Stakeholders and Interested Parties of Hextar Global

### Introduction and Objective

Eco Asia Governance Advisory Sdn Bhd ("**Eco Asia**") has been engaged by Hextar Global, in the capacity as an outsourced Internal Auditor, to conduct a limited review on the Sustainability Statement of Hextar Global for the financial year ended 31 December 2024 ("**FYE 2024**") ("**Statement**").

Eco Asia is providing limited assurance on the accuracy and reliability of the specific sustainability performance information on the subject matters narrated in the "**Scope and Subject Matters**" section below. This limited assurance statement applies to the related information as described below.

### Methodology

Our overall verification was conducted with reference to Bursa Malaysia Securities Berhad's Sustainability Reporting Guide 3<sup>rd</sup> Edition and the Main Market Listing Requirements in relation to the sustainability statement. In addition, we have also made reference to United Nation's Sustainability Development Goals as well as the Global Reporting Initiative for the evaluation on the overall presentation of the Statement. Furthermore, we have integrated the standards and principles set forth in the Institute of Internal Auditors' International Professional Practices Framework while conducting the review.

Our verification and evaluation works were planned and carried out to provide a limited, rather than an absolute assurance on the information/data disclosed in the Statement. We have conducted our verification and evaluation based on the following procedures: -

- (i) perform a review at the headquarter of Hextar Global No. 64, Jalan Bayu Laut 4/KS9, Kota Bayuemas, 41200 Klang, Selangor, Malaysia;
- (ii) interview and discussion with the key personnel who are responsible for collating relevant sustainability reporting information and writing various parts of the Statement;
- (iii) review internal and external supporting documentation;
- (iv) cross-reference and check on the qualitative and quantitative information collected from various sources;
- (v) verify the specific sustainability performance data of the subject matters as narrated in the "Subject Matters" section below, on sampling basis; and
- (vi) review the overall presentation of the Statement.

During the verification and evaluation process, issues noted on the accuracy of certain information disclosed in the draft Statement was raised and clarified with the Management of Hextar Global. Subsequent rectifications/ amendments were properly incorporated in the final Statement.

# SUSTAINABILITY STATEMENT

cont'd



## Scope and Subject Matters

The following common sustainability indicators relates to Hextar Global Berhad and all its subsidiaries, for the period from 01 January 2024 to 31 December 2024 ("**Reporting Period**").

The selected common sustainability indicators presented in the Statement, which are subjected to our verification include: -

No.	Common Sustainability Indicator	Areas Covered
1.	Anti-corruption	(i) Percentage of employees who have received training on anti-corruption by employee category; (ii) Percentage of operations assessed for corruption-related risks; and (iii) Confirmed incidents of corruption and action taken.
2.	Diversity	(i) Percentage of employees by gender and age group, for each employee category (by position level and function); and (ii) Percentage of directors by gender and age group.
3.	Energy Management	(i) Total energy consumption.
4.	Water	(i) Total volume of water used.
5.	Emissions	(i) Scope 1 emissions in tonnes CO <sub>2</sub> e (ii) Scope 2 emissions in tonnes CO <sub>2</sub> e (iii) Scope 3 emissions in tonnes CO <sub>2</sub> e

Collectively known as ("**Subject Matters**").



# SUSTAINABILITY STATEMENT

cont'd



## Responsibility

The Management of Hextar Global is solely responsible for the preparation and presentation of the Statement. This responsibility includes the selection and application of appropriate methods in the preparation and collection of the information/data of the Subject Matters and ensure that the information/data presented are free from material misstatement, whether due to fraud or error. Furthermore, the responsibility also includes the use of assumptions and estimates for disclosures made by Hextar Global which are reasonable in the circumstances.

Eco Asia was not involved in the preparation of the Statement to ensure impartiality. Our responsibility is to provide a limited assurance on whether the information/data of the Subject Matters have been disclosed appropriately in the Statement.

## Limitation

Our responsibility to provide a limited assurance is subjected to the following limitation as our procedures excludes the verification and evaluation of the following: -

- (i) other information contained in Hextar Global's Annual Report for the FYE 2024;
- (ii) information/data of the Subject Matters outside of the Reporting Period; and
- (iii) data from any contractor or third-party.

This limited assurance engagement relies on a risk-based sampling basis for data samples selection and hence this limited assurance statement should not be relied upon to detect all errors, omissions or misstatements that may potentially exist.

## Conclusion

Based on our methodology and the evidence that we have obtained on the matters covered in the Subject Matters as described above, Eco Asia is of the view that the Subject Matters as disclosed in the Statement are fairly stated, properly prepared and supported.

**Yours faithfully,**

*Eco Asia*

**Eco Asia Governance Advisory Sdn Bhd**

**Date: 23 April 2025**

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Hextar Global Berhad (“Hextar” or “the Company”) is committed to ensure the importance and high standards of Corporate Governance (“CG”) are practised throughout the Company and its subsidiaries (“the Group”) to safeguard shareholders’ investments and protect the interests of all stakeholders.

The Board is fully dedicated to continuously evaluate the Group’s CG practices and procedures with a view to ensure the principles and recommendation in CG as stipulated in the Malaysian Code on Corporate Governance 2021 (“MCCG”) are applied and adhered to.

This statement has been prepared in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the financial year ended 31 December 2024 (“FYE 2024”) and it is to be read together with the CG Report 2024 (“CG Report”) which is available on the corporate website at <https://ir2.chartnexus.com/hextar/financial-report.php>.

**Principle A** : Board leadership and effectiveness

**Principle B** : Effective audit and risk management

**Principle C** : Integrity in corporate reporting and meaningful relationship with stakeholders.

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

#### PART 1 – BOARD RESPONSIBILITIES

##### Board’s Duties and Responsibilities

The Board holds primary responsibility for the governance and strategic oversight of the Group, with duties that include policy development, investment supervision, and ensuring the smooth functioning of business operations. The responsibilities of the Board include but not limited to review the corporate strategies, operations, lead and manage the Group in an effective and responsible manner to ensure the Group achieves long-term success and delivering sustainable value to its shareholders and stakeholders.

The Board is required to convene at least four (4) times annually, with meetings scheduled quarterly. Additional meetings are arranged as needed. To effectively carry out its functions and responsibilities, the Board has delegated certain responsibilities and is assisted by the following Board Committees:-

- a) Audit Committee (“AC”);
- b) Nomination and Remuneration Committee (“NRC”);
- c) Risk Management Committee (“RMC”); and
- d) Whistleblowing Committee.

##### Chairman of the Board

The Chairman of the Board is Dato’ Sri Dr Erwan Bin Dato’ Haji Mohd Tahir, an Independent Non-Executive Director of the Company. His roles as Chairman of the Board include chairing the general meetings of the Company, providing leadership to the Board, representing the Board to the shareholders, ensuring effective communication with the shareholders and relevant stakeholders and ensuring that all Board members participate and have the opportunity to voice their opinions during meetings.

He is currently a member of the AC, NRC, RMC and Whistleblowing Committee. However, this will not impair his objectivity and the Board when comes to deliberation, as there are other committee members in the said committee and this is sufficient to meet the check and balance needs during the deliberations.

##### Separations of Positions between the Chairman and the Group Managing Director

The positions and roles between Chairman and Group Managing Director (“MD”) is separated. The Chairman is Dato’ Sri Dr Erwan Bin Dato’ Haji Mohd Tahir and Group MD is Madam Lee Chooi Keng. The separation of roles is to ensure the balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 1 – BOARD RESPONSIBILITIES (CONT'D)

#### Separations of Positions between the Chairman and the Group Managing Director (Cont'd)

In view of this, the Company has complied with the recommendation of the MCCG whereby the positions of Chairman and Group MD are held by different individuals.

#### CHAIRMAN

Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir

- Providing leadership to the Board.
- Setting the Board agenda.
- Ensuring that the Board discharges its duties efficiently and effectively.
- Ensuring that the Board receives all relevant, complete and timely information.
- Leading the Board in establishing and monitoring good governance practices.
- Encouraging active participation and dissenting views from the Board.
- Ensuring that appropriate steps are taken in order to provide effective communication with stakeholders.
- Discussing the Group's strategic, governance and operational issues with Non-Executive Directors annually.

#### GROUP MANAGING DIRECTOR

Madam Lee Chooi Keng

- Responsible for day-to-day operations of the Group's business and the implementation of the agreed business policies and directions set by the Board and of all operational decisions in managing the Group.
- Ensuring all applicable rules and regulations for the conduct of affairs are in compliance and performed at the highest level of integrity and transparency.
- Developing and implementing the Group's short & long terms corporate strategies, the Board's suggestions, decisions and complying with the policies adopted by the Company.
- Maintaining awareness of the competitive market landscape, expansion, opportunities, and industry developments.
- Assessing all business opportunities which are potentially beneficial to the Group.

#### Company Secretaries

The Board is supported by three (3) qualified and competent Company Secretaries to provide sound governance advice. They are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The secretarial function of the Group is outsourced to Boardroom.com Sdn Bhd.

The Company Secretaries ensure compliance with the Company's Constitution, procedures, policies, and regulations. The Board is regularly updated by the Company Secretaries on new statutory and regulatory requirements affecting the Directors' duties and responsibilities. The Board acknowledges the Company Secretaries' qualifications and capability in fulfilling the required duties and is satisfied with the services and support provided. The Company Secretaries and their representatives have attended all Board and Board Committee's meetings held during FYE 2024.

#### Board Charter, Corporate Code of Conduct & Ethics and Policies

The Board has adopted a comprehensive Board Charter, which defines its strategic direction and outlines the Board's roles and responsibilities, including the Company's vision, mission, guiding principles, and policy and strategy development for the Group. The Board Charter serves as a crucial reference document, especially for the induction of new Board members, providing them with a comprehensive understanding of the Board's operations.

The Board Charter is subject to periodic review and updates to ensure it remains aligned with current legislation and best practices, while maintaining its effectiveness in promoting sound governance policies and processes.

The Board Charter is accessible on the Company's website at <https://ir2.chartnexus.com/hextar/corporate-governance.php>.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 1 – BOARD RESPONSIBILITIES (CONT'D)

#### Board Charter, Corporate Code of Conduct & Ethics and Policies (Cont'd)

To further enhance sound governance, transparency, and accountability, the Board has established the several policies and procedures, including but not limited to the following, of which all are available in full detail on the Company's website:

- Anti-Bribery and Corruption Policy
- Corporate Code of Conduct & Ethics
- Whistleblowing Policy
- Environmental, Social and Governance ("ESG") Policy
- Conflict of Interest Policy
- Directors' Fit and Proper Policy

#### Board Meetings, Access to Information and Advice

The Board's commitment to carrying out their duties and responsibilities is affirmed by their attendance at the meetings held during FYE 2024. The Board meets at least five (5) times annually to review the operational and financial performance of the Group.

All Directors are granted unrestricted access to the advice and services of the Company Secretaries, who ensure adherence to Board meeting procedures and compliance with applicable rules and regulations. Additionally, Directors have access to all information within the Group.

The Board, or individual Directors, may seek independent professional advice at the Group's expense to assist in fulfilling their duties.

In 2024, the members of the Board and Board Committees discharged their roles, duties, and responsibilities in accordance with the Board Charter and TOR of the respective Board Committees. The attendance of the Directors and Committee Members at the meetings for the FYE 2024 are as follows:

Name of Directors	Number of Meetings Attended/Held					
	Board	AC	RMC	NRC	AGM	NED*
Dato' Sri Dr Erwan Bin Dato' Haji Mohd Tahir	5/5	5/5	2/2	1/1	1/1	1/1
Dato' Ong Soon Ho	5/5	-	-	-	0/1**	1/1
Lee Chooi Keng	5/5	-	2/2	-	1/1	-
Yeoh Chin Hoe	5/5	5/5	2/2	1/1	1/1	1/1
Liew Jee Min @ Chong Jee Min	5/5	5/5	-	1/1	1/1	1/1
Rayburn Azhar Bin Ali	5/5	-	-	-	1/1	-

Notes:

\* Non-Executive Directors' ("NED") discussion was held on 19 November 2024.

\*\* Dato' Ong Soon Ho was absent from the 33rd Annual General Meeting held on 20 May 2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 2 - BOARD COMPOSITION

#### Composition of the Board

The Board is committed to ensuring that its composition not only reflects the diversity recommended by the MCCG to the best of its ability but also encompasses the right mix of skills and balance necessary to contribute to the achievement of the Group's goals and business objectives.

The Board consists of six (6) members currently, the Board composition is as below:-

Name	Directorship
Dato' Sri Dr Erwan bin Dato' Haji Mohd Tahir	Independent and Non-Executive Chairman
Dato' Ong Soon Ho	Non-Independent and Non-Executive Vice Chairman
Lee Chooi Keng	Group Managing Director
Rayburn Azhar bin Ali	Executive Director
Yeoh Chin Hoe	Senior Independent and Non-Executive Director
Liew Jee Min @ Chong Jee Min	Independent and Non-Executive Director

Based on the current composition, the Company has complied with Paragraph 15.02 of the MMLR of having at least two (2) or one third (1/3) of the Independent Directors and one (1) of the member is a female director. In the event of any vacancy in the Board of Directors resulting in non-compliance with the above, the Company will fill the vacancy within three (3) months.

The Board through NC has also conducted an annual review of its size and composition, gives due regard to skills, experience, gender and background. As part of the FYE 2024 Board evaluation, the NC also reviewed the independence of each Non-Executive Directors. Based on the results, the Board is satisfied that they are independent to act in the best interest of the Company.

#### Board and Board Committees Attendance

As of the date of this Statement, all the Directors have attended each of the Board and Board Committees meetings.

As stipulated in the MMLR, each Director is expected to attend at least 50% of the total Board Meetings during the financial year.

During FYE 2024, the Directors have demonstrated their ability to dedicate sufficient time and commitment to their roles and responsibilities. This is evidenced by their full attendance records at the Board meetings held during the financial year. The Board is satisfied with the level of time and commitment shown by the Directors in fulfilling their duties and responsibilities.

Additionally, all pertinent matters discussed at Board and Board Committees meetings, including decisions and conclusions, are properly recorded by the Company Secretary(ies) in the minutes of the meetings.

#### Diversity of the Board and Senior Management

The Board recognises the significance of providing fair and equal opportunities within the Group. Therefore, the Board is committed to ensuring diversity (including diversity in skills, experience, age, cultural background, and gender) in its Board composition and also the Senior Management to ensure there is variety of professional opinions and values that can be contributed to the growth of the Company and in the best interests of the Company.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 2 - BOARD COMPOSITION (CONT'D)

#### Board Appointments and Directors' Re-election

The NRC is responsible for proposing new candidates for Board positions and conducting ongoing evaluations of current Directors. However, the final decision on appointments lies with the full Board, based on the NRC's recommendations. In accordance with the Constitution and in compliance with the MMLR, all the Directors are required to retire from office at least once in every three (3) years and shall be eligible for re-election.

The Constitution also requires that at least one-third (1/3) of the Board shall retire at each Annual General Meeting ("AGM") and may offer themselves for re-election. In addition, the Constitution and MMLR also require the newly appointed Directors to hold office until the next AGM only and shall be eligible for re-election.

In compliance with this, the NRC has reviewed the performance of the retiring Directors and has recommended the re-appointment of the retiring Directors to the shareholders at the upcoming AGM.

#### Directors' Training

The Board recognizes the critical importance of continuous education and training for its members to effectively fulfill their responsibilities and stay informed of evolving regulatory requirements and their impact on the Group.

In compliance with Paragraph 15.08(3) of Bursa Securities' MMLR, the Board is committed to ensuring all members of the Board are equipped with the necessary knowledge and skills to effectively discharge their responsibilities. The Board places significant emphasis on continuous professional development, recognising that the dynamic business and regulatory environment requires Directors to remain well-informed of changes and industry's best practices.

During the financial year under review, the Board members have undertaken the following trainings:

Name of Director	Seminars/Conferences/Training Programmes Attended
Dato' Sri Dr Erwan bin Dato' Haji Mohd Tahir	➤ Mandatory Accreditation Programme Part II: LEADING FOR IMPACT ("LIP")
Dato' Ong Soon Ho	➤ Mandatory Accreditation Programme Part II: LIP
Lee Chooi Keng	➤ Mandatory Accreditation Programme Part II: LIP
Rayburn Azhar bin Ali	➤ Groom And 'Boom' Your Corporate Image! ➤ Mandatory Accreditation Programme Part II: LIP ➤ International Chemicals Engineering 2024 Gas Odorization Seminar
Yeoh Chin Hoe	➤ ESG Matters @ ACCA - Double Materiality Assessment for Sustainability Reporting: Challenges of Regulatory Evolutions ➤ What you need to know about the Bursa's Amended Listing Requirements on Conflict of Interest ("COI") ➤ Mandatory Accreditation Programme Part II: LIP ➤ ESG Matters @ - ACCA Decoding Greenhouse Gas Emissions ("GHG") Accounting: Scope 1, Scope 2 and Scope 3 ➤ Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest ➤ Audit Oversight Board Conversation With Audit Committees
Liew Jee Min @ Chong Jee Min	➤ Mandatory Accreditation Programme Part II: LIP ➤ Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest ➤ Audit Oversight Board Conversation With Audit Committees

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 3: REMUNERATION

#### Nomination and Remuneration Committee

The NRC consists exclusively of independent non-executive directors, with the members listed below:-

Name	Position	Designation
Liew Jee Min @ Chong Jee Min	Chairman	Independent Non-Executive Director
Dato' Sri Dr Erwan bin Dato' Haji Mohd Tahir	Member	Independent Non-Executive Chairman
Yeoh Chin Hoe	Member	Senior Independent Non-Executive Director

The NRC has discharged their duties according to the NRC's Terms Of Reference ("TOR").

During FYE 2024, NRC has convened one (1) meeting and the summary of the activities carried out is as below:-

- Conducted Board effectiveness assessment to review the Board and Board Committees performance to ensure that the Board and Board Committees carry out the duties effectively;
- Assessed the independence of each of the independent directors;
- Conducted fit and proper assessment and recommend the retiring Directors to the Board for approval and subsequently to recommend the re-appointment to the shareholders at the AGM;
- Reviewed and recommended the Directors' remuneration and benefits to the Board and subsequently to recommend the Directors' remuneration and benefits to the shareholders at the AGM; and
- Reviewed and recommended the bonuses for the Executive Directors and key senior management, including their remuneration packages to the Board for approval.

#### Directors' Remuneration

The Company has adopted a remuneration policy for the purpose of attracting, retaining, and motivating Directors and Senior Management. This policy outlines the approach used to determine the remuneration package for Directors and Senior Management as recommended in Practice 7.1 of the MCCG. A copy of the remuneration policy is also available on the corporate website at <https://ir2.chartnexus.com/hextar/corporate-governance.php>.

Directors' fees for Non-Executive Directors are reviewed and endorsed by the Board before being presented to shareholders for approval at the AGM, prior to payment. Additionally, Non-Executive Directors receive an attendance allowance for each meeting they attend.

The details of the remuneration for Directors of the Company and the Group received or receivable for the FYE 2024 are as follows:

The Company	Salary & Bonus (RM'000)	Fees (RM'000)	Allowance (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Dato' Sri Dr Erwan bin Dato' Haji Mohd Tahir	-	78	7	-	85
Dato' Ong Soon Ho	-	60	5	-	65
Lee Chooi Keng	-	-	-	-	-
Rayburn Azhar bin Ali	-	-	-	-	-
Yeoh Chin Hoe	-	66	7	-	73
Liew Jee Min @ Chong Jee Min	-	60	7	-	67
<b>TOTAL</b>	<b>-</b>	<b>264</b>	<b>26</b>	<b>-</b>	<b>290</b>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 3: REMUNERATION (CONT'D)

#### Directors' Remuneration (Cont'd)

The details of the remuneration for Directors of the Company and the Group received or receivable for the FYE 2024 are as follows: (Cont'd)

The Group	Salary (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Dato' Sri Dr Erwan bin Dato' Haji Mohd Tahir	-	-	-	-	-
Dato' Ong Soon Ho	-	-	-	-	-
Lee Chooi Keng	708	220	21	38	987
Rayburn Azhar bin Ali	648	-	125	1,960	2,733
Yeoh Chin Hoe	-	-	-	-	-
Liew Jee Min @ Chong Jee Min	-	-	-	-	-
<b>TOTAL</b>	<b>1,356</b>	<b>220</b>	<b>146</b>	<b>1,998</b>	<b>3,720</b>

\* Included Directors' Profit Sharing and Benefits

#### Remuneration of Senior Management

The remuneration paid to the Senior Management during FYE 2024, is as follows:-

Range of Remuneration	Number of Senior Management
Below RM400,000	1
RM400,001 – RM500,000	1
RM500,001 – RM600,000	1
RM600,001 – RM700,000	3

With regards to the disclosure of remuneration of the Group's top 6 Senior Management, the Company was of the view that it would not be in its best interest to make such disclosure on a named basis in view of the competitive nature of human resource market in the industries the Group operate, and the Company should also protect the confidentiality of personal information such as employees' remuneration packages. The Board viewed that such disclosure may cause tension and unhealthy competition among Senior Management.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 1 : AUDIT COMMITTEE

#### Audit Committee

The AC plays a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The AC has a duty to provide assurance to the Board that robust risk management, controls and assurance processes are in place. The AC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to ensure the health, safety and business continuity of the Group.

Currently, AC comprises solely of three (3) Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director.

During FYE 2024, none of the AC members was a former audit partner of the Company. The TOR of the AC and the Company's External Auditors Policy has clearly stated that the former audit partner has to observe a cooling off period of at least three (3) years before they could be appointed as the member of the AC. This practice is in line with Practice 9.2 of the MCCG.

The summary activities of AC carried out during FYE 2024 was stated in the Audit Committee Report in this Annual Report 2024.

### PART 2 : RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Sound Risk Management and Internal Control

The Board is supported by the RMC and the AC for the main purpose of maintaining and review its risk management processes and internal control procedures to ensure a sound system of risk management and internal control to achieve its strategic objectives, safeguard shareholders' investments and the assets of the Company and the Group.

The RMC consists of one (1) Group Managing Director and two (2) Independent Non-Executive Directors, with the composition as below:-

Name	Position	Designation
Lee Chooi Keng	Chairperson	Group Managing Director
Dato' Sri Dr Erwan bin Dato' Haji Mohd Tahir	Member	Independent Non-Executive Chairman
Yeoh Chin Hoe	Member	Senior Independent Non-Executive Director

The current composition comprises of a majority of Independent Non-Executive Directors, which is in line with the recommendation of Practice 10.3 of the MCCG. The duties and responsibilities of the RMC are outlined in the RMC's TOR and are available on the corporate website at <https://ir2.chartnexus.com/hextar/corporate-governance.php>.

An overview of the Group's risk management and internal control systems is provided in the Statement on Risk Management and Internal Control, which is included in this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND STAKEHOLDER ENGAGEMENT

### Communication with Stakeholders

The Company is fully committed to maintaining continuous communication with its stakeholders to ensure the transparent dissemination of relevant and material information. The Board recognises that a constructive and effective relationship with investors is essential for enhancing stakeholder value and aims to keep stakeholders informed of all major corporate developments, financial performance, governance policies, and the Environment, Social, and Governance (ESG) Framework.

The Board and management of the Company communicate regularly with its stakeholders through the following channels of communication:

- a) Announcements on Bursa Securities website
- b) Corporate website
- c) Question and answer session during the general meeting

The Board ensures that communication with stakeholders is conducted regularly, with interim and full financial results announced within the mandatory period.

### General Meeting

The Company viewed the general meeting as a vital platform for engaging with its shareholders and addressing their concerns.

The Board acknowledges the importance of interaction with the shareholders during the general meeting and has made their best efforts to attend to each of the general meetings.

In compliance with Paragraph 8.29A of the MMLR, the Company mandates that any resolution included in the notice of a general meeting be voted by poll. The outcomes of all resolutions proposed at the general meetings will be announced to Bursa Securities at the end of the meeting, and the minutes will be published on the Company's website as soon as practicable, or within thirty (30) business days following the conclusion of the general meeting.

### Compliance with the Code

The Group has adhered to the relevant principles and recommendations of good governance outlined in the Code, with the exception of the departures noted in the Corporate Governance Report.

The Corporate Governance Overview Statement was approved by the Board on 24 April 2025.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31 December 2024 ("FY2024"), which outlines the key features of Hextar's risk management and internal control system. This statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") in line with Practice 10.1 and 10.2 of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and as guided by the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers".

### BOARD RESPONSIBILITY

The Board recognise that effective risk management and internal control are essential to achieving our strategic objectives, safeguarding stakeholders' interests, and ensuring long-term sustainability. We are committed to maintaining a robust framework that identifies, assesses, and mitigates risks while enhancing operational efficiency and compliance. As such, the Board oversees and monitors the adequacy and integrity of the risk management and internal control systems across the Group. To ensure effective discharge of responsibility, the Board has delegated the responsibility to assess the effectiveness and efficiency of Hextar's internal control and risk management framework to the Audit Committee ("AC") and Risk Management Committee ("RMC").

The Board acknowledges and affirms its overall responsibility in maintaining a sound system of risk management and internal control to safeguard shareholders' interests and the Group's assets. The Board's responsibilities include:

- Determining the Group's level of risk tolerance and identifying, assessing and monitoring key business risks within the Group;
- Reviewing the adequacy and effectiveness of the Group's risk management and internal control system;
- Reviewing and deliberating quarterly financial results;
- Analysing the Group's financial and operational performance against the Group's business objectives;
- Reviewing the annual budget of respective segments for approval; and
- Reviewing independent internal audit and compliance reports quarterly.

Notwithstanding the above, the Board acknowledges that these systems are designed to manage risk exposures rather than eliminate all risks and therefore provide reasonable but not absolute assurance against the occurrence of any material misstatements, operational failures, financial losses or fraud.

### INTERNAL CONTROL SYSTEMS

In Hextar Group, the Board recognises the vital role of internal control systems in ensuring operational efficiencies and promoting sound corporate governance. We have established a comprehensive internal control system to ensure financial integrity, regulatory compliance, and operational efficiency. The Board has delegated the responsibilities of monitoring the Group's internal control systems in daily operations to the AC and RMC, which reports its findings to the Board. Any significant internal control deficiencies that may impact the Group's strategic objectives are promptly escalated to the Board's attention during scheduled Board meetings.

### INTERNAL AUDIT FUNCTION

The Group has engaged an independent professional firm, Eco Asia Governance Advisory Sdn Bhd ("Internal Auditors") on outsourced basis to conduct internal audit functions objectively and independently from the Group's management. This arrangement assists the Group in achieving its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistle-blowing and governance processes.

On a quarterly basis, the Internal Auditors report directly to the AC, providing valuable insights, findings of the internal audit reviews and recommendations for improvement. Additionally, the Internal Auditors follow up on the implementation status of corrective actions to address identified weaknesses, ensuring that any outstanding issues are resolved and satisfactorily implemented.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## INTERNAL AUDIT FUNCTION (CONT'D)

During FY2024, the Internal Auditors conducted four (4) internal audit reviews in accordance to the audit plan, as outlined below: -

Entity	Scope of Review	Quarter Period
Alpha Aim (M) Sdn Bhd	Stock Valuation and Costing	Quarter 1, FY2024
PHG.Ever Fresh Food (M) Sdn Bhd	Inventory Management	Quarter 2, FY2024
Hextar Chemicals Sdn Bhd	Inventory Management	Quarter 3, FY2024
Hextar Global Berhad	Anti-Bribery and Corruption Review	Quarter 4, FY2024

Based on the internal audit review performed, the Internal Auditors have reported to the AC that they did not note any weakness resulting in major deficiencies in our systems that would require separate disclosure in this Annual Report. There is a reasonable assurance that the Group's internal control systems are adequate and satisfactory. Weaknesses identified are with minor impact, all of which have been, or are being, addressed and improved accordingly to enhance our operational efficiencies. The total professional fees payable to the Internal Auditors for FY2024 amounted to RM52,000.

On 19 November 2024, the AC conducted an annual assessment of the Internal Auditors' performance. The assessment covered several considerations, such as the adequacy and resources, quality control processes, professional staff assigned to the audit engagements, independence and objectivity of the Internal Auditors, discussion on audit scope, plan and fees as well as a private communication session with the Internal Auditors.

The AC is satisfied with the performance of the Internal Auditors and has recommended their re-engagement to the Board for the financial year ending 31 December 2025. In the meantime, the Board has considered to establish an in-house internal audit function as a strategic move to enhance internal controls, improve operational efficiency, and ensure compliance with laws and regulations, potentially leading to better risk management and financial reporting. The Board approved such recommendation at the Board meeting on 19 November 2024.

## RISK MANAGEMENT FUNCTION

In addition to internal control systems, risk management serves as our mechanism to protect the entire Group from potential threats arising from the ever-changing business environment. It involves the process of understanding, analysing and addressing risks. Risk management is implemented across the Group entrusted to assist our Board to: -

- (i) Establish an adequate and effective Group's risk management and internal control framework;
- (ii) Review and assess the Group's level of risk appetite and risk tolerance;
- (iii) Review the risk management framework, policies and process, including identifying, managing, monitoring and mitigating the significant risks of the Group, and recommend for approval by the Board;
- (iv) Review significant risks identified (including operational, financial, regulatory compliance, sustainability and reputational risks) and assess the mitigating actions put in place to manage these risks; and
- (v) Review the adequacy of resources for managing the risk management and internal control framework.

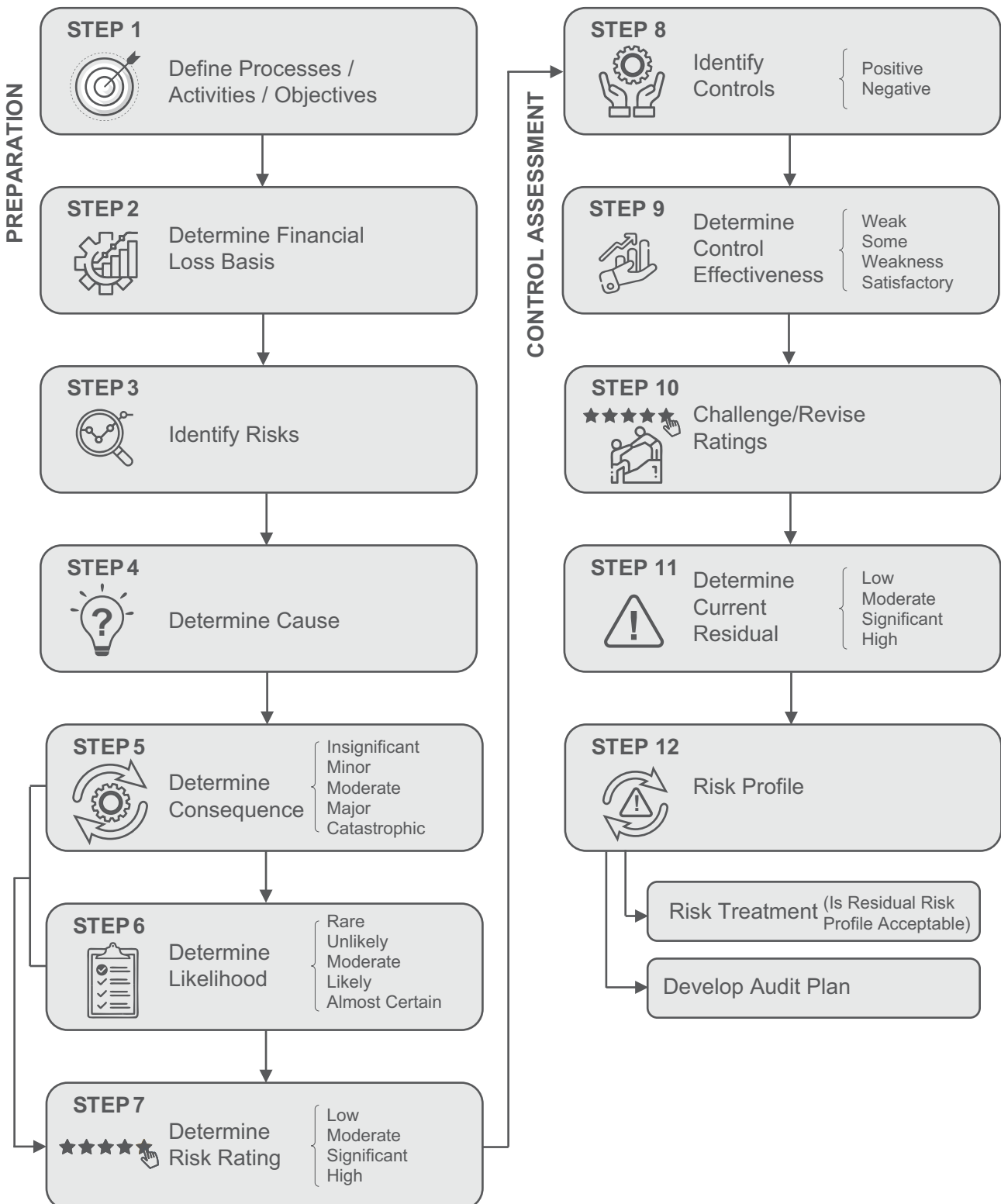
The Board has established and implemented a risk management framework across the Group's operations. The Board, supported by RMC, is responsible for reviewing and assessing the framework and risk management process to ensure their adequacy and effectiveness. The Board receives formal feedback on the adequacy of the risk management function on a half-yearly basis.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## RISK MANAGEMENT FUNCTION (CONT'D)

### Framework of Risk Management Assessment



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## RISK MANAGEMENT FUNCTION (CONT'D)

### Risk Identification and Evaluation Process

As part of the initial stage of risk management, risks are identified through discussions and deliberations with key personnel and management. The identified risks are documented in the Business Risk Profile, including relevant details such as the nature of the risk, severity and probability of the occurrence.

To ensure comprehensive analysis, both internal and external parameters are considered during the risk identification process. External parameters include political, economic, social technological, legal and environmental changes, while internal factors include changes in key management personnel and the introduction or revision of policies and procedures within the Group.

### Risk Adopting and Monitoring Process

The Business Risk Profile, which incorporates all risks identified, is updated on an ongoing basis and approved by the Board. It is crucial for our heads of departments or business units to acknowledge and manage the key risks applicable in their operational areas on a continual basis.

All key risks and issues are regularly reviewed and resolved by the Management to ensure that the identified risks remain current and relevant to the latest business environment. As a result, the key risks documented in the Business Risk Profile are assessed promptly and control procedures or mitigating initiatives are re-evaluated accordingly to ensure that all key risks are mitigated to an acceptable level.

## ASSURANCE FROM MANAGEMENT

As guided by the Guidelines, the Board, representing management affirms that to the best of their knowledge, the Group's risk management and internal control systems are adequately and effectively implemented, in all material aspects, based on the risk management and internal control frameworks adopted by the Group and similar assurance is provided by respective heads of departments. The Board will continuously refine the Group's strategies to adapt to evolving business challenges enhance internal control measures to protect the interests of stakeholders.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of MMLR, the External Auditors, Crowe Malaysia PLT have reviewed this statement for inclusion in this Annual Report. Their review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practise 10.1 and 10.2 of the MCCG 2021 to be set out, nor the Statement is factually inaccurate.

## CONCLUSION

The Board is of the opinion that the Group's risk management and internal control systems are sound and sufficient to safeguard shareholders' investments, stakeholders' interests as well as the Group's assets. During the financial year under review, there were no significant internal control deficiencies, material weaknesses or adverse compliance events resulting in any material loss to the Group that would require disclosure in this Annual Report. The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to strengthen the Group's risk management and internal control systems on an ongoing basis to navigate uncertainties and achieve sustainable growth.

This Statement was approved by the Board of Directors on 24 April 2025.

# AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Hextar Global Berhad (“Hextar” or “the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2024 (“FY2024”), providing insights on the effectiveness of how AC discharged its functions for Hextar and its subsidiaries (“the Group”).

The AC report was prepared in accordance with the Paragraph 15.15 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC has carried out their roles and responsibilities according to the Terms of Reference (“TOR”) ,a copy of which is available on the Company’s corporate website.

## 1. COMPOSITION

The AC of the Company comprises three (3) members, all of whom are Independent Non-Executive Directors (“NEDs”). All Independent NED have met the test of independence under Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”). The Company complies with the Paragraph 15.09(1)(a) and (b), 15.09(2) and 15.10 of the MMLR and adopts Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”) by establishing AC comprising solely of Independent Directors.

The Company complies with Paragraph 15.09(1)(c)(i) of the MMLR wherein the AC is chaired by Mr Yeoh Chin Hoe, who is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a fellow member of both The Association of Chartered Certified Accountants (UK) and Institute of Chartered Secretaries and Administrators (UK).

The members of the AC and their respective designation and directorship are as follows:

Designation	Name	Directorship
Chairman	Yeoh Chin Hoe	Senior Independent Non-Executive Director
Member	Dato’ Sri Dr Erwan Bin Dato’ Haji Mohd Tahir	Independent Non-Executive Chairman
Member	Liew Jee Min @ Chong Jee Min	Independent Non-Executive Director

The Company has also adopted Practice 9.1 and 9.2 of the MCCG, where the positions of Chairman of the Board and Chairman of the AC are held by different persons and none of the AC members is a former partner of the external audit firm of the Company.

The primary objective of the AC is to establish a documented, formal, and transparent procedure to assist the Board in fulfilling its statutory duties and responsibilities relating to corporate accounting, financial reporting practices, risk management and internal control systems, auditing process, and the process of monitoring compliance with laws and regulations.

The Board, assisted by the NRC, reviews the terms of office of the AC members and assesses the performance of the AC through Board Effectiveness Assessment of its Committee. The Board is satisfied the current composition of the AC is able to discharge its functions in accordance with the Terms of Reference (“TOR”) of the AC. The duties and responsibilities of the AC are set out in the TOR, which is available on the Company’s website at <https://ir2.chartnexus.com/hextar/corporate-governance.php>.

## 2. MEETINGS AND ATTENDANCE

The AC is scheduled to meet four (4) times annually to review financial reporting, with additional meetings convened when necessary. During FY2024, the AC conducted five (5) meetings, with full attendance from all Committee members. The AC extended invitations to the Chief Financial Officer (“CFO”) and key management personnel to facilitate and provide clarification on financial matters, audit issues, and any other relevant matters raised at the AC meetings.

The Internal Auditors (“IA”) were invited to attend four (4) quarterly AC meetings to present the Internal Audit Review Report and provide a follow up review of the last audit findings. The Internal Audit Review Report was prepared and presented by an independent outsourced internal audit firm. Management personnel responsible for IA issues were invited to brief the AC on specific matters arising from the audit report and respond to all enquiries raised by the AC.



# AUDIT COMMITTEE REPORT

cont'd

## 2. MEETINGS AND ATTENDANCE (CONT'D)

The External Auditors ("EA") attended three (3) of the AC meetings to present the audit plan for the financial year, key audit findings of the Group, and to address the AC's concerns regarding the statutory audit of the Group's financial statements. On 19 February 2024, the AC held a private session with the EA, without the presence of Executive Directors and Management of the Company, to discuss any audit concerns requiring the AC's attention and the level of cooperation obtained from Management.

After the AC meetings, the AC Chairman reported to the Board on the significant matters discussed and deliberated in the AC meetings, along with the recommendations made by the AC. The Group's audited financial statements and quarterly financial reports, reviewed by the AC at its AC meetings, were recommended to the Board for approval. Thereafter, the AC Chairman conveyed to the Board any significant concerns raised by the EA or the IA at their respective AC meetings.

The minutes of each AC meeting were recorded by the Company Secretary and tabled at the next AC meeting for confirmation, and subsequently presented to the Board for notation.

## 3. SUMMARY OF ACTIVITIES

The AC had carried out the following activities during FY2024 to discharge their duties and responsibilities:

### a. Financial Reporting

The AC reviewed the audited financial statements and quarterly financial reports of the Group presented by the CFO, prior to the presentation and recommendation to the Board for approval. The review process was to ensure that the preparation of financial results was in compliance with the following financial reporting standards and statutory disclosure requirements:

- Malaysian Financial Reporting Standards ("MFRS");
- International Financial Reporting Standards ("IFRS");
- Listing Requirements;
- Provisions of the Companies Act 2016; and
- Other relevant legal and regulatory requirements.

All quarterly financial reports and relevant announcements to be submitted to Bursa Securities were reviewed by the AC before recommending to the Board for approval to ensure in compliance with:

- MFRS 134 Interim Financial Reporting; and
- Paragraph 9.22, including Appendix 9B of Listing Requirements.

The AC reviewed the financial reports for the fourth quarter ended 31 December 2023 (FY2023) during its meeting on 19 February 2024.

Financial reports for the first, second, and third quarters of the FY2024 were presented to the AC at meetings held on 24 May 2024, 19 August 2024, and 19 November 2024, respectively.

On 26 February 2025 and 24 April 2025, the AC reviewed the fourth quarter financial report and audited financial statements for FY2024, respectively.

The AC's recommendations were presented for approval at the Board meetings held on the even dates.

### b. External Audit

On 19 February 2024, the AC received a presentation from the EA on its Audit Review Memorandum for FY2023 and key audit matters for implementation in accordance with the audit timeline. A private session was conducted between the AC and the EA, without the presence of the Executive Directors and Management, to discuss the issues encountered and suggestions provided by the EA. Subsequently, the AC Chairman, highlighted areas for improvement and made suggestions to the CFO on the same.

# AUDIT COMMITTEE REPORT

cont'd

## 3. SUMMARY OF ACTIVITIES (CONT'D)

### b. External Audit (Cont'd)

The AC received the findings of the audit review memorandum presented by the EA and reviewed the audited financial statements for the FY2023 with the EA, CFO, and the key management personnel on its meeting held on 2 April 2024.

At the 33<sup>rd</sup> Annual General Meeting ("AGM") held on 20 May 2024, shareholders approved the re-appointment of Crowe Malaysia PLT ("Crowe") as the EA of the Company.

On 19 November 2024, the AC reviewed and approved the EA's proposed audit scope and audit plan for FY2024, which outlined its audit approach, areas of audit emphasis, reporting and deliverables, engagement team, and proposed fees for the statutory audit and review of the Statement on Risk Management and Internal Control.

The AC also obtained assurance from the EA during the AC meeting in respect of their independence throughout the audit engagement, in accordance with the terms of all relevant professional and regulatory requirements, as well as the ethical requirements.

On 19 November 2024, with the assistance of Management, the AC assessed the suitability, independence, and objectivity of the EA's statutory audit engagement during the financial year under review, guided by the Company's EA Policy. The adopted EA Policy safeguards the quality and reliability of audited financial statements under Practice 9.3 of the MCCG. The AC was satisfied with the EA's performance for FY2024 and recommended to the Board the re-appointment of Crowe as the EA of the Company for their recommendation to the shareholders for approval at the 34th AGM.

The EA presented the findings of the audit review memorandum for FY 2024 during the AC meeting held on 26 February 2025. The AC and Management also confirmed with the EA that they had no knowledge of any serious offence involving fraud or dishonesty, significant unusual transactions, non-compliance with laws and regulations or major litigations affecting the Group.

### c. Internal Audit

The outsourced independent Internal Auditor ("IA"), Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"), presented the internal audit reports during the AC's quarterly meetings in accordance with the IA's plan for the FY2024 approved by the AC. The AC reviewed the findings and recommendations by the IA to ensure that appropriate actions were taken to improve the Group's internal control system on quarterly basis.

The AC monitored and ensured that Management resolved the audit issues highlighted by the IA within the agreed timeline. The AC received quarterly updates from the IA regarding the follow-up on the last IA's report, including issues has been resolved or are still in progress. In addition, the AC sought clarification from Management on outstanding audit issues that were yet to be resolved or had exceed the agreed timeline. Actions were also recommended by the AC to Management to address these outstanding issues.

On 19 November 2024, with the assistance of Management, the AC assessed the competency, suitability, independence, experience, and adequacy of resources for Eco Asia to effectively perform its audit engagement in FY2024 including the audit scope and quality of audit services of Eco Asia.

The AC satisfied with the performance of the IA, and presented the results along with the AC's recommendation for the re-appointment of the Eco Asia as the Company's Internal Auditor for the financial year ending 31 December 2025 ("FY2025"), to the Board for approval on 19 November 2024.

On 19 November 2024, the AC reviewed the Internal Audit Plan for the FY2025 presented by the IA. Considering the extension of business operation, both the IA and management agreed with the AC's concerns and recommendations to revise the proposed internal audit scope. The AC approved the IA scope and the proposed internal audit fee on the even date.

# AUDIT COMMITTEE REPORT

cont'd

## 3. SUMMARY OF ACTIVITIES (CONT'D)

### d. Internal Control

The AC reviewed the Internal Control Observations reported by the EA and IA to assess the adequacy and effectiveness of the internal control system, ensuring continuous improvement is in place, effectively administered, and outstanding audit issues are regularly monitored within the stipulated timeline.

### e. Related Party Transactions

The AC, guided by the Company's Related Party Transaction Policy and Procedures, reviewed and monitored all related party transactions ("RPTs"), recurrent related party or conflict of interest transactions occurring within the Group to ensure that the procedures were in compliance with Listing Requirements so as to uphold the highest standards of ethical and business conducts.

The AC reviewed the RPTs report presented by the Management at its quarterly AC meetings to ensure that all transactions were in the best interest of the Group, fair, reasonable and on normal commercial terms and were not detrimental to the interest of the minority shareholders.

For the FY2024, the AC confirmed that there were no new related party transactions entered into by the Company and its subsidiaries.

As such, there were no transactions requiring disclosure in the financial statements or shareholders' approval pursuant to Paragraph 10.09 of the Main Market Listing Requirements.

The AC had reviewed the Recurrent RPTs that were given mandate on the 33rd AGM held on 20 May 2024 to ensure that the aggregate value of the transactions was within the mandate which had been approved by the shareholders.

### f. Other Matters

During FY2024, the AC had also discussed and reviewed the following matters:

- Corporate Governance ("CG") Report, CG Overview Statement, AC Report, Sustainability Statement, Management Discussion and Analysis, and the Statement on Risk Management and Internal Control and recommended the same to the Board for its approval for inclusion in the Annual Report for the FY2023.
- Circular to Shareholders in relation to Proposed Renewal of Existing Shareholders' Mandate for Recurrent RPTs of a Revenue or Trading Nature and Proposed Renewal of Share Buy-Back Authority for the Purchase of its Own Ordinary Shares.
- Declaration of the first interim dividend of RM0.010 per share for the FY2023.
- Declaration of the first interim dividend of RM0.005 per share for the FY2024.
- Declaration of the second interim dividend of RM0.008 per share for the FY2024.

# AUDIT COMMITTEE REPORT

cont'd

## 4. INTERNAL AUDIT FUNCTION AND COMPLIANCE

The Group's internal audit function has been outsourced to an independent professional internal audit service provider, Eco Asia, which reports directly to the AC. All proposals by Management to appoint or remove the IA shall require prior approval of the AC.

The primary role of the IA is to conduct independent and systematic reviews on the Group's internal control system and to provide assessment and assurance on the adequacy, integrity, efficiency and effectiveness of the Group's internal control and risk management systems. The IA is also responsible to assess the adequacy and effectiveness of the risk management operation, governance, and compliance functions to identify, manage and address potential risks faced by the Group.

The IA adopted a risk-based approach in the planning and conduct of audit engagements which is in line with the Enterprise Risk Management ("ERM") Framework (Production) of the Group. The IA engagements were carried out based on the annual audit plan approved by the AC and reported during the FY2024 are listed as below:

Quarter	Function / Entities
Q1/2024	Stock Valuation and Costing Review – Alpha Aim (M) Sdn Bhd
Q2/2024	Inventory Management Review – PHG.Ever Fresh Food (M) Sdn Bhd
Q3/2024	Inventory Management Review – Hextar Chemicals Sdn Bhd
Q4/2024	Anti-Bribery and Corruption Review – Hextar Global Berhad

The internal audit reports presented had been deliberated by the AC and the recommendations had been communicated to Management for further action and implementation. The Management personnel were invited to the AC meetings from time to time, where necessary, for further clarification purposes.

The professional fee incurred on the Group's internal audit function for FY2024 amounted to RM52,000.

This report was reviewed by the AC and approved by the Board on 24 April 2025.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to issue a statement on its responsibility in preparing the annual audited financial statements.

The Directors are required by the Companies Act 2016 ("the Act") to be responsible in the preparation of the financial statements for each financial year, which have been made out according to the applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), and the requirements of the Act in Malaysia.

The Directors are also required by the Act to be responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

During the preparation of the financial statements, the Directors ensured that the Management has taken the following measures:

- (i) adoption of appropriate, adequate and applicable accounting standards and policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) used going concern approach while preparing the financial statements.

The Directors are responsible to ensure that the Group's quarterly reports and annual audited financial statements are released to Bursa Malaysia Securities Berhad in a timely manner to keep our investing public informed on the most recent performance and developments of the Group.

The Directors have collective responsibility to ensure that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy, which enable them to make sure that the financial statements adhere to the Act.

The Directors have general responsibility for taking such steps, as are reasonably available to them, to safeguard the Group and the Company's assets, as well as to prevent and detect fraud and other irregularities.



## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no proceeds raised from corporate proposal during the financial year ended 31 December 2024.

### 2. OPTIONS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible exercised during the financial year ended 31 December 2024.

### 3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid to the external auditors by the Company and the Group for the financial year ended 31 December 2024 are as follows:

	The Company (RM)	The Group (RM)
Audit Fees	84,000	845,645
Non-audit Fees	6,000	6,000
<b>Total</b>	<b>90,000</b>	<b>851,645</b>

The Company engaged the External Auditors for the non-audit service works for review of Statement on Risk Management and Internal Control.

Services rendered by the external auditors are not prohibited by regulatory and other professional requirements and are based on globally practiced guidelines on auditors' independence.

### 4. MATERIAL CONTRACTS OR LOANS INVOLVING THE INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or the Group involving the interests of Director or Major Shareholders, either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial year:

On 24 May 2024, Durian Boat Global Sdn. Bhd. (formerly known as Hextar IOT Sdn. Bhd.), an indirect 51%-owned subsidiary of Hextar, entered into a Joint Venture Agreement with Shenzhen Yoursender Investment Co. Ltd. for the establishment of a joint venture company to expand Durian Boat's business in China.

## ADDITIONAL COMPLIANCE INFORMATION

cont'd

### 5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

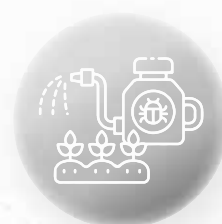
At the 33<sup>rd</sup> AGM of the Company held on 20 May 2024, the Shareholders' Mandate for the Company and the Group to enter into Recurrent Related Party Transactions ("RRPTs") of a revenue or trading nature was obtained. Details of the RRPTs pursuant to Shareholders' mandate entered into by the Company and the Group with its related parties from the 33<sup>rd</sup> AGM to the 34<sup>th</sup> AGM, are as follows:

- Sales of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products;
- Sales of formulated chemicals for the purpose of glove manufacturing process, work in progress and finished goods such as fertilisers, packaging material and other related products;
- Purchase of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products;
- Receipt of facility assets and management services including business consultation and support & cash management system;
- Receipt of service for supply and installation of civil foundation, piping system and tanks installation;
- Provision of specialist service for product testing, research development and product formulation registration; and
- Provision of specialist services such as oilfield chemicals, corrosion preservation products and associated consultation services, and supply of specialty chemicals and other related products.
- Sales of formulated chemicals for the purpose of glove manufacturing process, work in progress and finished goods such as packaging material and other related products.

Adequate procedures and processes are in place to monitor and identify the RRPTs in a timely basis and orderly basis. The RRPTs are conducted at arm's length and on normal commercial terms which are not to the detriment of the minority shareholders. The said Mandate is subject to renewal at the forthcoming 34<sup>th</sup> AGM. Details of the Shareholders' Mandate to be sought will be furnished in the Circular to Shareholders dated 30 April 2025.

# Financial **REPORT**

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## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	71,675,207	60,254,351
Attributable to:-		
Owners of the Company	59,369,193	60,254,351
Non-controlling interests	12,306,014	-
	71,675,207	60,254,351

### DIVIDENDS

Dividends paid or declared by the Company since 31 December 2023 are as follows:-

	RM
<b>Ordinary Share</b>	
<u>In respect of the financial year 31 December 2024</u>	
A first interim dividend of 0.5 sen per ordinary share, paid on 4 October 2024	19,380,332
A second interim dividend of 0.8 sen per ordinary share, paid on 30 December 2024	31,008,532
	50,388,864
<u>In respect of the financial year 31 December 2023</u>	
A first interim dividend of 1.0 sen per ordinary share, paid on 5 April 2024	38,760,666

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

# DIRECTORS' REPORT

cont'd

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

## TREASURY SHARES

As at 31 December 2024, the Company held 63,195,300 treasury shares at a carrying amount of RM30,769,865. The details of the treasury shares are disclosed in Note 23 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



# DIRECTORS' REPORT

cont'd

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir  
 Dato' Ong Soon Ho  
 Lee Chooi Keng  
 Liew Jee Min @ Chong Jee Min  
 Rayburn Azhar Bin Ali  
 Yeoh Chin Hoe

# DIRECTORS' REPORT

cont'd

## DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including the directors mentioned above, are as follows:-

Adli Bin Md Noor  
 Ahmad Faiz Bin Haron  
 Ardian Gunawan  
 Chen Sen Loon  
 Chin Joek Poen  
 Cheok Viping  
 Chong Hon Loon  
 Clement Ang Woon Teng  
 Dato' Ong Choo Meng  
 Dato' Mazlin Bin Md Junid  
 Dato' Wee Yiau Hin @ Ong Yiau Hin  
 Haniza Binti Mohamad Nasir  
 Hoi Yew Wai  
 Lee Leng Choy  
 Leong Jin Yuan  
 Leong Yet Wan  
 Lian Dazhi  
 Lim Eng Bee  
 Lim Jun Yeong  
 Lin Swee Sang  
 Lo Ngen Loi  
 Lye Foong Ming  
 Lye Man Seng  
 Mohd Hanafi Bin Idris  
 Nurul Maslina Binti Haji Abdul Halim @ Norah Anak Unya  
 Pg Hj Md Sofrey Bin Pg Hj Jadid  
 Tan Seio Beng  
 Teh Li King  
 Yam Jia Fuh

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
<b>The Company</b>				
<i>Direct interest:</i>				
Lee Chooi Keng	4,309,920	-	-	4,309,920
<i>Indirect interest:</i>				
Dato' Ong Soon Ho*	2,491,602,503	20,072,100	(253,695,736)	2,257,978,867

\* Deemed interested by virtue of his direct shareholdings in Hextar Holdings Sdn. Bhd. and indirect interest by virtue of the interest held through his child, Dato' Ong Choo Meng.

By virtue of their shareholdings in the Company, Dato' Ong Soon Ho and Lee Chooi Keng are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year have no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

# DIRECTORS' REPORT

cont'd

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 40(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fee	264,000	264,000
Salaries, bonuses and other benefits	3,223,150	26,000
Defined contribution benefits	377,193	-
	3,864,343	290,000

The estimated monetary value of benefits-in-kind provided by the Group and the Company to certain directors of the Company were RM146,316 and RM Nil respectively.

## INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM10,000,000 and RM16,960 respectively.

## SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification other than those disclosed in Note 6 to the financial statements.

## HOLDING COMPANY

The holding company is Hextar Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 44 to the financial statements.

# DIRECTORS' REPORT

cont'd

## AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM851,645 and RM90,000 respectively.

Signed In Accordance With A Resolution Of The Directors Dated 24 April 2025

**Rayburn Azhar Bin Ali**

**Lee Chooi Keng**

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Rayburn Azhar Bin Ali and Lee Chooi Keng, being two of the directors of Hextar Global Berhad, state that, in the opinion of the directors, the financial statements set out on pages 138 to 252 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed In Accordance With A Resolution Of The Directors Dated 24 April 2025

**Rayburn Azhar Bin Ali**

**Lee Chooi Keng**

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Phan Nee Chin, MIA Membership Number: 28178, being the officer primarily responsible for the financial management of Hextar Global Berhad, do solemnly and sincerely declare that the financial statements set out on pages 138 to 252 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the  
abovementioned Phan Nee Chin, at Klang  
in the State of Selangor Darul Ehsan  
on this 24 April 2025

**Phan Nee Chin**

Before me



# INDEPENDENT AUDITORS' REPORT

To the members of Hextar Global Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Hextar Global Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 138 to 252.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITORS' REPORT

To the members of Hextar Global Berhad  
(Incorporated in Malaysia)  
cont'd

## Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report:-

<b>Recoverability of trade receivables</b> Refer to Notes 12 and 43.1(b)(iii) to the financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2024, trade receivables that were past due and not impaired amounted to RM101,627,638. The details of trade receivables and their credit risks are disclosed in Note 43.1(b)(iii) to the financial statements.</p> <p>Significant management judgment is required to assess the recoverability of trade receivables. Management conducted a detailed analysis, considering the customer's aging profile, credit history, historical payment patterns, and forward-looking information for estimating expected credit losses ("ECLs") on its trade receivables.</p> <p>The impairment assessment involved significant judgments, and there is inherent uncertainty in the assumptions applied by management to evaluate the adequacy of the allowance for impairment losses and estimate future cash collection.</p> <p>We identified this as a key audit matter due to the inherent subjectivity involved in making judgments regarding credit risk exposures to assess the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>Reviewed and understand the management's assessment of recoverability of major trade receivables;</li> <li>Reviewed contractual terms to ensure the Group has contractual right to recognise revenue and collect payments;</li> <li>Obtained confirmation from major trade receivables on outstanding balances as at the reporting date;</li> <li>Reviewed recoverability of major trade receivables including but not limited to the review of subsequent collections;</li> <li>Enquired management on receivables status for major customers;</li> <li>Reviewed collections and sales trends during the financial year of major trade receivables; and/or</li> <li>Reviewed management's assessment on the ECLs of trade receivables with reference to historical payment records, public available information and credit history of the Group's customers.</li> </ul>
<b>Obsolete and slow moving inventories</b> Refer to Note 14 to the financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>The carrying amount of inventories held by the Group as at the reporting date amounted to RM137,903,775. This represents 29% and 17% of the total current assets and total assets of the Group, respectively.</p> <p>We focused on this area because the determination of obsolete and slow-moving inventories involves management's judgment and the material amounts involved.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>Assessed the basis used by management to determine the impairment loss on inventories;</li> <li>Compared net realisable value to cost of inventories at the reporting date to assess the reasonableness of inventories impairment; and</li> <li>Performed ageing test on inventories.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To the members of Hextar Global Berhad  
(Incorporated in Malaysia)  
cont'd

## Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report (Cont'd):-

<b>Impairment of goodwill</b> Refer to Note 11(a) to the financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>The net carrying amount of goodwill for the Group as of the end of the reporting date amounted to RM160,529,174. Regardless of whether there is any indication of impairment, goodwill is tested for impairment annually.</p> <p>We identified this as a key audit matter because the impairment test involves significant judgments and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins, and the discount rate applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• Evaluated method used by the Group in measuring the recoverable amount is appropriate in the circumstances;</li> <li>• Made enquiries and challenging management on the key assumptions and inputs used in the measurement method;</li> <li>• Evaluated the key assumptions and inputs used are reasonable and consistent with consideration from past performance, future growth, market development, etc.; and</li> <li>• Performed stress tests and sensitivity analysis to assess the impacts of those key assumptions and inputs on the measurement of the recoverable amount.</li> </ul>

<b>Purchase Price Allocation ("PPA")</b> Refer to in Note 44(c) to the financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>The Group acquired several subsidiaries in the previous financial year, consisting of the following companies:</p> <ul style="list-style-type: none"> <li>i) PHG.Ever Fresh Food (M) Sdn. Bhd.;</li> <li>ii) PHG Wholesale &amp; Retail Sdn. Bhd.;</li> <li>iii) PHG.Ever Fresh Food (TK) Sdn. Bhd.;</li> <li>iv) PHG Ever Fresh Plantation Sdn. Bhd.; and</li> <li>v) Hextar Secadyme Sdn. Bhd.</li> </ul> <p>During current financial year, the Group completed the valuation of PPA and adjustments were made to the provisional goodwill recorded at the date of the acquisition.</p> <p>We determined this to be a key audit matter as PPA exercise involved significant judgements and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins and discount rate applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the methodology adopted by the management in estimating the fair values of the identifiable assets and liabilities, assessed whether such methodologies are consistent with those used in the industry; and</li> <li>• Evaluated the appropriateness of the data used by the independent valuer as input into their valuation of the identifiable assets. We interviewed, discussed and challenged the significant estimates and assumptions applied in their valuation process.</li> </ul>

## Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

# INDEPENDENT AUDITORS' REPORT

To the members of Hextar Global Berhad  
(Incorporated in Malaysia)  
cont'd

## Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

To the members of Hextar Global Berhad  
(Incorporated in Malaysia)  
cont'd

## Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Shah Alam

24 April 2025

**Ong Beng Chooi**  
03155/05/2025 J  
Chartered Accountant



# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	NOTE	The Group		The Company	
		2024	2023	2024	2023
		RM	RM (Restated)	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	916,499,900	899,634,323
Investment properties	7	5,972,281	820,000	-	-
Investments in joint ventures	8	7,961,860	2,719,040	-	-
Investment in club membership, at cost		45,136	45,700	-	-
Property, plant and equipment	9	119,056,906	113,215,493	-	-
Right-of-use assets	10	51,605,348	58,954,374	-	-
Intangible assets	11	164,183,354	161,973,942	-	-
Trade receivables	12	2,194,854	2,263,150	-	-
Prepayment	13	3,577,625	2,402,688	-	-
Deferred tax assets	26	1,857,058	777,234	-	-
		356,454,422	343,171,621	916,499,900	899,634,323
CURRENT ASSETS					
Inventories	14	137,903,775	187,842,277	-	-
Biological assets		19,488	36,179	-	-
Contract assets	15	12,636,854	1,468,917	-	-
Trade receivables	12	168,638,288	157,450,410	-	-
Other receivables, deposits and prepayments	13	72,286,622	65,294,433	12,219,048	15,295,833
Amount owing by subsidiaries	16	-	-	90,025,426	106,259,021
Amount owing by related companies	17	342,985	2,141,553	-	-
Dividend receivable		-	-	-	1,565,550
Derivatives assets	30	1,003,671	-	-	-
Current tax asset		8,270,653	11,785,458	8,643	14,795
Short-term investments	18	1,472,800	7,019,325	-	-
Deposits with licensed banks	19	17,030,971	24,328,491	-	-
Cash and bank balances		49,498,003	76,558,069	1,463,462	712,500
		469,104,110	533,925,112	103,716,579	123,847,699
Assets classified as held for sale	20	-	1,556,000	-	-
TOTAL ASSETS		825,558,532	878,652,733	1,020,216,479	1,023,482,022

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024  
cont'd

		The Group		The Company	
		2024	2023	2024	2023
	NOTE	RM	RM (Restated)	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	633,878,029	633,878,029	633,878,029	633,878,029
Revaluation reserve	22	16,792,360	14,626,419	-	-
Exchange reserve	22	(2,427,911)	549,120	-	-
Treasury shares	23	(30,769,865)	(30,769,865)	(30,769,865)	(30,769,865)
Merger deficit reserve	22	(500,422,471)	(500,422,471)	-	-
Retained profits		108,076,346	138,262,343	108,906,911	137,802,090
Equity attributable to owners of the Company		225,126,488	256,123,575	712,015,075	740,910,254
Non-controlling interests		30,406,689	3,110,465	-	-
TOTAL EQUITY		255,533,177	259,234,040	712,015,075	740,910,254
NON-CURRENT LIABILITIES					
Lease liabilities	24	24,277,217	28,996,746	-	-
Borrowings	25	126,077,290	129,722,266	109,293,890	106,695,000
Deferred tax liabilities	26	8,231,517	12,105,775	-	-
Other payables and accruals	27	2,405,788	3,208,400	-	-
		160,991,812	174,033,187	109,293,890	106,695,000
CURRENT LIABILITIES					
Trade payables	28	49,139,420	49,200,735	-	-
Contract liabilities	15	10,670,663	4,945,988	-	-
Other payables, deposits received and accruals	27	46,000,849	83,156,247	15,864,835	306,870
Amount owing to subsidiaries	16	-	-	81,788,858	59,488,681
Amount owing to a joint venture	29	1,569,858	783,250	-	-
Amount owing to related companies	17	784,712	579,070	-	-
Lease liabilities	24	7,230,127	6,283,856	-	-
Borrowings	25	279,876,062	254,846,292	101,253,821	88,520,000
Current tax liabilities		13,752,178	18,024,501	-	66,000
Derivative liabilities	30	9,674	70,350	-	-
Variable deferred consideration		-	27,495,217	-	27,495,217
		409,033,543	445,385,506	198,907,514	175,876,768
TOTAL LIABILITIES		570,025,355	619,418,693	308,201,404	282,571,768
TOTAL EQUITY AND LIABILITIES		825,558,532	878,652,733	1,020,216,479	1,023,482,022

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024

	NOTE	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CONTINUING OPERATIONS					
REVENUE	31	918,287,869	669,038,664	76,817,144	54,829,585
COST OF SALES		(669,970,552)	(465,412,926)	-	-
GROSS PROFIT		248,317,317	203,625,738	76,817,144	54,829,585
OTHER INCOME		5,144,640	4,751,702	6,101,286	655,361
SELLING AND MARKETING EXPENSES		(31,800,168)	(21,076,318)	-	-
ADMINISTRATIVE EXPENSES		(84,395,419)	(63,190,771)	(2,744,835)	(19,699,946)
OTHER OPERATING (EXPENSES)/ INCOME		(12,367,334)	(10,185,733)	1,424,783	-
FINANCE COSTS		(24,831,749)	(21,116,959)	(14,130,249)	(13,014,598)
NET IMPAIRMENT ON FINANCIAL ASSETS	32	(4,550,711)	(1,812,685)	(7,227,739)	(2,036,657)
SHARE OF (LOSS)/PROFIT OF JOINT VENTURES, NET OF TAX	8	(301,180)	283,013	-	-
PROFIT BEFORE TAXATION	33	95,215,396	91,277,987	60,240,390	20,733,745
INCOME TAX (EXPENSE)/REVERSAL	34	(23,540,189)	(23,614,029)	13,961	(66,003)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		71,675,207	67,663,958	60,254,351	20,667,742
DISCONTINUED OPERATIONS					
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	35	-	(2,016,425)	-	-
PROFIT AFTER TAXATION		71,675,207	65,647,533	60,254,351	20,667,742

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024  
cont'd

	NOTE	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
OTHER COMPREHENSIVE INCOME/ (EXPENSES):	36				
<u>Item that will not be reclassified subsequently to profit or loss:</u>					
- revaluation of properties		1,762,296	3,383,258	-	-
<u>Item that may be reclassified subsequently to profit or loss:</u>					
- foreign currency translation differences		(2,977,444)	1,924,476	-	-
TOTAL OTHER COMPREHENSIVE (EXPENSES)/INCOME		(1,215,148)	5,307,734	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		70,460,059	70,955,267	60,254,351	20,667,742
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company:					
- Continuing operations		59,369,193	54,711,246	60,254,351	20,667,742
- Discontinued operations		-	(2,016,425)	-	-
		59,369,193	52,694,821	60,254,351	20,667,742
Non-controlling interests		12,306,014	12,952,712	-	-
		71,675,207	65,647,533	60,254,351	20,667,742
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company:					
- Continuing operations		58,153,971	58,359,747	60,254,351	20,667,742
- Discontinued operations		-	(2,016,425)	-	-
		58,153,971	56,343,322	60,254,351	20,667,742
Non-controlling interests		12,306,088	14,611,945	-	-
		70,460,059	70,955,267	60,254,351	20,667,742
EARNINGS PER SHARE (SEN)	37				
Basic		1.53	1.36		
Diluted		1.53	1.36		

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

The Group	Note	Non-Distributable					Distributable			Non-controlling interests	Total Equity
		Share Capital	Treasury Shares	Merger Deficit Reserve	Exchange Reserve	Revaluation Reserve	Retained Profits	Attributable to Owners of the Company			
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1.1.2024											
- As previously reported		633,878,029	(30,769,865)	(500,422,471)	549,120	14,626,419	138,262,343	256,123,575	3,110,465	259,234,040	
- Adjustment during measurement period		-	-	-	-	-	-	-	289,098	289,098	
		633,878,029	(30,769,865)	(500,422,471)	549,120	14,626,419	138,262,343	256,123,575	3,399,563	259,523,138	
Profit after taxation for the financial year		-	-	-	-	-	59,369,193	59,369,193	12,306,014	71,675,207	
Other comprehensive (expense)/income for the financial year		-	-	-	(2,977,031)	-	-	(2,977,031)	(413)	(2,977,444)	
- foreign currency translation differences		-	-	-	-	-	-	-	-	-	
- revaluation of properties		-	-	-	-	1,761,809	-	1,761,809	487	1,762,296	
Total comprehensive (expense)/income for the financial year		-	-	-	(2,977,031)	1,761,809	59,369,193	58,153,971	12,306,088	70,460,059	
Dividends by the Company	38	-	-	-	-	-	(89,149,530)	(89,149,530)	-	(89,149,530)	
Total contributions by and distributions to owners		-	-	-	-	-	(89,149,530)	(89,149,530)	-	(89,149,530)	
Issue of shares by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	14,699,510	14,699,510	
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	14,699,510	14,699,510	
Realisation of revaluation reserve		-	-	-	-	404,132	(405,660)	(1,528)	1,528	-	
Balance at 31.12.2024		633,878,029	(30,769,865)	(500,422,471)	(2,427,911)	16,792,360	108,076,346	225,126,488	30,406,689	255,533,177	

The annexed notes form an integral part of these financial statements.



## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024  
cont'd

The Group	Note	Non-Distributable					Distributable			Attributable to Owners of the Company	Non-controlling interests	Total Equity
		Share Capital	Treasury Shares	Merger Deficit Reserve	Exchange Reserve	Revaluation Reserve	Retained Profits	RM	RM	RM	RM	RM
Balance at 1.1.2023		633,878,029	(39,927,891)	(495,422,471)	(1,375,390)	14,619,963	105,049,912	216,822,152	16,058,846	232,880,998		
Profit after taxation for the financial year		-	-	-	-	-	52,694,821	52,694,821	12,952,712	65,647,533		
Other comprehensive income/(expense) for the financial year		-	-	-	1,924,510	-	-	1,924,510	(34)	1,924,476		
- foreign currency translation differences		-	-	-	-	-	-	-	-	-		
- revaluation of properties		-	-	-	-	1,723,991	-	1,723,991	1,659,267	3,383,258		
Total comprehensive income for the financial year		-	-	-	1,924,510	1,723,991	52,694,821	56,343,322	14,611,945	70,955,267		
Dilution of interests in a subsidiary		-	-	-	-	-	72,890	72,890	(72,890)	-		
Merger and acquisition		-	-	(5,000,000)	-	-	559,605	(4,440,395)	(23,885,220)	(28,325,615)		
Treasury shares sold		-	9,158,026	-	-	-	3,850,416	13,008,442	-	13,008,442		
Dividends by the Company	38	-	-	-	-	-	(25,715,052)	(25,715,052)	-	(25,715,052)		
Dividends by the subsidiary to non-controlling interests		-	-	-	-	-	-	-	(3,570,000)	(3,570,000)		
Total contributions by and distributions to owners		-	9,158,026	(5,000,000)	-	-	(21,232,141)	(17,074,115)	(27,528,110)	(44,602,225)		
Realisation of revaluation reserve		-	-	-	-	(1,717,535)	1,749,751	32,216	(32,216)	-		
Balance at 31.12.2023		633,878,029	(30,769,865)	(500,422,471)	549,120	14,626,419	138,262,343	256,123,575	3,110,465	259,234,040		

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024  
cont'd

The Company	NOTE	Share Capital RM	Treasury Shares RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1.1.2023		633,878,029	(39,927,891)	138,998,984	732,949,122
Profit after taxation/Total comprehensive income for the financial year		-	-	20,667,742	20,667,742
Treasury share sold		-	9,158,026	3,850,416	13,008,442
Dividends	38	-	-	(25,715,052)	(25,715,052)
Total contributions by and distributions to owners		-	9,158,026	(21,864,636)	(12,706,610)
Balance at 31.12.2023/1.1.2024		633,878,029	(30,769,865)	137,802,090	740,910,254
Profit after taxation/Total comprehensive income for the financial year		-	-	60,254,351	60,254,351
Dividends	38	-	-	(89,149,530)	(89,149,530)
Total contributions by and distributions to owners		-	-	(89,149,530)	(89,149,530)
Balance at 31.12.2024		633,878,029	(30,769,865)	108,906,911	712,015,075

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024  
cont'd

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
Profit/(Loss) before taxation:				
- continuing operations	95,215,396	91,277,987	60,240,390	20,733,745
- discontinued operations	-	(2,023,591)	-	-
Adjustments for:				
Amortisation of investment in club memberships	564	563	-	-
Amortisation of product development expenditure	220,469	273,238	-	-
Amortisation of trademark and patents	295,985	384,770	-	-
Amortisation of software	85,791	-	-	-
Bad debts written off	482,918	6,000	-	-
Depreciation of:				
- property, plant and equipment	10,357,079	7,810,739	-	-
- right-of-use assets	8,506,765	7,918,416	-	-
Impairment losses on:				
- amount owing by a subsidiary	-	-	7,227,739	2,036,657
- intangible assets	100,098	1,141,357	-	-
- investment in subsidiaries	-	-	-	7,284,672
- property	4,109	-	-	-
- other receivables	113,764	-	-	-
- trade receivables	1,832,157	2,900,581	-	-
- related company	8,520	-	-	-
- short-term investments	3,500,000	-	-	-
Fair value loss on investment properties	-	148,000	-	-
Interest expense	24,831,749	21,337,697	14,130,249	13,014,598
Inventories written down	374,816	28,612	-	-
Inventories written off	112,371	229,403	-	-
Loss arising from changes in fair value of biological assets	16,691	87,552	-	-
(Gain)/Loss on disposal of plant and equipment	(277,844)	27,666	-	-
Plant and equipment written off	64,827	13,957	-	-
Waiver of amount owing by subsidiaries	-	-	271,974	8,098
Bad debt recovered	(684)	(5,261)	-	-
Dividend income	-	-	(76,817,144)	(54,829,585)
Reversal of/(Gain on) bargain purchase	81,551	(564,600)	-	-
Gain on lease termination	(23,885)	(20,216)	-	-
Gain on forward currency contracts	(1,064,347)	(172,439)	-	-
(Gain)/Loss on disposal of investment in subsidiaries	-	(527,141)	-	9,909,036
Gain on winding up of a subsidiary	-	-	-	(41,876)
Interest income	(533,105)	(945,052)	(6,101,286)	(613,485)
Reversal on impairment losses on trade receivables	(903,730)	(1,077,336)	-	-
Unrealised gain on foreign exchange	(39,069)	(1,772,931)	(2,566,258)	-
Write back of inventories	-	(77,285)	-	-
Share of loss/(profit) of joint ventures	301,180	(283,013)	-	-
Operating profit/(loss) before working capital changes carried forward	143,664,136	126,117,673	(3,614,336)	(2,498,140)

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

cont'd

	NOTE	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Operating profit/(loss) before working capital changes brought forward		143,664,136	126,117,673	(3,614,336)	(2,498,140)
Decrease/(Increase) in inventories		49,451,315	(19,418,180)	-	-
Increase in contract assets		(11,167,937)	(1,468,917)	-	-
Increase in contract liabilities		5,724,675	2,492,873	-	-
(Increase)/Decrease in trade and other receivables		(14,374,095)	(70,520,343)	5,889,284	664,553
(Decrease)/Increase in trade and other payables		(4,704,439)	36,133,038	(196,358)	33,451
Increase/(Decrease) in amount owing by related companies		1,995,690	(1,534,215)	-	-
Increase in amount owing to a joint venture		786,608	54,565	-	-
		171,375,953	71,856,494	2,078,590	(1,800,136)
Interest paid		(24,038,729)	(15,862,986)	(13,337,229)	(7,539,887)
Income tax paid		(29,384,996)	(19,591,158)	(45,887)	(14,630)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		117,952,228	36,402,350	(11,304,526)	(9,354,653)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents acquired		-	(37,329,706)	-	(10,048,000)
Acquisition of a joint venture		(5,544,000)	(619,085)	-	-
Addition of intangible assets		(1,001,956)	(304,342)	-	-
Repayment from/(Advances to) subsidiaries		-	-	8,733,882	(95,675,295)
Subscription of additional shares in subsidiaries		-	-	(15,399,490)	(510)
Decrease/(Increase) in pledged fixed deposits with licensed banks		5,949,595	(22,416,414)	-	-
Dividend received		-	-	78,382,694	81,264,035
Disposal of subsidiaries, net of cash and cash equivalents disposed of		-	3,177,153	-	3,500,001
Interest received		471,230	945,052	6,101,286	613,485
Proceeds from disposal of:					
- plant and equipment		401,983	489,881	-	-
- assets classified as held for sale		830,000	5,373,084	-	-
- short-term investments		1,599,000	-	-	-
Proceeds from issuance of shares to non-controlling interests		14,699,510	490	-	-
Proceeds from winding up of a subsidiary		-	-	-	41,876
Purchase of property, plant and equipment	39(a)	(16,136,140)	(8,456,049)	-	-
Purchase of short-term investments		-	(5,037,125)	-	-
Payment of deferred consideration		(50,000,000)	-	-	-
Payment of variable deferred consideration		(14,000,000)	(27,212,628)	(14,000,000)	(27,212,628)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(62,730,778)	(91,389,689)	63,818,372	(47,517,036)
BALANCE CARRIED FORWARD		55,221,450	(54,987,339)	52,513,846	(56,871,689)

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024  
cont'd

	NOTE	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
BALANCE BROUGHT FORWARD		55,221,450	(54,987,339)	52,513,846	(56,871,689)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(89,149,530)	(29,285,052)	(89,149,530)	(25,715,052)
Drawdown of revolving credit	39(c)	309,420,000	424,772,000	221,800,000	60,000,000
Drawdown of term loans	39(c)	123,154,669	28,358,210	123,154,669	28,000,000
Increase in cash collateral with licensed bank		(2,812,500)	-	(2,812,500)	-
Proceeds from disposal of treasury shares		-	13,008,442	-	13,008,442
Repayment of lease liabilities		(7,275,105)	(6,148,294)	-	-
Repayment of term loans	39(c)	(108,513,873)	(21,425,765)	(105,255,700)	(16,260,000)
Repayment of revolving credit	39(c)	(304,400,000)	(392,483,000)	(221,800,000)	-
Advances from/(Repayment to) subsidiaries		-	-	22,300,177	(1,580,258)
Net (decrease)/increase of borrowings		(6,539,229)	47,381,925	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(86,115,568)	64,178,466	(51,762,884)	57,453,132
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(30,894,118)	9,191,127	750,962	581,443
Effects of foreign exchange translation		(1,813,407)	752,172	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		61,507,634	51,564,335	712,500	131,057
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	39(d)	28,800,109	61,507,634	1,463,462	712,500

The annexed notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia.
Principal place of business	:	No.64, Jalan Bayu Laut 4/KS09, Kota Bayuemas, 41200 Klang, Selangor, Malaysia.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

The financial statements of the Company and of the Group are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 April 2025.

## 2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for the discontinuance of consumer products segment as disclosed in Note 35 to the financial statements.

## 3. HOLDING COMPANY

The holding company is Hextar Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia.

## 4. BASIS OF PREPARATION

The financial statements of the Group and the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 4. BASIS OF PREPARATION (CONT'D)

- 4.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

### MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendment to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

### MFRSs and/or IC Interpretations (Including The Consequential Amendments)

### Effective Date

MFRS 18 Presentation and Disclosure in Financial Statements

1 January 2027

MFRS 19 Subsidiaries without Public Accountability: Disclosures

1 January 2027

Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity

1 January 2026

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred

Amendments to MFRS 121: Lack of Exchangeability

1 January 2025

Annual Improvements to MFRS Accounting Standards - Volume 11

1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

## 5. MATERIAL ACCOUNTING POLICY INFORMATION

### 5.1 Critical Accounting Estimates and Judgements

#### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

#### (a) *Impairment of Goodwill*

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Note 11(a) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.1 Critical Accounting Estimates and Judgements (Cont'd)

#### *Key Sources of Estimation Uncertainty (Cont'd)*

#### *(b) Impairment of Investments in Subsidiaries, Property, Plant and Equipment, Investment Properties and Right-of-use Assets*

The Group and the Company determine whether an item of its investments in subsidiaries, property, plant and equipment, investment properties and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of investment in subsidiaries, property, plant and equipment, investment properties and right-of-use assets as at the reporting date and the key assumptions are disclosed in Notes 6, 7, 9 and 10 to the financial statements.

#### *(c) Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

#### *(d) Impairment of Trade Receivables and Contract Assets*

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales including changes in customer payment profile and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 12 and 15 to the financial statements respectively.

#### *(e) Useful Lives of Bearer Plants*

The cost of bearer plants is depreciated on a straight-line basis over the asset's estimated economic useful life. The management estimated the useful life of this asset to be 50 years.

#### *(f) Purchase Price Allocation*

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.1 Critical Accounting Estimates and Judgements (Cont'd)

#### *Key Sources of Estimation Uncertainty (Cont'd)*

#### *(g) Properties and Bearer Plants under Revaluation*

The properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by similar properties of nearby location and where necessary, adjusting for size while the bearer plants of the Group were revalued based on fair value less estimated costs to sell, using the Income Approach. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of properties and bearer plants measured at revaluation as at the reporting date is disclosed in Note 9 to the financial statements.

#### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

#### **Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### 5.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

#### *(a) Business Combinations*

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.2 Basis of Consolidation (Cont'd)

#### (a) Business Combinations (Cont'd)

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### (b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### (c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (d) Merger Accounting

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by same party or parties both before and after the business combination, and that control is not transitory. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements. The merger method of accounting is applied on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

#### (e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.2 Basis of Consolidation (Cont'd)

#### (e) Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 5.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint ventures.

### 5.4 Functional and Foreign Currencies

#### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

#### (b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### (c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.4 Functional and Foreign Currencies (Cont'd)

#### (c) Foreign Operations (Cont'd)

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in joint ventures that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in joint ventures that includes a foreign operation while retaining joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

### 5.5 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.5 Financial Instruments (Cont'd)

#### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

#### Debt Instruments

##### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

##### (ii) Fair Value Through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

#### Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.5 Financial Instruments (Cont'd)

#### (b) *Financial Liabilities*

##### (i) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

##### (ii) Fair Value Through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

#### (c) *Equity Instruments*

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

##### (i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

#### (d) *Derivatives Financial Instruments*

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.5 Financial Instruments (Cont'd)

#### (d) *Derivatives Financial Instruments (Cont'd)*

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

#### (e) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (f) *Financial Guarantee Contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

### 5.6 Investments in Subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events of changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.7 Joint Arrangement

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture.

#### Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

The investment in joint ventures are accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 31 December 2024. The Group's share of the post-acquisition profits and other comprehensive income of the joint ventures are included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint ventures are carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint ventures are the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investment in a joint venture are recognised in profit or loss.

### 5.8 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and building, are stated at cost less accumulated depreciation and impairment losses, if any.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.8 Property, Plant and Equipment (Cont'd)

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation.

Freehold buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Freehold land and buildings are revalued periodically, at least once in every three years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Freehold buildings	2%
Leasehold buildings	over the remaining lease period
Buildings and structures	2%
Factory equipment and machinery	2.5% - 50%
Forklifts and motor vehicles	10% - 33.3%
Renovation	2% - 25%
Tools, equipment, furniture and fittings	1.8% - 50%
Bearer plants	remaining useful lives of 35 - 38 years

Capital work-in-progress included in property, plant and equipment are not depreciated until such time when the asset is available for use.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset. In addition, the Group also makes an annual transfer of the revaluation reserve to retained profits as the asset is used by the Group. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

### 5.9 Investment Properties

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.9 Investment Properties (Cont'd)

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for property, plant and equipment up to date of change in use.

### 5.10 Impairment

#### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.10 Impairment (Cont'd)

#### (b) Impairment of Non-financial Assets (Cont'd)

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 5.11 Product Development Expenditure

Product development expenditure is recognised as an expense when it is incurred.

Product development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Product development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- (a) its ability to measure reliably the expenditure attributable to the asset under development;
- (b) the product or process is technically and commercially feasible;
- (c) its future economic benefits are probable;
- (d) its intention to complete and the ability to use or sell the developed asset; and
- (e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised product development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Product development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The product development expenditure is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

### 5.12 Intangible Assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.12 Intangible Assets (Cont'd)

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

### 5.13 Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

Except for Leasehold land is stated at revalued amounts based on periodic valuations, at least once in every 3 years, less subsequent depreciation. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss. The Group makes an annual transfer of the revaluation reserve to retained profits at an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost, net of tax.

Subsequent to initial recognition, all right-of-use assets, other than leasehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.14 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

### 5.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and includes all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

### 5.16 Contract Costs Assets

#### (a) Incremental Costs of Obtaining a Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

#### (b) Costs to Fulfill a Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

### 5.17 Contract Asset and Contract Liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment under MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.18 Non-current Assets Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted joint ventures ceases once classified as held for sale or distribution.

### 5.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

### 5.20 Income Taxes

#### (a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

#### (b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodies in the property over time, rather than through sale.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.20 Income Taxes (Cont'd)

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

### 5.21 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

### 5.22 Employee Benefits

#### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

#### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

#### (c) Defined Benefit Plans

The determination of the Group's obligations and cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period which they occur. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense.

### 5.23 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.24 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 5.25 Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held and the effects of dilutive potential ordinary shares.

### 5.26 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

### 5.27 Revenue from Contracts with Customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.27 Revenue from Contracts with Customers (Cont'd)

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

#### (i) Sale of agriculture supplies, agriculture produce and durian products

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### (ii) Construction Contract

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as contract liabilities.

#### (iii) Rendering of Services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed or milestones reached.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.28 Revenue from Other Sources and Other Operating Income

#### (i) *Rental income*

Rental income from investment properties is accounted for on a straight-line method over the lease term.

#### (ii) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method.

### 5.29 Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

### 5.30 Biological Assets

Biological assets comprise agricultural produce growing on bearer plants, which is referred to as unharvested durian fruits.

Biological assets are measured at fair value less costs to sell. Fair value is determined based on projected quantities and the estimated market price of agricultural produce. In determining the estimated durian production quantities, the Group consider the estimated yield of the biological assets which is dependent on the age of the durian trees, the location, soil type and infrastructure. The changes in the fair value less costs to sell of agricultural produce growing on bearer plants are recognised in profit or loss.

Biological assets are classified as current assets for produce that are expected to be harvested and sold on a date not more than 12 months after the reporting date.

### 5.31 Bearer Plants

Bearer plants are living plants that are used in the supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales.

Bearer plants comprise pre-cropping costs incurred on land preparation, construction of drains, roads and irrigation, fertilisation, plant and replanting, labour and any general overheads directly attributed to the development of the rootstock. Pre-cropping costs incurred are capitalised at cost and amortised over the useful life of the rootstock commencing from the date of maturity of the rootstock.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and amortisation method are reviewed at each financial year end to ensure that the amount method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future benefits.

The policy for the recognition and measurement of impairment loss is in accordance with Note 5.10(b).

A bearer plants is derecognised upon disposal or when no future economic benefits are expected from it, use or disposal. Any gain or loss arising on derecognition of the bearer plants is included in the profit or loss in the year the bearer plants is derecognised.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 5.31 Bearer Plants (Cont'd)

Interest costs on borrowings and depreciation of bearer plants that are directly attributed to new planting or replanting incurred prior to maturity are also included in the pre-cropping costs.

Bearer plants include mature and immature plantations that are acquired by the Group. Immature plantations are stated at cost. Mature plantations are stated at revalued amounts based on periodic valuations, at least once in every 3 years, less subsequent depreciation and impairment, if any. Bearer plants are depreciated when the plantation can be harvested (during the eighth year of replanting). The mature bearer plants are depreciated over their estimated useful life of 50 years on a straight-line basis. The immature bearer plants are not depreciated until such time when they are matured.

The useful lives are reviewed, and adjusted if appropriate, at each reporting date.

## 6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2024	2023
	RM	RM
<u>Unquoted shares, at cost</u>		
At 1 January	906,918,995	916,443,123
Addition during the financial year	15,399,490	10,048,510
Reassessment of variable deferred consideration	1,466,087	(479,143)
Disposal during the financial year	-	(16,593,495)
Winding up of a subsidiary	-	(2,500,000)
At 31 December	923,784,572	906,918,995
<u>Accumulated impairment losses</u>		
At 1 January	(7,284,672)	(5,684,458)
Addition during the financial year	-	(7,284,672)
Disposal during the financial year	-	3,184,458
Winding up of a subsidiary	-	2,500,000
At 31 December	(7,284,672)	(7,284,672)
Total	916,499,900	899,634,323

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
<b>Direct Holding:</b>				
Halex (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing, distributions and agency of agrochemicals
Halex Management Sdn. Bhd.	Malaysia	100	100	Provider of management services
Hextar Chemicals Group Sdn. Bhd.	Malaysia	100	100	Investment holding
Hextar Biogas BEE Sdn. Bhd.	Malaysia	55	55	Providing services related to integrated process and system using biological green technology to produce methane gas or organic fertiliser and investment holding
Chempro Technology (M) Sdn. Bhd.	Malaysia	100	100	General agent and trader in institutional and industrial chemicals
Alpha Aim (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading industrial chemicals detergent and related products
Nobel Synthetic Polymer Sdn. Bhd.	Malaysia	100	100	Manufacturing of chemical derivatives, coating and related products
Nobel Scientific Sdn. Bhd.	Malaysia	100	100	Manufacturing of chemicals derivatives, coating and related products
Hextar Kimia Sdn. Bhd. @	Malaysia	49	49	Trading of gas and chemical related services
Hextar Kimia (Australia) Pty. Ltd. #	Australia	100	100	Investment holding
Tufbond Technologies Sdn. Bhd.	Malaysia	100	100	Trading of polymers, adhesive products, machineries, provision of technical assistance and technology transfer
Hextar Agriculture Sdn. Bhd.	Malaysia	100	100	Trading of agrochemicals products
PT. Agro Sentosa Raya *	Indonesia	99.91	99.91	Formulation and repacking of branded pesticides
Hextar Industrial Chemicals Sdn. Bhd.	Malaysia	100	100	Trading and distributing of industrial chemical products

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
Direct Holding: (Cont'd)				
Hextar Fruits Sdn. Bhd.	Malaysia	51	51	Investment holding
Hextar Oiltech Sdn. Bhd. (formerly known as Opcom Lube & Solutions Sdn. Bhd.)	Malaysia	60	60	Manufacturing lubrication oil and oil related products and manufacturing liquid solutions for construction and household uses
Indirect holding through Halex (M) Sdn. Bhd.:				
Halex Industries (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing and importing agrochemicals and fertilisers
Halex Realty Sdn. Bhd.	Malaysia	100	100	Investment in landed property and investment holding
Halex Chemicals (S) Pte. Ltd. *%	Singapore	100	100	Trading of fertilisers and agrochemicals. Did not trade since incorporation
Halex Biotechnologies Sdn. Bhd.	Malaysia	100	100	Horticulture and agro-biotechnology. Temporary ceased operations since prior financial year
Pengedaran Beras Lestari Sdn. Bhd. +\$	Malaysia	100	100	Dormant
Indirect holding through Hextar Chemicals Group Sdn. Bhd.:				
Hextar Chemicals Sdn. Bhd.	Malaysia	100	100	Manufacturing, exporting and distributing agri-chemicals
Hextar R&D International Sdn. Bhd.	Malaysia	100	100	Providing specialist services for product testing, research, development and product formulation registration
Indirect holding through Hextar Biogas BEE Sdn. Bhd.:				
Biogas Environmental Engineering Sdn. Bhd.	Malaysia	100	100	Engaged in the business of biological technology to process the waste material from palm oil processing mill or other industries to produce methane (biogas) or organic fertiliser

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
<b>Indirect holding through Chempro Technology (M) Sdn. Bhd.:</b>				
Protek Chemicals & Engineering (B) Sdn. Bhd.*	Brunei	99.99	99.99	Retailer of specialized cleaning and sanitizing chemicals and other related services
<b>Indirect holding through Hextar Kimia Sdn. Bhd.:</b>				
Hextar Oilfield Chemicals Sdn. Bhd.	Malaysia	100	100	Dormant
Hextar Downstream Services Sdn. Bhd.	Malaysia	100	100	Dormant
Hextar Secadyme Sdn. Bhd.	Malaysia	100	100	Supplying industrial chemicals and catalysts for the oil and gas industry, blending, mixing and supplying of oilfield chemicals, environmental chemicals and other related products
<b>Indirect holding through Hextar Fruits Sdn. Bhd.:</b>				
PHG.Ever Fresh Food (M) Sdn. Bhd.	Malaysia	100	100	Engaged in the business of durian, durian processing and other fruits
PHG.Ever Fresh Food (TK) Sdn. Bhd.	Malaysia	100	100	Engaged in the business of frozen durian, durian paste, durian pulp and other durian related products
PHG Wholesale & Retail Sdn. Bhd.	Malaysia	100	100	Wholesale of durian and other fruits
PHG Ever Fresh Plantation Sdn. Bhd.	Malaysia	55	55	Engaged in growing and wholesale of durian
Fruits Venture Sdn. Bhd. <sup>+\$</sup>	Malaysia	100	100	Trading of fruits
Durian Boat Global Sdn. Bhd.	Malaysia	100	100	Trading of durian



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024 %	2023 %	
<b>Indirect holding through Hextar Kimia (Australia) Pty. Ltd.:</b>				
International Chemicals Engineering Pty. Ltd.*	Australia	100	100	Supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems
<b>Indirect holding through Durian Boat Global Sdn. Bhd.:</b>				
Durian Boat Pte. Ltd. **	Singapore	100	100	Retail sale of durian and durian related products

# - not required to be audited under the laws of the country of incorporation

\* - audited by other firm of chartered accountants

@ - Hextar Kimia Sdn. Bhd. is treated as a subsidiary by virtue of power to effect the variable returns

+ - In the process of being struck off

\$ - Consolidated based on management accounts. This approach was adopted as the size of these subsidiaries are considered insignificant to the Group.

% - The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the current reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiary. These subsidiaries are dormant and immaterial to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) During the financial year, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments.

The recoverable amounts were determined based on their value in use approach, determined by discounting future cash flows projected to be generated by the subsidiaries based on various assumptions. The key assumptions used in the determination of the recoverable amounts are as follows:-

- |                                 |  |
|---------------------------------|--|
| (i) Revenue                     | Revenue is estimated based on existing order book and anticipated future projects. In estimating the revenue, the Company considers the probability of securing future revenue contracts as well as possible variations in amounts and timing of the cash flows. |
| (ii) Budgeted gross margins     | Gross margins are estimated based on forecast margins for order book, management's expectations and past experience. The margins used were ranging from 14% to 55% (2023 - 6% to 50%).   |
| (iii) Discount rates (post-tax) | The discount rate reflects specific risks relating to the relevant subsidiaries. The rate used was 5% to 9% (2023 - 9%).   |
| (iv) Growth rates               | Cash flows for 3 to 5 year period are extrapolated using growth rate ranging from 5% to 44% (2023 - 25% to 47%).   |

The above estimates are sensitive as a decrease of 1% in gross margin would reduce the recoverable amount by approximately RM1,962,000. This investment in subsidiary belongs to the Agriculture Segment.

- (b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2024 %	2023 %	2024 RM	2023 RM
Hexstar Biogas BEE Sdn. Bhd. and its subsidiary	45	45	2,617,762	2,402,568
Hexstar Kimia Sdn. Bhd. and its subsidiaries	51	51	33,786,711	20,113,411
Hexstar Fruits Sdn. Bhd. and its subsidiaries	49	49	(5,273,704)	(19,166,961)
Other individually immaterial subsidiaries			(724,080)	(238,553)

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Hextar Biogas BEE Sdn. Bhd. and its Subsidiary	
	2024	2023
	RM	RM
<u>At 31 December</u>		
Non-current assets	1,865,280	1,707,445
Current assets	7,712,470	5,424,989
Non-current liabilities	-	(41,893)
Current liabilities	(3,659,838)	(1,748,106)
Net assets	5,917,912	5,342,435
<u>Financial year ended 31 December</u>		
Revenue	6,629,515	13,688,841
Profit for the financial year	528,257	2,149,561
Total comprehensive income	528,257	2,149,561
Total comprehensive income attributable to non-controlling interests	213,666	991,670
Net cash flows from operating activities	2,704,010	743,706
Net cash flows for investing activities	(55,178)	(33,097)
	Hextar Kimia Sdn. Bhd. and its Subsidiaries	
	2024	2023
	RM	RM
<u>At 31 December</u>		
Non-current assets	35,575,862	35,169,997
Current assets	81,361,581	69,811,653
Non-current liabilities	(2,413,844)	(6,350,864)
Current liabilities	(47,394,531)	(58,266,132)
Net assets	67,129,068	40,364,654

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows (Cont'd):-

	Hextar Kimia Sdn. Bhd. and its Subsidiaries	
	2024	2023
	RM	RM
<u>Financial year ended 31 December</u>		
Revenue	181,779,327	85,892,789
Profit for the financial year	27,048,787	14,574,851
Total comprehensive income	27,048,787	17,780,124
Total comprehensive income attributable to non-controlling interests	13,673,300	9,067,863
Net cash flows from operating activities	14,177,013	10,548,254
Net cash flows for investing activities	(1,927,716)	(25,846,144)
Net cash flows (for)/from financing activities	(12,691,299)	16,926,860
	Hextar Fruits Sdn. Bhd. and its Subsidiaries	
	2024	2023
	RM	RM
<u>At 31 December</u>		
Non-current assets	96,763,167	90,952,355
Current assets	66,318,153	116,370,156
Non-current liabilities	(14,004,069)	(18,291,477)
Current liabilities	(108,663,158)	(177,493,715)
Net assets	40,414,093	11,537,319
<u>Financial year ended 31 December</u>		
Revenue	183,495,758	52,096,190
(Loss)/Profit for the financial year	(3,339,064)	9,830,359
Total comprehensive (expenses)/income	(3,024,657)	9,830,359
Total comprehensive (expenses)/income attributable to non-controlling interests	(515,784)	4,737,184
Net cash flows from/(for) operating activities	52,463,562	(32,933,711)
Net cash flows for investing activities	(57,942,404)	(24,400,350)
Net cash flows from financing activities	770,080	57,910,052

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (d) Variable deferred consideration arising from business acquisitions

Included in the purchase consideration for the acquisitions, a retention sum has been agreed as part of the purchase consideration with the previous owners of the subsidiaries for Chempro Group (Consists of Chempro Technology (M) Sdn. Bhd. and its wholly-owned subsidiary as well as Alpha Aim (M) Sdn. Bhd.) and Nobel Group (Consists of Nobel Synthetic Polymer Sdn. Bhd. and Nobel Scientific Sdn. Bhd.). This retention sum is dependent on the profit after tax generated by the following subsidiaries within the profit guarantee period of 3 years from their respective acquisition date.

	The Group And Company 2023 RM
<b><u>Variable Deferred Consideration</u></b>	
At 1 January	49,712,277
Reassessment of variable deferred consideration	(479,143)
Payment during the financial year	(27,212,628)
Unwinding of discount	5,474,711
At 31 December	27,495,217

This retention sum is treated as variable deferred consideration arising from a business acquisition and is measured at amortised cost.

As at 31 December 2024, the variable deferred consideration of Chempro Group has been revised to RM15,754,323 as agreed by both parties and has been transferred to other payables as disclosed in Note 27. The cost of investment and goodwill have been increased by RM1,466,087 in the Company and the Group respectively as disclosed in Notes 6 and 11 to the financial statements.

## 7. INVESTMENT PROPERTIES

	The Group 2024 RM	2023 RM
<i>Carrying amount</i>		
At 1 January	820,000	3,504,000
Loss on changes in fair value (Note 33)	-	(148,000)
Transfer from property, plant and equipment (Note 9)	1,253,873	-
Transfer from right-of-use (Note 10)	3,172,408	-
Transfer from/(to) asset classified as held for sale (Note 20)	726,000	(2,536,000)
At 31 December	5,972,281	820,000
Included in the above are:-		
Freehold building, at fair value	820,000	820,000
Leasehold land, at fair value	3,172,408	-
Leasehold land and building, at fair value	1,979,873	-
	5,972,281	820,000

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 7. INVESTMENT PROPERTIES (CONT'D)

Investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the market comparison approach. Investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers based on market values of comparable properties. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, market trends and restrictions. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between levels of fair value hierarchy during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

## 8. INVESTMENTS IN JOINT VENTURES

	The Group	
	2024	2023
	RM	RM
Unquoted shares, at cost:-		
At 1 January	3,294,085	2,675,000
Addition during the financial year	5,544,000	619,085
At 31 December	8,838,085	3,294,085
Share of post-acquisition reserves:-		
At 1 January	(575,045)	(891,628)
Share of (loss)/profit for the financial year	(301,180)	283,013
Elimination of unrealised loss	-	33,570
At 31 December	(876,225)	(575,045)
	7,961,860	2,719,040



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 8. INVESTMENTS IN JOINT VENTURES (CONT'D)

The details of the joint ventures are as follows:-

Name of Joint Venture	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2024 %	2023 %	
<b>Indirect holding through Hextar Chemicals Group Sdn. Bhd.:</b>				
Hextar Unitop Sdn. Bhd.	Malaysia	50	50	Manufacturing, exporting, importing and marketing of surfactants, specialty chemicals, intermediates, agrochemical additives, oil field chemicals, emulsifiers and agrichemicals
<b>Indirect holding through Hextar Fruits Sdn. Bhd.:</b>				
PT. Hextar Fruits Indonesia	Indonesia	51	51	Trading of fruits
<b>Indirect holding through Durian Boat Global Sdn. Bhd.:</b>				
Grand Fresh Business Development Co. Ltd.	China	40	-	Trading and distributing of durian and durian related products

- (a) The joint arrangements are structured through separate vehicles which provide the Group a right to the net assets of the entities. Accordingly, these investments are classified as joint ventures.
- (b) Although the Group holds more than 50% of the voting power in PT. Hextar Fruits Indonesia, the Group has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee that require unanimous consent by all shareholders.
- (c) The Group recognised its share of results in PT. Hextar Fruits Indonesia based on the unaudited financial statements.
- (d) The summarised financial information for joint ventures that are material to the Group is as follows:-

	Hextar Unitop Sdn. Bhd.	
	2024 RM	2023 RM
<u>At 31 December</u>		
Non-current assets	613,952	418,959
Current assets	3,873,911	3,746,236
Current liabilities	(353,802)	(438,223)
Non-current liabilities	(217,885)	(90,000)
Net assets	3,916,176	3,636,972

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 8. INVESTMENTS IN JOINT VENTURES (CONT'D)

(d) The summarised financial information for joint ventures that are material to the Group is as follows (Cont'd):-

	Hextar Unitop Sdn. Bhd.	
	2024	2023
	RM	RM
<u>Financial year ended 31 December</u>		
Revenue	5,198,899	5,512,208
Profit for the financial year	279,203	598,926
Net cash flows (for)/from operating activities	(463,459)	922,698
Net cash flows (for)/from investing activities	(27,235)	2,633
		Grand Fresh Business Development Co. Ltd.
		2024
		RM
<u>At 31 December</u>		
Non-current assets		216,622
Current assets		11,953,963
Current liabilities		(135,473)
Net assets		12,035,112
<u>Financial period ended 31 December</u>		
Revenue		466,085
Loss for the financial period		(846,210)
Net cash flows for operating activities		(1,809,991)
Net cash flows from investing activities		17,890
Net cash flows from financing activities		13,641,600

(e) The summarised unaudited financial information for a joint venture that is immaterial to the Group is as follows:-

	PT. Hextar Fruits Indonesia	
	1.1.2024 - 31.12.2024	21.11.2023 - 31.12.2023
	RM	RM
<u>Financial year ended 31 December</u>		
Group's share of (loss)/profit for the financial year/period	(75,358)	3,119

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 9. PROPERTY, PLANT AND EQUIPMENT

The Group 2024	At 1.1.2024		Additions (Note 39(a))	Reclassification	Disposal	Write off	Depreciation charge	Impairment Loss	Transfer to investment properties (Note 7)	Foreign currency translation reserve	Revaluation surplus	At 31.12.2024
	RM	RM		RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Carrying amount</b>												
Freehold land and buildings	35,016,447	-	-	160,000	-	-	(389,942)	(4,109)	-	(569,032)	45,455	34,258,819
Leasehold buildings	28,067,062	20,051	-	(8,381)	-	-	(722,060)	-	(1,253,873)	(294,622)	806,339	26,614,516
Building and structures	1,402,236	-	-	-	-	-	(57,772)	-	-	-	-	1,344,464
Capital work-in-progress	1,488,732	8,583,516	-	(2,020,054)	-	-	-	-	-	(44,616)	-	8,007,578
Renovation	2,139,852	578,871	-	694,004	-	(6,535)	(293,445)	-	-	(86,067)	-	3,026,680
Forklift and motor vehicles	5,344,532	2,671,901	-	-	(6,601)	-	(1,594,184)	-	-	(96,265)	-	6,319,383
Tools, equipment, furniture and fittings	8,933,272	2,035,477	-	1,350,970	(67,163)	(19,991)	(2,871,198)	-	-	(34,588)	-	9,326,779
Factory equipment and machinery	20,549,921	4,187,044	-	(16,539)	(50,375)	(38,301)	(4,167,358)	-	-	(163,709)	-	20,300,683
Bearer plants	10,273,439	5,685	-	(160,000)	-	-	(261,120)	-	-	-	-	9,858,004
	113,215,493	18,082,545	-	(124,139)	(64,827)	(64,827)	(10,357,079)	(4,109)	(1,253,873)	(1,288,899)	851,794	119,056,906

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2023	Additions		Disposal of a subsidiary	Reclassification	Disposal	Write off	Depreciation		Foreign currency translation reserve	Revaluation surplus	At 31.12.2023
		RM	RM		RM	RM	RM	RM	RM		RM	RM
2023												
<b>Carrying amount</b>												
Freehold land and buildings	17,395,071	-	17,520,000	-	-	-	-	(209,828)	239,954	71,250	35,016,447	
Leasehold buildings	19,942,904	56,738	6,876,965	(4,428,324)	2,997,746	-	-	(372,864)	235,610	2,758,287	28,067,062	
Building and structures	1,460,006	-	-	-	-	-	-	(57,770)	-	-	1,402,236	
Capital work-in-progress	3,479,715	1,428,288	-	-	(3,437,749)	-	-	-	18,478	-	1,488,732	
Renovation	1,304,595	224,236	1,390,080	-	(442,431)	-	(13,474)	(337,235)	14,081	-	2,139,852	
Forklift and motor vehicles	2,306,056	2,236,520	2,141,941	1,052	87,927	(379,226)	-	(1,086,259)	36,521	-	5,344,532	
Tools, equipment, furniture and fittings	6,494,886	2,098,382	1,834,777	(152,991)	741,831	(17,719)	(448)	(2,071,426)	5,980	-	8,933,272	
Factory equipment and machinery	15,292,149	4,032,830	5,137,868	(474,235)	52,676	(293)	(35)	(3,628,796)	137,757	-	20,549,921	
Bearer plants	-	-	10,320,000	-	-	-	-	(46,561)	-	-	10,273,439	
	67,675,382	10,076,994	45,221,631	(5,054,498)	-	(397,238)	(13,957)	(7,810,739)	688,381	2,829,537	113,215,493	

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group 2024	At cost RM	At valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land and buildings	-	34,623,496	(364,677)	34,258,819
Leasehold buildings	-	27,608,203	(993,687)	26,614,516
Building and structures	-	1,521,311	(176,847)	1,344,464
Capital work-in-progress	8,007,578	-	-	8,007,578
Renovation	6,777,952	-	(3,751,272)	3,026,680
Forklift and motor vehicles	16,961,882	-	(10,642,499)	6,319,383
Tools, equipment, furniture and fittings	31,609,669	-	(22,282,890)	9,326,779
Factory equipment and machinery	85,567,826	-	(65,267,143)	20,300,683
Bearer plants	5,685	10,160,000	(307,681)	9,858,004
	148,930,592	73,913,010	(103,786,696)	119,056,906

The Group 2023	At cost RM	At valuation RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Freehold land and buildings	-	35,418,790	(373,559)	(28,784)	35,016,447
Leasehold buildings	-	29,110,064	(1,043,002)	-	28,067,062
Building and structures	-	1,521,311	(119,075)	-	1,402,236
Capital work-in-progress	1,488,732	-	-	-	1,488,732
Renovation	6,175,003	-	(4,035,151)	-	2,139,852
Forklift and motor vehicles	15,378,364	-	(10,033,832)	-	5,344,532
Tools, equipment, furniture and fittings	30,409,386	-	(21,343,638)	(132,476)	8,933,272
Factory equipment and machinery	82,443,519	-	(61,893,598)	-	20,549,921
Bearer plants	611,796	10,320,000	(93,289)	(565,068)	10,273,439
	136,506,800	76,370,165	(98,935,144)	(726,328)	113,215,493

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (a) Assets pledged as security to financial institutions

The land and buildings of the Group pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements are as follows:-

	The Group	
	2024	2023
	RM	RM
At carrying amount:-		
Freehold land and buildings	27,372,359	27,561,612
Leasehold buildings	15,596,717	16,057,895
Tools, equipment, furniture and fittings	803,927	894,087
Factory equipment and machinery	734,800	835,000
Bearer plants	9,852,319	10,273,439
	54,360,122	55,622,033

### (b) Revaluation of bearer plants, land and buildings

During the financial year, certain land, buildings and bearer plants have been revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income, as disclosed in Note 36 to the financial statements and accumulated in equity under the revaluation reserve.

The details of the Group's property, plant and equipment carried at fair values are analysed as follows:-

	Level 1	Level 2	Level 3	Level 4
The Group	RM	RM	RM	RM
<b>2024</b>				
Freehold land and buildings	-	34,623,496	-	-
Leasehold buildings	-	27,608,203	-	-
Building and structures	-	1,521,311	-	-
Bearer plants	-	-	10,160,000	-
	-	63,753,010	10,160,000	-
<b>2023</b>				
Freehold land and buildings	-	35,418,790	-	-
Leasehold buildings	-	29,110,064	-	-
Building and structures	-	1,521,311	-	-
Bearer plants	-	-	10,320,000	-
	-	66,050,165	10,320,000	-

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (b) Revaluation of bearer plants, land and buildings (Cont'd)

The level 3 fair values have been determined based on the fair value less estimated costs to sell using the income approach by way of Multi-Period Excess Earnings Method and the Discounted Cash Flow Method. The significant inputs into this valuation approach are selling price of durian fruits and estimated quantity of durian fruits harvested per tree. There has been no change to the valuation technique during the financial year.

There were no transfers between levels of fair value hierarchy during the financial year.

The fair value measurements of the land, buildings and bearer plants are based on the highest and best use which does not differ from their actual use.

### (c) If the lands and buildings were measured using the cost model, the carrying amounts would be as follows:-

	The Group	
	2024	2023
	RM	RM
		(Restated)
Freehold land and buildings	30,240,022	31,086,807
Leasehold buildings	21,171,340	22,396,204
Building and structures	1,389,994	1,450,428
	52,801,356	54,933,439

### (d) Assets held under hire purchase arrangements

The plant and equipment of the Group have been pledged as security for the hire purchase payables of the Group as disclosed in Note 25 to the financial statements are:-

	The Group	
	2024	2023
	RM	RM
		(Restated)
Forklift and motor vehicles	4,853,149	4,055,988
Factory equipment and machinery	1,233,467	1,738,367
	6,086,616	5,794,355

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 10. RIGHT-OF-USE ASSETS

The Group	At 1.1.2024	Additions	Termination of lease liabilities	Reassessment of lease liabilities	Depreciation charge	Foreign currency translation reserve	Revaluation surplus	Transfer to investment properties (Note 7)	At 31.12.2024
2024	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Carrying amount</b>									
Leasehold land	25,088,245	-	-	-	(360,424)	(552,213)	1,356,176	(3,172,408)	22,359,376
Motor vehicles	258,007	-	-	(5)	(123,241)	(2,048)	-	-	132,713
Hostels	548,040	254,763	(186,291)	26,839	(260,657)	-	-	-	382,694
Warehouses	6,510,329	-	-	230,746	(2,813,303)	(9,570)	-	-	3,918,202
Office	-	145,360	-	190,278	(296,503)	-	-	-	39,135
Factories	1,969,269	1,129,652	(166,138)	899,875	(1,238,921)	(28,211)	-	-	2,565,526
Forklifts	238,828	356,517	(54,505)	-	(91,490)	-	-	-	449,350
Industrial buildings	24,173,538	-	-	-	(3,088,466)	-	-	-	21,085,072
Land	158,585	149,618	-	(108,103)	(55,731)	-	-	-	144,369
Shops	-	1,145,225	(511,086)	-	(157,652)	-	-	-	476,487
Office equipment	9,533	63,268	-	-	(20,377)	-	-	-	52,424
	58,954,374	3,244,403	(918,020)	1,239,630	(8,506,765)	(592,042)	1,356,176	(3,172,408)	51,605,348

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 10. RIGHT-OF-USE ASSETS (CONT'D)

The Group	At 1.1.2023	Additions	Termination of lease liabilities	Reassessment of lease liabilities	Depreciation charge	Foreign currency translation reserve	Acquisition of subsidiaries	Disposal of a subsidiary	Revaluation surplus	At 31.12.2023
2023	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount										
Leasehold land	19,116,263	-	-	-	(270,653)	421,918	6,015,723	(1,912,371)	1,717,365	25,088,245
Motor vehicles	17,391	371,466	-	-	(131,714)	864	-	-	-	258,007
Hostels	447,619	450,949	(163,429)	28,256	(192,859)	-	122,945	(145,441)	-	548,040
Warehouses	11,157,543	-	(444,209)	-	(3,369,898)	78,393	80,527	(992,027)	-	6,510,329
Office	1,009,675	-	(819,397)	-	(190,278)	-	-	-	-	-
Factories	2,392,777	-	-	-	(864,613)	-	441,105	-	-	1,969,269
Forklifts	108,640	162,295	-	34,191	(66,298)	-	-	-	-	238,828
Industrial buildings	25,722,895	-	-	-	(2,828,335)	-	1,278,978	-	-	24,173,538
Land	-	-	-	158,585	(2,280)	-	2,280	-	-	158,585
Office equipment	-	-	-	-	(1,488)	-	11,021	-	-	9,533
	59,972,803	984,710	(1,427,035)	221,032	(7,918,416)	501,175	7,952,579	(3,049,839)	1,717,365	58,954,374

## NOTES TO THE FINANCIAL STATEMENTS

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cont'd

### 10. RIGHT-OF-USE ASSETS (CONT'D)

The Group 2024	At cost RM	At valuation RM	Accumulated depreciation RM	Carrying amount RM
Leasehold land	-	22,881,548	(522,172)	22,359,376
Motor vehicles	368,647	-	(235,934)	132,713
Hostels	739,631	-	(356,937)	382,694
Warehouses	10,567,711	-	(6,649,509)	3,918,202
Office	1,556,549	-	(1,517,414)	39,135
Factories	6,640,663	-	(4,075,137)	2,565,526
Forklifts	587,037	-	(137,687)	449,350
Industrial buildings	27,283,682	-	(6,198,610)	21,085,072
Land	241,143	-	(96,774)	144,369
Shops	516,194	-	(39,707)	476,487
Office equipment	78,775	-	(26,351)	52,424
	48,580,032	22,881,548	(19,856,232)	51,605,348

The Group 2023	At cost RM	At valuation RM	Accumulated depreciation RM	Carrying amount RM
Leasehold land	-	25,528,988	(440,743)	25,088,245
Motor vehicles	371,200	-	(113,193)	258,007
Hostels	754,220	-	(206,180)	548,040
Warehouses	10,929,122	-	(4,418,793)	6,510,329
Office	1,220,911	-	(1,220,911)	-
Factories	4,906,438	-	(2,937,169)	1,969,269
Forklifts	339,529	-	(100,701)	238,828
Industrial buildings	27,283,682	-	(3,110,144)	24,173,538
Land	199,628	-	(41,043)	158,585
Office equipment	44,643	-	(35,110)	9,533
	46,049,373	25,528,988	(12,623,987)	58,954,374

- (a) The Group leases certain pieces of leasehold land, forklifts, motor vehicles, hostels, office, factories, warehouses, industrial buildings, land, shops and office equipment of which the leasing activities are summarised below:-

(i) Leasehold land

The Group has entered into 10 (2023 - 11) non-cancellable operating lease agreements for the use of land. The leases are for a period of 20 to 999 (2023 - 20 to 999) years with no renewal or purchase option included in the agreements.

The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 10. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases certain pieces of leasehold land, forklifts, motor vehicles, hostels, office, factories, warehouses, industrial buildings, land, shops and office equipment of which the leasing activities are summarised below (Cont'd):-

(ii) Forklifts and motor vehicles

The Group have leased several forklifts and motor vehicles for a period ranging from 3 to 5 (2023 - 3 to 5) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(iii) Hostels

The Group has leased a number of hostels that run for a period ranging 2 to 4 (2023 - 3 to 6) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(iv) Warehouses

The Group has leased a number of warehouses for a period ranging from 2 to 6 (2023 - 2 to 5) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(v) Office

The Group has leased an office for a period of 3 (2023 - 7) years, with an option to renew the lease after that date. The lease does not contain any variable lease payments.

(vi) Factories

The Group has leased a number of factories for a period ranging from 5 to 6 (2023 - 3 to 6) years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

(vii) Industrial buildings

The Group has leased a number of industrial buildings for a period ranging from 3 to 15 (2023 - 3 to 15) years. The leases contain variable lease payments that are incremental at approximately 13% on the 4th, 7th and 11th year.

(viii) Land

The Group has leased several parcels of land for a period of 2 to 6 (2023 - 13) years. The leases do not contain any variable lease payments.

(ix) Shops

The Group has a number of shops for a period of 2 years. The leases do not contain any variable lease payments.

(x) Office equipment

The Group has leased a number of office equipment for a period of 5 (2023 - 5) years. The leases do not contain any variable lease payments.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 10. RIGHT-OF-USE ASSETS (CONT'D)

- (b) The leasehold land of Group with a total carrying amount of RM11,903,159 (2023 - RM11,296,784) has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.
- (c) The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between levels of fair value hierarchy during the financial year.

The fair value measurements of the leasehold land are based on the highest and best use which does not differ from their actual use.

- (d) Had the revalued leasehold land been carried at historical cost less accumulated depreciation, their carrying amounts would have been:-

	2024 RM	2023 RM
Leasehold land	7,569,724	8,247,926

- (e) The Group also has leases motor vehicles and premises with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.
- (f) The Group will reassess whether it is reasonably certain to exercise the options granted in the lease contracts if there is a significant change in circumstances within its control. During the financial year, the Group has performed a reassessment and the financial effect of revising the lease terms to reflect the effect of exercising the extension options was an increase in recognised lease liabilities and right-of-use assets of RM1,239,630 (2023 - RM221,032).

## 11. INTANGIBLE ASSETS

	The Group	
	2024 RM	2023 RM
		(Restated)
Goodwill on consolidation	160,529,174	158,619,375
Product development expenditure	250,607	452,435
Software	712,729	-
Trademark and patents	2,690,844	2,902,132
	164,183,354	161,973,942



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 11. INTANGIBLE ASSETS (CONT'D)

### (a) Goodwill on consolidation

	The Group	
	2024	2023
	RM	RM
Cost:-		
At 1 January	184,883,148	158,498,455
Acquisition of subsidiaries	-	26,863,836
Reassessment of goodwill	443,712	-
Reassessment of variable deferred consideration	1,466,087	(479,143)
At 31 December	186,792,947	184,883,148
Accumulated impairment losses:-		
At 1 January	(26,263,773)	(26,263,773)
Impairment during the financial year	-	-
At 31 December	(26,263,773)	(26,263,773)
	160,529,174	158,619,375

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2024	2023
	RM	RM
Hextar Chemicals Group Sdn. Bhd. and its subsidiaries	7,448,670	7,448,670
Hextar Biogas BEE Sdn. Bhd. and its subsidiary	5,887,218	5,887,218
Alpha Aim (M) Sdn. Bhd., Chempro Technology (M) Sdn. Bhd. and its subsidiary	46,880,768	45,414,681
Nobel Synthetic Polymer Sdn. Bhd. and Nobel Scientific Sdn. Bhd.	59,100,012	59,100,012
Hextar Kimia Sdn. Bhd. and its subsidiaries	13,904,958	13,904,958
Hextar Oiltech Sdn. Bhd.	128,948	128,948
Hextar Fruits Sdn. Bhd. and its subsidiaries	27,178,600	26,734,888
	160,529,174	158,619,375

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 11. INTANGIBLE ASSETS (CONT'D)

### (a) Goodwill on consolidation (Cont'd)

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU. The recoverable amount of a CGU is determined based on value in use calculation using cash flow projections from the financial budgets and forecast approved by the management covering a 3 to 5 years period.

#### Key assumptions used in value in use calculations

		The Group	
		2024	2023
1.	Discount rate	7% - 11%	12%
	The discount rate is on a pre-tax basis that reflects current market assessment of time value of money and the risks specific to the CGU.		
2.	Growth rate	-20% - 44%	-25% - 47%
	This is based on the management forecasts after incorporating changes in pricing and direct costs based on past experience and the expectations of future changes in the market.		
3.	Profit margin	10% - 55%	6% - 50%
	Net cash projections for the relevant cash flow period are extrapolated based on past gross/net profit generated by the CGU divided by the gross revenue generated by the respective CGU.		

In assessing the value in use, the management believes that there is no reasonably possible change in the above key assumptions applied that is likely to cause the carrying amount of the respective CGU to materially exceed its recoverable amount.

### (b) Product development expenditure

		The Group	
		2024	2023
		RM	RM
Cost:-			
At 1 January		4,545,915	4,371,662
Additions during the financial year		18,641	174,253
At 31 December		4,564,556	4,545,915
Accumulated amortisation:-			
At 1 January		(4,093,480)	(3,820,242)
Addition during the financial year (Note 33)		(220,469)	(273,238)
At 31 December		(4,313,949)	(4,093,480)
		250,607	452,435

The development expenditure incurred during the financial year is in respect of fees paid to external researchers for product development purposes and belong to the Group's "Agriculture" reportable segment. The amortisation charge is recognised in the profit or loss under the "Other Expenses" line item.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 11. INTANGIBLE ASSETS (CONT'D)

### (c) Software

	The Group 2024 RM
Cost:-	
At 1 January	-
Additions during the financial year	798,520
At 31 December	798,520
Accumulated amortisation:-	
At 1 January	-
Addition during the financial year (Note 33)	(85,791)
At 31 December	(85,791)
	712,729

### (d) Trademark and Patents

	The Group 2024 RM	2023 RM (Restated)
Cost:-		
At 1 January	6,487,793	6,131,454
Addition during the financial year	184,795	130,089
Acquisition of a subsidiary	-	237,840
Disposal of a subsidiary	-	(11,590)
At 31 December	6,672,588	6,487,793
Accumulated amortisation:-		
At 1 January	(2,206,489)	(1,825,156)
Addition during the financial year (Note 33)	(295,985)	(384,770)
Disposal of a subsidiary	-	3,437
At 31 December	(2,502,474)	(2,206,489)
Accumulated impairment:-		
At 1 January	(1,379,172)	-
Acquisition of a subsidiary	-	(237,815)
Impairment during the financial year (Note 33)	(100,098)	(1,141,357)
At 31 December	(1,479,270)	(1,379,172)
	2,690,844	2,902,132

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 12. TRADE RECEIVABLES

	The Group	
	2024	2023
	RM	RM
<b>Non-current:-</b>		
Third parties	2,194,854	2,263,150
<b>Current:-</b>		
Related parties	72,375	11,047,113
Third parties	175,374,499	151,761,961
	175,446,874	162,809,074
Less: Allowance for impairment losses	(6,808,586)	(5,358,664)
Net trade receivables	168,638,288	157,450,410
Allowance for impairment losses:-		
At 1 January	(5,358,664)	(3,482,212)
Acquisition of subsidiaries	-	(674,252)
Addition during the financial year (Notes 32 and 35)	(1,832,157)	(2,900,581)
Changes due to reassessment of goodwill during remeasurement period	(782,691)	-
Disposal of subsidiaries	-	97,446
Written off during the financial year	261,196	523,599
Reversal during the financial year (Note 32)	903,730	1,077,336
At 31 December	(6,808,586)	(5,358,664)

The Group's normal trade credit terms range from 30 to 150 (2023 - 30 to 150) days. Other credit terms are assessed and approved on a case-by-case basis.

## 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
<b>Non-current:-</b>					
Prepayment	(a)	3,577,625	2,402,688	-	-
<b>Current:-</b>					
Other receivables					
- Related parties		20,000	5,000	-	-
- Third parties	(b)	9,848,195	16,968,020	9,266,558	15,266,558
Advances to suppliers	(c)	18,723,044	6,366,304	-	-
Deposits	(d)	12,142,567	7,634,755	2,921,625	3,500
Prepayments		31,545,854	33,790,804	30,865	25,775
GST recoverable		6,962	529,550	-	-
		72,286,622	65,294,433	12,219,048	15,295,833

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (a) Non-current prepayment represents product registration fees paid to internal researchers for product development purposes for a period of 5 years (2023 - 5 years).
- (b) The amount of RM9,257,000 included in other receivables of the Group and the Company respectively are amount owing from a former subsidiary.
- (c) The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.
- (d) Included in the deposits of the Group and the Company is cash collateral of RM2,812,500, which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

## 14. INVENTORIES

	The Group	
	2024	2023
	RM	RM
Consumables	90,257	529,489
Finished goods	57,445,247	101,389,454
Goods in-transit	4,204,770	2,462,862
Packaging materials	5,873,194	3,875,473
Raw materials	70,290,307	79,584,999
	137,903,775	187,842,277

	The Group	
	2024	2023
	RM	RM
<u>Recognised in profit or loss:-</u>		
Inventories recognised as cost of sales	575,268,724	421,209,918
Inventories written down	374,816	28,612
Inventories written off	112,371	229,403
Write back of inventories	-	(77,285)

The reversal of write-down was in respect of inventories sold above their carrying amounts during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 15. CONTRACT ASSETS/(LIABILITIES)

- (a) Contract assets represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Company issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

	The Group	
	2024	2023
	RM	RM
Balance at 1 January	(3,477,071)	(2,201,390)
Accrued billings during the financial year	(33,772,386)	(23,207,778)
Acquisition of subsidiaries	-	(251,725)
Advance consideration received	(31,988,008)	(14,496,011)
Foreign currency translation reserve	21,414	-
Revenue recognised during the year	71,182,242	36,679,833
Balance at 31 December	1,966,191	(3,477,071)
<i>Represented by:</i>		
- Contract assets	12,636,854	1,468,917
- Contract liabilities	(10,670,663)	(4,945,988)
	1,966,191	(3,477,071)

- (b) Included in contract liabilities are advance considerations received from a few customers totalling RM10,670,663 (2023 - RM4,833,290). The amount will be recognised as revenue when the performance obligations are satisfied in the future.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 16. AMOUNT OWING BY/(TO) SUBSIDIARIES

		The Company	
	Interest charged	2024	2023
	RM	RM	RM
<b>Amount owing by subsidiaries:</b>			
- Non-trade balances			
- interest bearing	6.8% to 8.3%	64,910,257	51,929,452
- non-interest bearing	-	44,874,575	66,861,236
Allowance for impairment losses		(19,759,406)	(12,531,667)
		90,025,426	106,259,021
<b>Amount owing to subsidiaries:</b>			
- Non-trade balances	-	(81,788,858)	(59,488,681)
<b>Allowance for impairment losses:-</b>			
At 1 January		12,531,667	10,495,010
Addition during the financial year		7,227,739	2,036,657
At 31 December		19,759,406	12,531,667

The balances are unsecured and payments made on behalf. The amounts owing are receivable/repayable on demand and are to be settled in cash.

## 17. AMOUNT OWING BY/(TO) RELATED COMPANIES

	The Group	
	2024	2023
	RM	RM
<b>Amount owing by related companies:</b>		
- Trade balances	342,985	2,133,033
- Non-trade balances	-	8,520
	342,985	2,141,553
<b>Amount owing to related companies:</b>		
- Trade balances	(776,200)	(579,070)
- Non-trade balances	(8,512)	-
	(784,712)	(579,070)

(a) The trade balances are subject to the normal credit terms of 30 to 90 (2023 - 30 to 90) days.

(b) The non-trade balances represent unsecured interest-free advances which are receivable on demand. The amount owing is to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 18. SHORT-TERM INVESTMENTS

	The Group	
	2024	2023
	RM	RM
<u>At cost:</u>		
At 1 January	5,037,125	-
Addition during the year	-	5,000,000
Disposal during the year	(1,599,000)	-
Impairment loss during the year	(3,500,000)	-
Interest income	61,875	37,125
At 31 December	-	5,037,125
<u>At fair value:</u>		
At 1 January	1,982,200	-
Addition during the year	-	2,000,000
Fair value loss	(509,400)	(17,800)
At 31 December	1,472,800	1,982,200
Total	1,472,800	7,019,325

Short-term investments represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable ranging between ten (10) days to nine (9) months' notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

Investment in highly liquid money market instruments amounting to RM1,472,800 (2023 - RM1,982,200) is regarded as cash and cash equivalents in view of their high liquidity and insignificant risk of changes in value.

## 19. DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 0.01% to 3.51% (2023 - 2.90% to 4.95%) per annum respectively. The fixed deposits have maturity periods ranging from 29 to 365 (2023 - 28 to 365) days for the Group.
- (b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM16,686,946 (2023 - RM18,193,108) which have been pledged to licensed banks as security for banking facilities granted to the Group.

## 20. ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2024	2023
	RM	RM
At 1 January	1,556,000	4,393,084
Transfer (to)/from investment properties (Note 7)	(726,000)	2,536,000
Disposal during the financial year	(830,000)	(5,373,084)
At 31 December	-	1,556,000

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 20. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

### Assets classified as held for sale in the current financial year

The Group entered into a Sale and Purchase Agreement on 5 February 2024 for the disposal of leasehold building for a total consideration of RM830,000.

The disposal was completed on 4 August 2024 with no gain no loss. The asset classified as held for sale belongs to Group's "Investment holding" reportable segment.

## 21. SHARE CAPITAL

	The Group/The Company			
	2024	2023	2024	2023
	Number Of Shares		RM	RM
<b>Issued and Fully Paid-up</b>				
Ordinary Shares				
At 1 January	3,939,261,852	1,313,087,284	633,878,029	633,878,029
Bonus issue of shares	-	2,626,174,568	-	-
At 31 December	3,939,261,852	3,939,261,852	633,878,029	633,878,029

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary share have no par value.

## 22. RESERVES

### (a) Revaluation reserve

The revaluation reserve represents:-

- (i) the increase in the fair value of freehold land and buildings of the Group (net of deferred tax, where applicable) presented under property, plant and equipment, and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income; and
- (ii) revaluation surpluses (net of deferred taxation) of leasehold land immediately prior to its reclassification as right-of-use assets upon the adoption of MFRS 16 'Leases' in 2019.

### (b) Exchange reserve

The exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from the Group's presentation currency.

### (c) Merger deficit reserve

	The Group	
	2024	2023
	RM	RM
Merger deficit reserve	500,422,471	500,422,471

The merger deficit reserve arises from the difference between the carrying value of the investment and the nominal value of shares of a group upon consolidation under the merger accounting principles.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 23. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are held by the Company.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the share repurchase plan can be applied in the best interest of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## 24. LEASE LIABILITIES

	The Group	
	2024	2023
	RM	RM
At 1 January	35,280,602	40,834,406
Acquisition of subsidiaries	-	2,006,895
Addition during the financial year (Note 39(c))	3,244,403	984,710
Interest expense recognised in profit or loss (Note 39(c))	1,765,314	1,957,547
Changes due to reassessment of lease term	1,263,642	248,140
Repayment of principal	(7,299,118)	(6,175,401)
Repayment of interest expense	(1,765,314)	(1,957,547)
Foreign currency translation reserve	(40,281)	53,672
Derecognition of lease	(941,904)	(1,447,251)
Disposal of a subsidiary	-	(1,224,569)
At 31 December	31,507,344	35,280,602
Analysed by:-		
Current liabilities	7,230,127	6,283,856
Non-current liabilities	24,277,217	28,996,746
	31,507,344	35,280,602

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 25. BORROWINGS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
	(Restated)			
<b>Non-current</b>				
Term loans (secured)	122,496,663	126,190,258	109,293,890	106,695,000
Hire purchase payables (secured)	3,580,627	3,532,008	-	-
	126,077,290	129,722,266	109,293,890	106,695,000
<b>Current</b>				
Term loans (secured)	47,213,407	31,774,584	41,253,821	28,520,000
Hire purchase payables (secured)	1,712,329	1,492,921	-	-
Revolving credit (secured)	71,000,000	66,000,000	60,000,000	60,000,000
Bills payable (secured)	138,313,323	141,225,837	-	-
Bank overdrafts (secured)	21,637,003	14,352,950	-	-
	279,876,062	254,846,292	101,253,821	88,520,000

(a) The borrowings of the Group are secured by:-

- (i) certain properties of the Group as disclosed in Notes 7, 9 and 10 to the financial statements;
- (ii) corporate guarantee of the Company and subsidiaries;
- (iii) cash collateral as disclosed to Note 13;
- (iv) guaranteed by the government of Malaysia and Credit Guarantee Corporation Malaysia Berhad under Portfolio Guarantee, Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP);
- (v) joint and several guarantee by certain directors of the subsidiary;
- (vi) keyman insurance by subsidiaries;
- (vii) pledge of shares in acquired subsidiaries;
- (viii) pledge of fixed deposit belonging to subsidiaries as disclosed in Note 19 to the financial statements; and
- (ix) negative pledge over a subsidiary's present and future assets.

(b) The interest rate profile of the borrowings of the Group are summarised below:-

		The Group	
		2024	2023
		%	%
Term loans	Floating rate	3.56 to 10.91	4.40 to 12.20
Hire purchase payables	Fixed rate	2.79 to 9.50	2.79 to 9.51
Bills payable	Floating rate	3.47 to 9.00	3.87 to 7.65
Revolving credit	Floating rate	5.01 to 7.07	4.99 to 6.88
Bank overdrafts	Floating rate	3.75 to 10.15	7.65 to 8.14

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 26. DEFERRED TAX LIABILITIES/(ASSETS)

	The Group	
	2024	2023
	RM	RM
<b>Deferred tax liabilities</b>		
At 1 January	12,105,775	6,381,235
Acquisition of subsidiaries	-	4,484,368
Disposal of subsidiaries	-	(519,653)
Recognised in profit or loss (Note 34)	(3,166,224)	440,084
Recognised in other comprehensive income	320,149	1,319,741
Changes due to reassessment of goodwill during remeasurement period	(1,028,183)	-
At 31 December	8,231,517	12,105,775
<b>Deferred tax assets</b>		
At 1 January	(777,234)	(243,408)
Acquisition of subsidiaries	-	(11,637)
Recognised in profit or loss (Note 34)	(1,157,999)	(402,902)
Recognised in other comprehensive income	78,175	(119,287)
At 31 December	(1,857,058)	(777,234)
	6,374,459	11,328,541

The components of net deferred tax liabilities are attributable of the following:-

	The Group	
	2024	2023
	RM	RM
Accelerated capital allowances over depreciation	2,136,960	3,121,862
Accumulated impairment losses on trade receivable	(443,000)	(37,300)
Contract liabilities	(1,757,000)	-
Prepaid product registration license	2,070,085	1,931,048
Product development expenditure	70,000	118,000
Revaluation reserve	6,094,643	6,622,595
Unrealised profit in inventory	(427,306)	(203,143)
Accrual for bonus	(536,758)	(299,073)
Inventories written down	(88,000)	(61,030)
Unabsorbed capital allowance	(37,000)	(24,000)
Unrealised gain on foreign exchange - trade	57,980	336,172
Unutilised tax losses	(82,000)	(45,000)
Others	(684,145)	(131,590)
	6,374,459	11,328,541



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 27. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
<b>Non-current:-</b>					
Other payables	(a)	1,778,400	3,208,400	-	-
Accruals	(b)	627,388	-	-	-
		2,405,788	3,208,400	-	-
<b>Current:-</b>					
Other payables					
- Related parties		417,376	222,334	-	-
- Third parties		11,145,305	64,257,766	43,168	169,894
Deferred consideration	(c)	15,754,323	-	15,754,323	-
Deposits received		9,850	2,385,946	-	-
Accruals	(b)	18,299,739	16,022,491	67,344	136,976
Goods and services tax payable		134,070	99,602	-	-
Sales and services tax payable		240,186	168,108	-	-
		46,000,849	83,156,247	15,864,835	306,870

- (a) The other payables (non-current) are unsecured, interest free and is not expected to be repaid within the next twelve months.
- (b) Accruals represents provision for bonus, salaries, commissions, employee benefits and other accrued expenses.
- (c) Deferred consideration arising from business acquisition of Chempro Group (Consists of Chempro Technology (M) Sdn. Bhd. and its wholly-owned subsidiary as well as Alpha Aim (M) Sdn. Bhd.). This amount has been reclassified from variable deferred consideration to other payables upon the final payment agreed by both parties.

## 28. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 7 to 120 (2023 - 7 to 120) days.

## 29. AMOUNT OWING TO A JOINT VENTURE

The amount due to a joint venture is trade in nature and is subject to a credit term of 60 (2023 - 60) days. The amount due is to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 30. DERIVATIVES ASSETS/(LIABILITIES)

	Contract/Notional Amount		The Group	
	2024 USD	2023 USD	2024 RM	2023 RM
<b>Derivative assets</b>				
Forward currency contracts	4,816,000	-	1,003,671	-
<b>Derivative liabilities</b>				
Forward currency contracts	(475,464)	(3,500,000)	(9,674)	(70,350)

The Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates of the forward currency contracts are within (4) four months after the end of the reporting year.

## 31. REVENUE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from contracts with customers</b>				
<u>Recognised at point in time</u>				
Sales of goods	899,007,024	632,713,961	-	-
Rendering of services	13,508,860	24,494,357	-	-
<u>Recognised over time</u>				
Construction contracts	5,771,985	11,830,346	-	-
<b>Revenue from other sources</b>				
Dividend income	-	-	76,817,144	54,829,585
	918,287,869	669,038,664	76,817,144	54,829,585

## 32. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Impairment losses on:				
- amount owing by subsidiaries	-	-	7,227,739	2,036,657
- related parties	8,520	-	-	-
- short-term investment (Note 18)	3,500,000	-	-	-
- trade receivables (Note 12)	1,832,157	2,890,021	-	-
- other receivables	113,764	-	-	-
Reversal of impairment losses on:				
- trade receivables (Note 12)	(903,730)	(1,077,336)	-	-
	4,550,711	1,812,685	7,227,739	2,036,657

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 33. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Amortisation of:				
- investment in club membership	564	563	-	-
- product development expenditure (Note 11)	220,469	273,238	-	-
- software (Note 11)	85,791	-	-	-
- trademark and patents (Note 11)	295,985	384,274	-	-
Auditors' remuneration:				
- audit fees:				
- current financial year	747,316	429,201	84,000	51,600
- underprovision in the previous financial year	82,690	65,654	10,400	-
- other auditors	98,329	170,934	-	-
- non audit fee:				
- auditors of the Company	6,000	16,000	6,000	16,000
Bad debts written off	482,918	6,000	-	-
Depreciation of:				
- property, plant and equipment	10,357,079	7,731,604	-	-
- right-of-use assets	8,506,765	7,689,033	-	-
Directors' remuneration (Note 40(c))	9,169,735	6,447,553	290,000	299,000
Fair value loss on investment properties (Note 7)	-	148,000	-	-
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	1,103,425	-	1,103,425	-
Impairment loss on:				
- intangible assets (Note 11)	100,098	1,141,357	-	-
- investment in subsidiaries (Note 6)	-	-	-	7,284,672
- property	4,109	-	-	-
Interest expense:				
- bank overdrafts	497,252	50,426	-	-
- bills payable	6,395,040	3,908,212	-	-
- hire purchase	283,642	165,284	-	-
- insurance	23,419	-	-	-
- intercompany loan	-	-	44,372	-
- lease liabilities	1,765,314	1,930,441	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 33. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation is arrived at after charging/(crediting) (Cont'd):-

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest expense (Cont'd):				
- overdue charged by supplier	39,014	-	-	-
- revolving credit	3,777,244	1,577,321	3,261,312	511,118
- term loans	11,257,804	8,010,564	10,031,545	7,028,769
- variable deferred consideration	793,020	5,474,711	793,019	5,474,711
Inventories written off	112,371	229,403	-	-
Inventories written down	374,816	28,612	-	-
Loss arising from changes in fair value of biological assets	16,691	87,552	-	-
(Gain)/Loss on disposal of plant and equipment	(277,844)	27,666	-	-
Plant and equipment written off	64,827	13,957	-	-
Short-term leases	825,653	1,026,124	4,050	1,150
Staff costs (including other key management personnel as disclosed in Note 40(c)):				
- short-term employees benefits	56,488,009	39,679,623	-	-
- defined contribution benefits	5,714,585	3,761,000	-	-
Waiver of amount owing by subsidiaries	-	-	271,974	8,098
Bad debts recovered	(684)	(5,261)	-	-
Dividend income from subsidiaries	-	-	(76,817,144)	(54,829,585)
Reversal of/(Gain on) bargain purchase	81,551	(564,600)	-	-
Gain on lease termination	(23,885)	(20,216)	-	-
Gain on winding up of a subsidiary	-	-	-	(41,876)
Gain on forward currency contracts	(1,064,347)	(172,439)	-	-
(Gain)/Loss on disposal of investment in subsidiaries	-	(527,141)	-	9,909,036
Loss/(Gain) on foreign exchange:				
- realised	527,544	1,910,041	38,050	-
- unrealised	(39,069)	(1,686,078)	(2,566,258)	-
Interest income	(533,105)	(941,794)	(6,101,286)	(613,485)
Rental income	(463,200)	(462,822)	-	-
Write back of inventories	-	(77,285)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 34. INCOME TAX EXPENSE/(REVERSAL)

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Income tax:				
- for current financial year	30,874,252	24,084,310	-	66,000
- (over)/underprovision in the previous financial year	(3,009,840)	(514,629)	(13,961)	3
	27,864,412	23,569,681	(13,961)	66,003
Deferred taxation (Note 26):				
- for current financial year	(2,411,532)	(47,915)	-	-
- (over)/underprovision in the previous financial year	(1,801,314)	153,955	-	-
- crystallisation of deferred tax liability arising from revaluation reserve	(111,377)	(68,858)	-	-
	(4,324,223)	37,182	-	-
	23,540,189	23,606,863	(13,961)	66,003
Represented by:-				
Income tax expense on continuing operations	23,540,189	23,614,029	(13,961)	66,003
Income tax expense on discontinued operations (Note 35(b))	-	(7,166)	-	-
Total income tax expense	23,540,189	23,606,863	(13,961)	66,003

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 34. INCOME TAX EXPENSE/(REVERSAL) (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit after taxation	71,675,207	65,647,533	60,240,390	20,667,742
Total income tax expense/(reversal)	23,540,189	23,606,863	(13,961)	66,003
Results from continuing and discontinued operations before income tax expense	95,215,396	89,254,396	60,240,390	20,733,745
Profit before taxation	95,215,396	89,254,396	60,240,390	20,733,745
Tax at the statutory tax rate of 24%	22,851,695	21,421,055	14,457,694	4,976,099
Tax effects of:-				
Non-deductible expenses	7,477,452	6,779,440	3,978,421	8,249,001
Non-taxable income	(910,445)	(891,319)	(18,436,115)	(13,159,100)
Differential in tax rates of foreign subsidiaries	153,692	(82,144)	-	-
Tax-exempt pioneer income	(449,000)	(1,847,236)	-	-
Double deductible expenses	(1,040,602)	(391,854)	-	-
(Over)/Underprovision in the previous financial year:				
- income tax	(3,009,840)	(514,629)	(13,961)	3
- deferred tax	(1,801,314)	153,955	-	-
Deferred tax assets not recognised during the financial year	1,188,424	162,043	-	-
Crystallisation of deferred tax liability arising from revaluation reserve	(111,377)	(68,858)	-	-
Utilisation of tax incentives	(216,384)	(174,795)	-	-
Withholding tax from foreign income	-	3,324	-	-
Share of results in joint ventures	65,754	(75,980)	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(657,866)	(866,139)	-	-
	23,540,189	23,606,863	(13,961)	66,003



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 34. INCOME TAX EXPENSE/(REVERSAL) (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year. The taxation of other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2024	2023
	RM	RM
Unutilised tax losses	9,237,782	8,146,500
Unabsorbed capital allowances	287,339	260,793
Other deductible temporary differences	(18,822)	165,562
	9,506,299	8,572,855

Based on the current legislation, the unutilised tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unutilised tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment. The unabsorbed capital allowances are allowed to be carried forward indefinitely.

## 35. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS

In previous financial year, the Group disposed of its consumer products business which was completed on 6 June 2023.

An analysis of the results of the discontinued operations is as follows:-

	The Group 2023 RM
<b>Profit or Loss</b>	
Revenue	6,639,105
Cost of sales	(6,551,097)
Gross profit	88,008
Other income	27,707
Selling and marketing expenses	(839,905)
Administrative expenses	(1,124,540)
Other expenses	56,437
Finance costs	(220,738)
Impairment losses on financial assets	(10,560)
Loss before taxation from discontinued operations	(2,023,591)
Income tax expense (Note 34)	7,166
Loss after taxation from discontinued operations	(2,016,425)

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 35. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

- (a) Loss before taxation from discontinued operations is arrived at after charging/(crediting):

	The Group 2023 RM
Amortisation of intangible asset	496
Audit fee: current financial year	25,083
Audit fee: underprovision in the previous financial year	9,000
Depreciation:	
- Property, plant and equipment	79,135
- Right-of-use assets	229,383
Allowance for impairment losses on trade receivables	10,560
Interest expenses:	
- bills payable	82,231
- hire purchase payable	2,220
- lease liabilities	27,106
- revolving credit	109,181
Loss/(Gain) on foreign exchange:	
- realised	24,568
- unrealised	(86,853)
Short-term leases	43,830
Staff costs:	
- salaries, wages, allowances and other benefits	806,269
- defined contribution benefits	105,815
Interest income	(3,258)

- (b) The income tax expense on discontinued operations are summarised below (Note 34):-

	The Group 2023 RM
Deferred tax expenses	
- crystallisation of deferred tax liability arising from revaluation reserve	(7,166)

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 35. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

(c) The cash flows attributable to the discontinued operations are the following:-

	The Group 2023 RM
Net cash for operation activities	(2,612,953)
Net cash for investing activities	(7,742)
Net cash from financing activities	1,959,973
Net cash for discontinued operations	(660,722)

## 36. OTHER COMPREHENSIVE INCOME/(EXPENSES)

	The Group 2024 RM	2023 RM
<b>Item that will be reclassified subsequently to profit or loss</b>		
Foreign currency translation differences:		
- changes during the financial year	(2,977,444)	1,924,476
<b>Item that will not be reclassified subsequently to profit or loss</b>		
Revaluation of properties	2,160,620	4,583,712
Less: Deferred tax liabilities (Note 26)	(398,324)	(1,200,454)
	1,762,296	3,383,258

## 37. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	The Group 2024			The Group 2023		
	Continuing Operations RM	Discontinued Operations RM	Total RM	Continuing Operations RM	Discontinued Operations RM	Total RM
Profit/(Loss) after taxation	71,675,207	-	71,675,207	67,663,958	(2,016,425)	65,647,533
Profit/(Loss) attributable to owners of the Company (Basic)	59,369,193	-	59,369,193	54,711,246	(2,016,425)	52,694,821

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 37. EARNINGS PER SHARE (CONT'D)

### (a) Basic earnings per share (Cont'd)

	The Group	
	2024	2023
	RM	RM
Weighted average number of ordinary shares in issue (Basic)	3,876,066,552	3,873,026,225
Basic earnings/(loss) per share (sen):		
- continuing operations	1.53	1.41
- discontinued operations	-	(0.05)
	1.53	1.36

The weighted average number of ordinary shares has been adjusted retrospectively to reflect the changes in the number of shares as a result of the bonus issue in previous financial year.

### (b) Diluted earnings per share

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

## 38. DIVIDENDS

	The Company	
	2024	2023
	RM	RM
<b>Ordinary Shares</b>		
First interim dividend of 0.5 (2023 - 1.0) sen per ordinary share in respect of the current financial year	19,380,332	38,760,666
Second interim dividend of 0.8 (2023 - Nil) sen per ordinary share in respect of the current financial year	31,008,532	-
	50,388,864	38,760,666

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 39. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2024	2023
	RM	RM
<b>Property, plant and equipment</b>		
Cost of property, plant and equipment purchased (Note 9)	18,082,545	10,076,994
Less: Acquired through hire purchase arrangement (Note 39(c))	(1,946,405)	(1,620,945)
	16,136,140	8,456,049
<b>Right-of-use assets</b>		
Cost of right-of-use assets acquired (Note 10)	3,244,403	984,710
Less: Additions of new lease liabilities (Note 24)	(3,244,403)	(984,710)
	-	-

- (b) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2024	2023
	RM	RM
Payment of short-term leases	825,653	1,069,954
Interest paid on lease liabilities	1,765,314	1,957,547
Payment of lease liabilities	7,299,118	6,175,401
	9,890,085	9,202,902

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 39. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease liabilities RM	Hire purchase payables RM	Term loans RM	Bills payable RM	Revolving credit RM	Total RM
<b>The Group</b>						
<b>2024</b>						
At 1 January	35,280,602	5,024,929	157,964,842	141,225,837	66,000,000	405,496,210
<u>Changes in financing cash flows</u>						
Proceeds from drawdown	-	1,946,405	123,154,669	449,165,430	309,420,000	883,686,504
Repayment of principal	(7,299,118)	(1,659,579)	(108,513,873)	(451,477,343)	(304,400,000)	(873,349,913)
Repayment of interests	(1,765,314)	(283,642)	(11,257,804)	(6,395,040)	(3,777,244)	(23,479,044)
	(9,064,432)	3,184	3,382,992	(8,706,953)	1,242,756	(13,142,453)
<u>Other changes</u>						
Acquisition of new leases (Notes 24 and 39(a))	3,244,403	-	-	-	-	3,244,403
Reassessment of leases	1,263,642	-	-	-	-	1,263,642
Interest expense recognised in profit or loss (Note 33)	1,765,314	283,642	11,257,804	6,395,040	3,777,244	23,479,044
Foreign exchange adjustments	(40,281)	(18,799)	(2,895,568)	(600,601)	(20,000)	(3,575,249)
Derecognition of leases	(941,904)	-	-	-	-	(941,904)
	5,291,174	264,843	8,362,236	5,794,439	3,757,244	23,469,936
At 31 December	31,507,344	5,292,956	169,710,070	138,313,323	71,000,000	415,823,693



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 39. CASH FLOW INFORMATION (CONT'D)

(c) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease liabilities RM	Hire purchase payables RM	Term loans RM	Bills payable RM	Revolving credit RM	Total RM
<b>The Group</b>						
<b>2023</b>						
At 1 January	40,834,406	1,984,291	139,403,048	62,412,218	30,720,000	275,353,963
<u>Changes in financing cash flows</u>						
Proceeds from drawdown	-	1,620,945	28,358,210	336,593,662	424,772,000	791,344,817
Repayment of principal	(6,175,401)	(1,313,006)	(21,425,765)	(288,149,013)	(392,483,000)	(709,546,185)
Repayment of interests	(1,957,547)	(167,504)	(8,010,564)	(3,990,443)	(1,686,502)	(15,812,560)
	(8,132,948)	140,435	(1,078,119)	44,454,206	30,602,498	65,986,072
<u>Other changes</u>						
Acquisition of new leases (Notes 24 and 39(a))	984,710	-	-	-	-	984,710
Acquisition of subsidiaries	2,006,895	2,725,950	11,486,990	31,337,934	3,000,000	50,557,769
Reassessment of leases	248,140	-	-	-	-	248,140
Interest expense recognised in profit or loss (Notes 33 and 35(a))	1,957,547	167,504	8,010,564	3,990,443	1,686,502	15,812,560
Foreign exchange adjustments	53,672	6,749	142,359	(968,964)	(9,000)	(775,184)
Disposal of a subsidiary	(1,224,569)	-	-	-	-	(1,224,569)
Derecognition of leases	(1,447,251)	-	-	-	-	(1,447,251)
	2,579,144	2,900,203	19,639,913	34,359,413	4,677,502	64,156,175
At 31 December	35,280,602	5,024,929	157,964,842	141,225,837	66,000,000	405,496,210

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

### 39. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Deposits with licensed banks	17,030,971	24,328,491	-	-
Cash and bank balances	49,498,003	76,558,069	1,463,462	712,500
Short-term investments	1,472,800	1,982,200	-	-
Bank overdrafts	(21,637,003)	(14,352,950)	-	-
	46,364,771	88,515,810	1,463,462	712,500
Less: Deposits pledged with licensed banks (Note 19(b))	(16,686,946)	(18,193,108)	-	-
Bank balances pledged with licensed banks	(877,716)	(8,815,068)	-	-
	28,800,109	61,507,634	1,463,462	712,500

### 40. RELATED PARTY DISCLOSURES

#### (a) Holding Company and Subsidiaries

The holding company is disclosed in Note 3 to the financial statements.

The subsidiaries as disclosed in Note 6 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 40. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Advances from/(to) subsidiaries	-	-	22,300,177	(95,675,295)
Repayment from/(to) subsidiaries	-	-	8,733,882	(1,580,258)
Dividend from subsidiaries	-	-	76,817,144	54,829,585
Interest charged to intercompany	-	-	6,074,526	-
Sales to:				
- fellow subsidiaries	2,898,044	5,166,241	-	-
- fellow jointly controlled entities	151,747	114,085	-	-
- related parties	208,442	36,032,011	-	-
Purchases from:				
- fellow subsidiaries	(1,115,833)	(2,016,364)	-	-
- a fellow jointly controlled entity	(4,639,913)	(4,715,524)	-	-
- related parties	(2,777,455)	(295,955)	-	-
Rental received and receivable from a fellow jointly controlled entity	-	156,499	-	-
Rental paid and payable to:				
- fellow subsidiaries	(36,750)	(36,750)	-	-
- related parties	(2,656,558)	(328,326)	-	-
Management fee paid and payable to a:				
- fellow subsidiary	(2,640,000)	(2,490,000)	(376,509)	(261,166)
- related party	(240,000)	(120,000)	-	-
Consultation fee paid to a subsidiary's shareholder	(108,000)	(102,000)	-	-
Culture fund paid to a fellow subsidiary	(420,960)	(633,735)	-	-
Storage fee paid to a:				
- fellow subsidiary	(9,600)	(3,200)	-	-
- related party	(96,055)	(32,430)	-	-
Software cost paid to a fellow subsidiary	(127,650)	(127,650)	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Note 12, 13 and 27 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 40. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant Related Party Transactions and Balances (Cont'd)

No expense was recognised during the financial year for impairment in respect of the amounts owed by the related parties other than those disclosed in Note 32 to the financial statements.

### (c) Key Management Personnel Compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>(i) Directors</b>				
Directors of the Company				
Short-term employee benefits:				
- fees	264,000	264,000	264,000	264,000
- salaries, bonuses and other emoluments	3,223,150	2,488,835	26,000	35,000
Defined contribution benefits	377,193	126,200	-	-
	3,864,343	2,879,035	290,000	299,000
Directors of the Subsidiaries				
Short-term employee benefits:				
- fees	353,357	354,268	-	-
- salaries, bonuses and other emoluments	4,458,404	2,955,388	-	-
Defined contribution benefits	493,631	258,862	-	-
	5,305,392	3,568,518	-	-
Total directors' remunerations (Note 33)	9,169,735	6,447,553	290,000	299,000

The estimated monetary value of benefits-in-kind provided by the Group to certain directors of the Company were RM146,316 (2023 - RM114,873) respectively.

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>(ii) Other Key Management Personnel</b>				
Short-term employee benefits	1,410,451	573,538	-	-
Defined contribution benefits	160,176	65,016	-	-
Total compensation for other key management personnel (Note 33)	1,570,627	638,554	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 41. CAPITAL COMMITMENTS

	The Group	
	2024	2023
	RM	RM
Plant and machinery	1,408,839	50,364
Furniture and fittings	-	839,127
Office equipments	30,000	330,720
Renovation of a property	1,249,526	-
	2,688,365	1,220,211

## 42. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 5 main reportable segments as follows:-

- Investment holding : Investment in shares and properties are held for capital gain.
- Agriculture : Involved in manufacturing, distribution and agents of agrochemicals, research and development activities.
- Specialty chemicals : Involved in manufacturing and distribution of specialty chemicals.
- Fruits : Involved in business of trading and distribution of durian.
- Consumer products (discontinued) : Involved in manufacturing and distribution of disposable healthcare products.

- (a) The Group Chief Executive Officer assesses the performance of the reportable segments based on their profit or loss for the financial year. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.
- (e) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

### 42.1 Business Segments

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	The Group
	RM	RM	RM	RM	RM	RM
<b>2024</b>						
<b>Revenue</b>						
External revenue	119,440	313,231,564	421,421,609	183,515,256	-	918,287,869
Inter-segment revenue	84,809,992	3,043,595	441,552	-	(88,295,139)	-
Total revenue	84,929,432	316,275,159	421,863,161	183,515,256	(88,295,139)	918,287,869
<b>Results</b>						
Segment profit	82,268,737	35,909,264	81,965,746	7,180,574	(87,509,101)	119,815,220
Finance costs	(14,362,536)	(6,228,207)	(3,106,463)	(7,332,291)	6,197,748	(24,831,749)
Finance income	6,115,903	175,243	133,599	227,258	(6,118,898)	533,105
Share of result of joint ventures	-	139,602	-	(440,782)	-	(301,180)
Profit/(Loss) before taxation	74,022,104	29,995,902	78,992,882	(365,241)	(87,430,251)	95,215,396
Taxation						(23,540,189)
Profit after taxation for the financial year						71,675,207
Attributable to:						
- Owners of the Company						59,369,193
- Non-controlling interests						12,306,014
						71,675,207



## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

## 42.1 Business Segments (Cont'd)

	Investment Holding RM	Agriculture RM	Specialty Chemicals RM	Fruits RM	Elimination RM	The Group RM
<b>2024</b>						
<b>Assets</b>						
Segment assets	1,133,304,623	331,446,107	297,644,662	162,046,112	(1,109,010,683)	815,430,821
Unallocated assets:						
- Current tax assets						8,270,653
- Deferred tax assets						1,857,058
<b>Total assets</b>						<b>825,558,532</b>
<b>Addition to non-current assets other than financial instruments:</b>						
- Intangible assets	-	-	184,795	798,520	-	983,315
- Product development expenditure	-	18,641	-	-	-	18,641
- Property, plant and equipment	7,386,529	2,424,526	6,800,994	1,470,496	-	18,082,545
- Right-of-use assets	-	-	1,810,607	1,433,796	-	3,244,403
<b>Liabilities</b>						
Segment liabilities	337,576,100	178,301,493	132,871,187	117,992,412	(218,699,532)	548,041,660
Unallocated liabilities:						
- Current tax liabilities						13,752,178
- Deferred tax liabilities						8,231,517
<b>Total liabilities</b>						<b>570,025,355</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

### 42.1 Business Segments (Cont'd)

	Investment Holding RM	Agriculture RM	Specialty Chemicals RM	Fruits RM	Elimination RM	The Group RM
<b>2024</b>						
<b>Other information</b>						
Allowance for impairment losses:						
- amount owing from subsidiaries	7,227,739	-	-	-	(7,227,739)	-
- intangible assets	-	-	100,098	-	-	100,098
- short-term investment	-	3,500,000	-	-	-	3,500,000
- trade receivables	-	1,082,394	749,763	-	-	1,832,157
- other receivables	-	101,568	12,196	-	-	113,764
Amortisation expense	-	221,232	295,786	85,791	-	602,809
Bad debts written off	-	54,740	428,178	-	-	482,918
Depreciation expense	1,223,612	4,905,013	9,679,770	2,868,387	187,062	18,863,844
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	1,103,425	-	-	-	-	1,103,425
Interest expense	14,326,536	6,228,207	3,106,463	7,332,291	(6,197,748)	24,831,749
Inventories written off	-	-	112,371	-	-	112,371
Inventories written down	-	69,737	305,079	-	-	374,816
Loss arising from changes in fair value of biological assets	-	-	-	16,691	-	16,691
Reversal of gain on bargain purchase	-	-	81,551	-	-	81,551
(Gain)/Loss on disposal of plant and equipment	(125,000)	(9,283)	(148,016)	4,455	-	(277,844)
Gain on lease termination	-	-	(5,241)	(18,644)	-	(23,885)
(Gain)/Loss on forward currency contracts	-	(1,074,021)	9,674	-	-	(1,064,349)
Interest income	(41,377)	(175,243)	(133,599)	(182,886)	-	(533,105)
Plant and equipment written off	-	5,999	58,828	-	-	64,827
Reversal of impairment losses on trade receivables	-	(294,343)	(609,387)	-	-	(903,730)
Unrealised foreign exchange gain	(2,566,258)	1,625,102	687,048	215,039	-	(39,069)
Waiver of amount due from subsidiaries	164,898	-	-	(164,898)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

## 42.1 Business Segments (Cont'd)

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total Continuing Operations	Consumer Products (Discontinued)	The Group
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023</b>								
<b>Revenue</b>								
External revenue	150,779	345,629,747	271,161,948	52,096,190	-	669,038,664	6,639,105	675,677,769
Inter-segment revenue	63,775,958	240,063	284,525	-	(64,300,546)	-	-	-
Total revenue	63,926,737	345,869,810	271,446,473	52,096,190	(64,300,546)	669,038,664	6,639,105	675,677,769
<b>Results</b>								
Segment profit/(loss)	48,834,195	41,185,927	60,475,929	12,592,566	(51,918,478)	111,170,139	(1,806,111)	109,364,028
Finance costs	(13,265,378)	(5,856,105)	(1,807,059)	(687,869)	499,452	(21,116,959)	(220,738)	(21,337,697)
Finance income	626,856	331,552	413,684	69,154	(499,452)	941,794	3,258	945,052
Share of result of joint ventures	-	313,464	-	3,119	(33,570)	283,013	-	283,013
Profit/(Loss) before taxation	36,195,673	35,974,838	59,082,554	11,976,970	(51,952,048)	91,277,987	(2,023,591)	89,254,396
Taxation						(23,614,029)		(23,606,863)
Profit after taxation for the financial year						67,663,958		65,647,533
Attributable to:								
- Owners of the Company						54,711,246		52,694,821
- Non-controlling interests						12,952,712		12,952,712
						67,663,958		65,647,533

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

### 42.1 Business Segments (Cont'd)

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total Continuing Operations	Consumer Products (Discontinued)	The Group
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023</b>								
<b>Assets</b>								
Segment assets	1,133,091,849	340,025,341	274,576,918	204,781,497	(1,086,385,564)	866,090,041	31,249,561	897,339,602
Unallocated assets:								
- Current tax assets						11,785,458		12,000,428
- Deferred tax assets						777,234		777,234
Total assets						878,652,733		910,117,264
<b>Addition to non-current assets other than financial instruments:</b>								
- Intangible assets	-	-	123,689	-	-	123,689	6,400	130,089
- Product development expenditure	-	174,253	-	-	-	174,253	-	174,253
- Property, plant and equipment	709,103	3,238,908	4,931,132	1,193,251	-	10,072,394	4,600	10,076,994
- Right-of-use assets	-	489,160	495,550	-	-	984,710	-	984,710
<b>Liabilities</b>								
Segment liabilities	308,343,013	178,960,045	117,350,122	189,147,779	(204,512,542)	589,288,417	27,972,019	617,260,436
Unallocated liabilities:								
- Current tax liabilities						18,024,501		18,024,501
- Deferred tax liabilities						12,105,775		12,625,428
Total liabilities						619,418,693		647,910,365

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

## 42.1 Business Segments (Cont'd)

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total Continuing Operations	Consumer Products (Discontinued)	The Group
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023</b>								
<b>Other information</b>								
Allowance for impairment losses:								
- amount owing from subsidiaries	2,519,385	-	-	-	(2,519,385)	-	-	-
- intangible assets	-	-	1,141,357	-	-	1,141,357	-	1,141,357
- investment in subsidiaries	7,284,672	-	-	-	(7,284,672)	-	-	-
- trade receivables	-	2,021,223	1,819,798	-	(951,000)	2,890,021	10,560	2,900,581
Amortisation expense	-	274,001	384,074	-	-	658,075	496	658,571
Bad debts written off	-	6,000	-	-	-	6,000	-	6,000
Depreciation expense	1,240,178	5,065,678	8,496,556	431,164	187,061	15,420,637	308,518	15,729,155
Fair value loss on investment properties	118,000	30,000	-	-	-	148,000	-	148,000
(Gain)/Loss on disposal of plant and equipment	-	(34,538)	(104,239)	46,133	120,310	27,666	-	27,666
Interest expense	13,265,378	5,856,105	1,807,059	687,869	(499,452)	21,116,959	220,738	21,337,697
Inventories written off	-	-	229,403	-	-	229,403	-	229,403
Inventories written down	-	28,612	-	-	-	28,612	-	28,612
Loss arising from changes in fair value of biological assets	-	-	-	87,552	-	87,552	-	87,552

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

### 42.1 Business Segments (Cont'd)

	Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total Continuing Operations	Consumer Products (Discontinued)	The Group
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023 (Cont'd)</b>								
<b>Other information (Cont'd)</b>								
Bad debts recovered	-	(3,562)	(1,699)	-	-	(5,261)	-	(5,261)
Loss/(Gain) on disposal of investment of subsidiaries	9,909,036	-	-	-	(10,436,177)	(527,141)	-	(527,141)
Gain on bargain purchase	-	-	(564,600)	-	-	(564,600)	-	(564,600)
Gain on lease termination	-	(6,592)	(13,624)	-	-	(20,216)	-	(20,216)
Gain on forward currency contracts	-	(158,646)	(13,793)	-	-	(172,439)	-	(172,439)
Interest income	(127,404)	(331,552)	(413,684)	(69,154)	-	(941,794)	(3,258)	(945,052)
Write back of inventories	-	(55,513)	(21,772)	-	-	(77,285)	-	(77,285)
Plant and equipment written off	-	48	13,909	-	-	13,957	-	13,957
Reversal of impairment losses on trade receivables	-	(554,781)	(522,555)	-	-	(1,077,336)	-	(1,077,336)
Unrealised foreign exchange gain	-	(1,388,077)	(229,368)	(68,633)	-	(1,686,078)	(86,853)	(1,772,931)
Waiver of amount owing by a subsidiary	8,098	-	-	-	(8,098)	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 42. OPERATING SEGMENTS (CONT'D)

### 42.2 Geographical information

Revenue is based on the country in which the customers are located.

Analysis by geographical segment has been presented in respect of revenue only as the Group operates principally in Malaysia.

	The Group	
	2024 RM	2023 RM
Local	684,957,018	497,248,754
Export	233,330,851	171,789,910
	918,287,869	669,038,664

### 42.3 Major customer

There is no single customer that contributed 10% or more to the Group's revenue during the financial year.

## 43. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

### 43.1 Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Australian Dollar ("AUD"), Indonesia Rupiah ("IDR"), Brunei Dollar ("BND"), New Zealand Dollar ("NZD") and Chinese Yuan Renminbi ("CNY"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting is summarised below:-

#### Foreign Currency Exposure

The Group	United States		Singapore		Australian Dollar		Brunei Dollar		Euro		Chinese Yuan Renminbi		New Zealand Dollar		Ringgit Malaysia		Total	
	RM	Dollar	RM	Dollar	RM	Dollar	RM	Dollar	RM	Dollar	RM	Dollar	RM	Dollar	RM	Dollar	RM	Dollar
<b>2024</b>																		
<u>Financial Assets</u>																		
Trade receivables	10,417,698		4,726,113		1,119,404		2,624,132		498,320		6,827,779		-		144,619,696		170,833,142	
Other receivables	-		3,784		-		-		-		-		-		9,864,411		9,868,195	
Short-term investments	-		-		-		-		-		-		-		1,472,800		1,472,800	
Amount owing by related companies	239,039		-		-		-		-		-		-		103,946		342,985	
Derivative assets	1,003,671		-		-		-		-		-		-		-		1,003,671	
Deposits with licensed banks	-		-		-		-		-		-		-		17,030,971		17,030,971	
Cash and bank balances	6,378,090		3,738,062		183,917		1,796,725		1,322,719		4,638		180,619		35,491,263		49,498,003	
	18,038,498		8,467,959		1,303,321		4,420,857		1,821,039		4,638		180,619		208,583,087		250,049,767	

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

## 43.1 Financial Risk Management Policies (Cont'd)

## (a) Market Risk (Cont'd)

## (i) Foreign Currency Risk (Cont'd)

## Foreign Currency Exposure (Cont'd)

The Group	United States Dollar		Indonesian Rupiah		Singapore Dollar		Australian Dollar		Brunei Dollar		Euro		Chinese Yuan Renminbi		New Zealand Dollar		Ringgit Malaysia		Total	
	RM		RM		RM		RM		RM		RM		RM		RM		RM		RM	
<b>2024</b>																				
<b>Financial Liabilities</b>																				
Trade payables	25,418,958		792,633		445,497		352,128		-		-		-		-		22,130,204		49,139,420	
Other payables and accruals	177,109		960,791		19,726		1,216,114		96,169		-		894,937		-		44,657,685		48,022,531	
Amount owing to related companies	-		-		-		-		-		-		-		-		784,712		784,712	
Amount owing to a joint venture	106,755		-		-		-		-		-		-		-		1,463,103		1,569,858	
Lease liabilities	-		22,647		-		-		-		-		-		-		31,484,697		31,507,344	
Hire purchase payables	-		-		-		358,839		-		-		-		-		4,934,117		5,292,956	
Term loans	45,572,711		-		-		2,621,752		-		-		-		-		121,515,607		169,710,070	
Bills payable	64,171,085		139,000		-		-		-		-		575,637		-		73,427,601		138,313,323	
Revolving credit	-		-		-		-		-		-		-		-		71,000,000		71,000,000	
Derivative liabilities	9,674		-		-		-		-		-		-		-		-		9,674	
Bank overdrafts	-		-		-		-		-		-		-		-		21,637,003		21,637,003	
	135,456,292		1,915,071		465,223		4,548,833		96,169		-		1,470,574		-		393,034,729		536,986,891	

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

#### Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	Indonesian Rupiah	Singapore Dollar	Australian Dollar	Brunei Dollar	Euro		Chinese Yuan Renminbi		New Zealand Dollar		Ringgit Malaysia		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>2024</b>														
Net financial (liabilities)/assets	(117,417,794)	6,552,888	838,098	(127,976)	1,724,870	4,638	5,759,175	180,619	(184,451,642)	(286,937,124)				
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	-	(6,557,404)	(13,936)	127,976	(1,724,870)	-	-	-	184,451,642	176,283,408				
Less: Forward foreign currency contracts (contracted notional principal)	19,426,069	-	-	-	-	-	-	-	-	-	19,426,069			
<b>Currency Exposure</b>	<b>(97,991,725)</b>	<b>(4,516)</b>	<b>824,162</b>	<b>-</b>	<b>-</b>	<b>4,638</b>	<b>5,759,175</b>	<b>180,619</b>	<b>-</b>	<b>-</b>	<b>(91,227,647)</b>			

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

## 43.1 Financial Risk Management Policies (Cont'd)

## (a) Market Risk (Cont'd)

## (i) Foreign Currency Risk (Cont'd)

## Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	RM	Indonesian Rupiah	RM	Singapore Dollar	RM	Australian Dollar	RM	Brunei Dollar	RM	Euro	RM	Chinese Yuan Renminbi	RM	Ringgit Malaysia	RM	Total
<b>2023</b>																	
<u>Financial Assets</u>																	
Trade receivables	12,865,725		7,213,056		741,429		2,122,008		474,197		-		11,255		136,285,890		159,713,560
Other receivables	94,069		18,676		-		3,131		-		-		-		16,857,144		16,973,020
Short-term investments	-		-		-		-		-		-		-		7,019,325		7,019,325
Amount owing by related companies	1,814,079		-		-		-		-		-		-		327,474		2,141,553
Deposits with licensed banks	-		-		962,492		-		-		-		-		23,365,999		24,328,491
Cash and bank balances	11,038,613		1,460,833		91,966		4,398,085		1,425,691		-		6,394		58,136,487		76,558,069
	25,812,486		8,692,565		1,795,887		6,523,224		1,899,888		-		17,649		241,992,319		286,734,018

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	Indonesian Rupiah	Singapore Dollar	Australian Dollar	Brunei Dollar	Euro		Chinese Yuan Renminbi		Ringgit Malaysia	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023</b>											
<b>Financial Liabilities</b>											
Trade payables	15,955,745	4,118,473	373,028	700,557	-	-	-	-	28,052,932	49,200,735	
Other payables and accruals	49,695	1,854,442	10,302	1,143,744	131,751	6,404	-	-	80,514,653	83,710,991	
Amount owing to related companies	-	-	-	-	-	-	-	-	579,070	579,070	
Amount owing to a joint venture	-	436,611	-	-	-	-	-	-	346,639	783,250	
Lease liabilities	-	275,486	-	-	-	-	-	-	35,005,116	35,280,602	
Hire purchase payables	-	-	-	206,360	-	-	-	-	4,818,569	5,024,929	
Term loans	-	-	-	2,951,062	-	-	-	-	155,013,780	157,964,842	
Bills payable	67,734,361	-	-	-	-	153,561	2,598,586	70,739,329	141,225,837		
Revolving credit	-	-	-	-	-	-	-	-	66,000,000	66,000,000	
Derivative liabilities	70,350	-	-	-	-	-	-	-	-	70,350	
Variable deferred consideration	-	-	-	-	-	-	-	-	27,495,217	27,495,217	
Bank overdrafts	-	-	-	-	-	-	-	-	14,352,950	14,352,950	
	83,810,151	6,685,012	383,330	5,001,723	131,751	159,965	2,598,586	482,918,255	581,688,773		

## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

## 43.1 Financial Risk Management Policies (Cont'd)

## (a) Market Risk (Cont'd)

## (i) Foreign Currency Risk (Cont'd)

## Foreign Currency Exposure (Cont'd)

The Group	United States Dollar	RM	Indonesian Rupiah	RM	Singapore Dollar	RM	Australian Dollar	RM	Brunei Dollar	RM	Euro	RM	Chinese Yuan Renminbi	RM	Ringgit Malaysia	RM	Total
<b>2023</b>																	
Net financial (liabilities)/assets	(57,997,665)		2,007,553		1,412,557		1,521,501		1,768,137		(159,965)		(2,580,937)		(240,925,936)		(294,954,755)
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	-		(2,135,723)		(36,052)		(1,521,501)		(1,768,137)		-		-		240,925,936		235,464,523
Less: Forward foreign currency contracts (contracted notional principal)	16,082,500		-		-		-		-		-		-		-		16,082,500
<b>Currency Exposure</b>	<b>(41,915,165)</b>		<b>(128,170)</b>		<b>1,376,505</b>		<b>-</b>		<b>-</b>		<b>(159,965)</b>		<b>(2,580,937)</b>		<b>-</b>		<b>(43,407,732)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign Currency Exposure (Cont'd)

The Company	United States Dollar RM	Ringgit Malaysia RM	Total RM
<b>2024</b>			
<u>Financial Assets</u>			
Amount owing by subsidiaries	-	90,025,426	90,025,426
Other receivables	-	9,266,558	9,266,558
Cash and bank balances	-	1,463,462	1,463,462
	-	100,755,446	100,755,446
<u>Financial Liabilities</u>			
Other payables and accruals	-	15,864,835	15,864,835
Amount owing to subsidiaries	-	81,788,858	81,788,858
Term loans	45,572,711	104,975,000	150,547,711
Revolving credit	-	60,000,000	60,000,000
	45,572,711	262,628,693	308,201,404
Net financial liabilities	(45,572,711)	(161,873,247)	(207,445,958)
Less: Net financial liabilities denominated in the Company's functional currency	-	161,873,247	161,873,247
<b>Currency Exposure</b>	<b>(45,572,711)</b>		<b>(45,572,711)</b>

In the previous financial year, the Company did not have any transactions or balances denominated in foreign currencies and, hence, was not exposed to foreign currency risk.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		The Group	
		Increase/ (Decrease)	Increase/ (Decrease)
		2024	2023
		RM	RM
<b>Effects on Profit After Taxation</b>			
CNY/RM	- strengthened by 5%	218,849	(98,076)
	- weakened by 5%	(218,849)	98,076
EUR/RM	- strengthened by 5%	176	(6,079)
	- weakened by 5%	(176)	6,079
IDR/RM	- strengthened by 5%	(172)	(4,870)
	- weakened by 5%	172	4,870
NZD/RM	- strengthened by 5%	6,864	-
	- weakened by 5%	(6,864)	-
SGD/RM	- strengthened by 5%	31,318	52,307
	- weakened by 5%	(31,318)	(52,307)
USD/RM	- strengthened by 5%	(3,723,686)	(1,592,776)
	- weakened by 5%	3,723,686	1,592,776

		The Company	
		Increase/ (Decrease)	Increase/ (Decrease)
		2024	2023
		RM	RM
<b>Effects on Profit After Taxation</b>			
USD/RM	- strengthened by 5%	(1,731,763)	-
	- weakened by 5%	1,731,763	-

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 25 to the financial statements.

##### *Interest Rate Risk Sensitivity Analysis*

An increase of 100 basis points in interest rates of floating rate borrowings at the end of the reporting period would have decreased the Group's and the Company's profit after taxation by RM3,045,019 and RM1,600,163 (2023 - RM2,884,532 and RM1,483,634) respectively. The analysis assumes that all other variables remain constant. A decrease of 100 basis points in the interest rates would have had an equal but opposite effect on the Group's and the Company's profit after taxation. There is no impact on the Group's and the Company's equity.

##### (iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

If prices for quoted investments classified as fair value through profit or loss at the end of the reporting period strengthen by 5% (2023 - 5%) with all other variables being held constant, the Group's profit after taxation would have increased by RM55,966 (2023 - RM75,324). A 5% (2023 - 5%) weakening in the quoted prices would have had an equal but opposite effect on the Group's profit after taxation. There is no impact on the Group's equity.

The Company does not have any quoted investments and hence, no sensitivity analysis is presented.

#### (b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables, other receivables and contract assets. The Group and the Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (b) Credit Risk (Cont'd)

##### (i) Credit Risk Concentration Profile

At the end of the reporting year, the Company's major concentration of credit risk was related to its other receivables, which accounted for approximately 100% of the total other receivables.

The Group does not have any significant credit risk related to any individual customer or counterparty.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of trade receivables (including related companies) at the end of the reporting period is as follows:-

	The Group	
	2024	2023
	RM	RM
Africa	319,000	-
Asia	180,869,849	159,670,234
Europe	-	4,805
Oceania	2,624,132	2,117,107
South America	-	54,447
	183,812,981	161,846,593

##### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses.

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM146,055,997 (2023 - RM130,690,416), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

##### (iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluates whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 120 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

#### Short-term Investments

The Group is exposed to credit risk in relation to investments in highly liquid money market instruments and deposits with financial institutions in Malaysia. The maximum exposures to credit risks amounts to RM1,472,800 (2023 - RM7,019,325). As at the reporting date, a loss allowance for impairment of RM3,500,000 (2023: Nil) has been recognised by the Group for the short-term investments.

#### Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables (including related companies) and contract assets.

#### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related companies) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 (2023 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses*

The reconciliations of allowance for impairment losses are as follows:-

The Group	Non-credit Impaired RM	Credit Impaired RM	Total RM
<u>Trade Receivables</u>			
Balance at 1.1.2023	157,450,410	-	157,450,410
Additions (Note 12)	5,358,664	(5,358,664)	-
Balance at 31.12.2023/1.1.2024	162,809,074	(5,358,664)	157,450,410
Additions (Note 12)	12,637,800	(1,832,157)	10,805,643
Reversals	-	903,730	903,730
Written off	-	261,196	261,196
Changes due to reassessment of goodwill during remeasurement period	-	(782,691)	(782,691)
Balance at 31.12.2024	175,446,874	(6,808,586)	168,638,288
<u>Contract Assets</u>			
Balance at 1.1.2023	-	-	-
Additions	1,468,917	-	1,468,917
Balance at 31.12.2023/1.1.2024	1,468,917	-	1,468,917
Additions	12,636,854	-	12,636,854
Reversals	(1,468,917)	-	(1,468,917)
Balance at 31.12.2024	12,636,854	-	12,636,854

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses (Cont'd)*

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>2024</b>			
Current (not past due)	69,586,561	(38,072)	69,548,489
1 to 30 days past due	54,619,504	(118,258)	54,501,246
31 to 60 days past due	22,777,750	(58,694)	22,719,056
61 to 90 days past due	6,216,673	(16,803)	6,199,870
More than 90 days past due	20,377,247	(2,169,781)	18,207,466
	173,577,735	(2,401,608)	171,176,127
Credit impaired:			
- Individually impaired	4,406,978	(4,406,978)	-
Trade receivables	177,984,713	(6,808,586)	171,176,127
Contract assets	12,636,854	-	12,636,854
Total	190,621,567	(6,808,586)	183,812,981
<b>2023</b>			
Current (not past due)	100,836,964	(51,771)	100,785,193
1 to 30 days past due	34,634,716	(65,019)	34,569,697
31 to 60 days past due	13,426,102	(36,421)	13,389,681
61 to 90 days past due	5,706,173	(22,362)	5,683,811
More than 90 days past due	8,798,709	(1,380,498)	7,418,211
	163,402,664	(1,556,071)	161,846,593
Credit impaired:			
- Individually impaired	3,802,593	(3,802,593)	-
Trade receivables	167,205,257	(5,358,664)	161,846,593
Contract assets	1,468,917	-	1,468,917
Total	168,674,174	(5,358,664)	163,315,510

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses (Cont'd)*

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

##### Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group and the Company use 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (b) Credit Risk (Cont'd)

##### (iii) *Assessment of Impairment Losses (Cont'd)*

##### Other Receivables (Cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

##### Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers these licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

##### Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

##### Allowance for Impairment Losses

The Company	Gross Amount RM	Lifetime Loss Allowances RM	Carrying Amount RM
<b>2024</b>			
Low credit risk	87,495,882	-	87,495,882
Credit impaired	22,288,950	(19,759,406)	2,529,544
	109,784,832	(19,759,406)	90,025,426
<b>2023</b>			
Low credit risk	104,829,021	-	104,829,021
Credit impaired	13,961,667	(12,531,667)	1,430,000
	118,790,688	(12,531,667)	106,259,021

The movements in the loss allowances are disclosed in Note 16 to the financial statements.

##### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

#### *Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	More Than 5 years RM
<b>2024</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	49,139,420	49,139,420	49,139,420	-	-
Other payables and accruals	48,022,531	48,022,531	45,616,743	1,778,400	627,388
Amount owing to related companies	784,712	784,712	784,712	-	-
Amount owing to joint ventures	1,569,858	1,569,858	1,569,858	-	-
Bills payable	138,313,323	138,313,323	138,313,323	-	-
Bank overdrafts	21,637,003	21,637,003	21,637,003	-	-
Revolving credit	71,000,000	71,000,000	71,000,000	-	-
Derivative liabilities	9,674	9,674	9,674	-	-
Term loans	169,710,070	192,786,727	55,838,598	131,554,555	5,393,574
Hire purchase payables	5,292,956	5,829,092	1,962,467	3,866,625	-
Lease liabilities	31,507,344	40,118,103	8,536,707	12,195,719	19,385,677
<u>Derivative Financial Liabilities</u>					
Forward currency contracts (gross settled):					
- gross payments	9,674	2,127,939	2,127,939	-	-
	536,996,565	571,338,382	396,536,444	149,395,299	25,406,639

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	More Than 5 years RM
<b>2023</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	49,200,735	49,200,735	49,200,735	-	-
Other payables and accruals	83,710,991	83,710,991	80,502,591	3,208,400	-
Amount owing to related companies	579,070	579,070	579,070	-	-
Amount owing to joint ventures	783,250	783,250	783,250	-	-
Bills payable	141,225,837	141,225,837	141,225,837	-	-
Bank overdrafts	14,352,950	14,352,950	14,352,950	-	-
Revolving credit	66,000,000	66,000,000	66,000,000	-	-
Term loans	157,964,842	174,296,287	39,217,531	128,072,854	7,005,902
Hire purchase payables	5,024,929	5,624,027	1,736,458	3,887,569	-
Lease liabilities	35,280,602	45,470,569	8,124,390	15,592,102	21,754,077
Variable deferred consideration	27,495,217	28,288,237	28,288,237	-	-
<u>Derivative Financial Liabilities</u>					
Forward currency contracts (gross settled):					
- gross payments	70,350	16,082,500	16,082,500	-	-
	581,688,773	625,614,453	446,093,549	150,760,925	28,759,979

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.1 Financial Risk Management Policies (Cont'd)

#### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>2024</b>				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	15,864,835	15,864,835	15,864,835	-
Amount owing to subsidiaries	81,788,858	81,788,858	81,788,858	-
Term loans	150,547,711	172,217,240	49,639,221	122,578,019
Revolving credit	60,000,000	60,000,000	60,000,000	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	146,055,997	141,152,462	4,903,535
	308,201,404	475,926,930	348,445,376	127,481,554
<b>2023</b>				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	306,870	306,870	306,870	-
Amount owing to subsidiaries	59,488,681	59,488,681	59,488,681	-
Term loans	135,215,000	147,918,762	34,978,910	112,939,852
Revolving credit	60,000,000	60,000,000	60,000,000	-
Variable deferred consideration	27,495,217	28,288,237	28,288,237	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	-	130,690,416	124,323,293	6,367,123
	282,505,768	426,692,966	307,385,991	119,306,975

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.2 Capital Risk Management

The Group and the Company manages their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manages their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2024	2023
	RM	RM
Bank overdrafts	21,637,003	14,352,950
Bills payable	138,313,323	141,225,837
Hire purchase payables	5,292,956	5,024,929
Revolving credit	71,000,000	66,000,000
Term loans	169,710,070	157,964,842
	405,953,352	384,568,558
Less: Deposits with licensed banks	(17,030,971)	(24,328,491)
Less: Cash and bank balances	(49,498,003)	(76,558,069)
Less: Short-term investments	(1,472,800)	(1,982,200)
Net debt	337,951,578	281,699,798
Total equity	255,533,177	259,234,040
Debt-to-equity ratio	1.32	1.09

The debt-to-equity ratio of the Company as at the end of the reporting period was as follows:-

	The Company	
	2024	2023
	RM	RM
Revolving credit	60,000,000	60,000,000
Term loans	150,547,711	135,215,000
	210,547,711	195,215,000
Less: Cash and bank balances	(1,463,462)	(712,500)
Net debt	209,084,249	194,502,500
Total equity	712,015,075	740,910,254
Debt-to-equity ratio	0.29	0.26

There were no change in the approach to capital management during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.3 Classification of Financial Instruments

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Derivative assets	1,003,671	-	-	-
Short-term investments	1,472,800	1,982,200	-	-
	2,476,471	1,982,200	-	-
<u>Amortised Cost</u>				
Trade receivables	170,833,142	159,713,560	-	-
Other receivables	9,868,195	16,973,020	9,266,558	15,266,558
Amount owing by subsidiaries	-	-	90,025,426	106,259,021
Amount owing by related companies	342,985	2,141,553	-	-
Dividend receivable	-	-	-	1,565,550
Short-term investments	-	5,037,125	-	-
Deposits with licensed banks	17,030,971	24,328,491	-	-
Cash and bank balances	49,498,003	76,558,069	1,463,462	712,500
	247,573,296	284,751,818	100,755,446	123,803,629
<b>Financial Liabilities</b>				
<u>Fair Value Through Profit or Loss</u>				
Derivative liabilities	9,674	70,350	-	-
<u>Amortised Cost</u>				
Trade payables	49,139,420	49,200,735	-	-
Other payables and accruals	48,022,531	83,710,991	15,864,835	306,870
Amount owing to subsidiaries	-	-	81,788,858	59,488,681
Amount owing to related companies	784,712	579,070	-	-
Amount owing to joint ventures	1,569,858	783,250	-	-
Bank overdrafts	21,637,003	14,352,950	-	-
Bills payable	138,313,323	141,225,837	-	-
Hire purchase payables	5,292,956	5,024,929	-	-
Revolving credit	71,000,000	66,000,000	60,000,000	60,000,000
Term loans	169,710,070	157,964,842	150,547,711	135,215,000
Lease liabilities	31,507,344	35,280,602	-	-
Variable deferred consideration	-	27,495,217	-	27,495,217
	536,977,217	581,618,423	308,201,404	282,505,768



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.4 Gains or Losses Arising From Financial Instruments

	2024		2023	
	The Group RM	The Company RM	The Group RM	The Company RM
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(4,988,315)	(4,944,745)	(5,615,090)	(1,519,875)
<b>Financial Liabilities</b>				
<u>Fair Value Through Profit or Loss</u>				
Net gains/(losses) recognised in profit or loss by:				
- mandatorily required by MFRS 9	(39,078)	(1,103,425)	172,439	-
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(24,808,330)	(14,085,876)	(19,380,152)	(11,713,154)

### 43.5 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The fair value of term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2024</b>								
<u>Financial Asset</u>								
Short-term investments:								
- quoted shares	- 1,472,800		-	-	-	-	- 1,472,800	1,472,800
Derivative assets	- 1,003,671		-	-	-	-	- 1,003,671	1,003,671
	- 2,476,471		-	-	-	-	- 2,476,471	2,476,471
<u>Financial Liability</u>								
Derivative liabilities	- 9,674		-	-	-	-	- 9,674	9,674

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 43. FINANCIAL INSTRUMENTS (CONT'D)

### 43.5 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:- (Cont'd)

The Group	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
<b>2023</b>								
<u>Financial Asset</u>								
Short-term investments:								
- quoted shares	-	1,982,200	-	-	-	-	1,982,200	1,982,200
<u>Financial Liability</u>								
Derivative liabilities		70,350	-	-	-	-	70,350	70,350

(a) The fair values above have been determined using the following basis:-

- (i) The fair value of short-term investments is determined at their quoted closing bid prices at the end of the reporting period.
- (ii) The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).

## 44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 24 May 2024, the Company's indirect 51%-owned subsidiary, Durian Boat Global Sdn. Bhd. (formerly known as Hextar IOT Sdn. Bhd.) ("Durian Boat") had entered into a joint venture agreement with Shenzhen Yoursender Investment Co. Ltd. for the establishment of a joint venture company to expand Durian Boat's business in China.
- (b) Fruits Venture Sdn. Bhd. and Penedaran Beras Lestari Sdn. Bhd., both indirect subsidiaries of the Company, submitted applications for striking off on 14 January 2025 and 19 January 2025 respectively and are expected to be dissolved in the financial year 2025.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(c) In the previous financial year, the Group completed the acquisitions in several entities which listed as below:-

- i) Equity interests in PHG Group (Consists of 100% equity interest in PHG.Ever Fresh Food (M) Sdn. Bhd., PHG.Ever Fresh Food (TK) Sdn. Bhd. and PHG Wholesale & Retail Sdn. Bhd. and 55% equity interest in PHG Ever Fresh Plantation Sdn. Bhd.) for a total consideration of RM84 million by a 51% partially-owned subsidiary of the Company, Hextar Fruits Sdn. Bhd.; and
- ii) 100% equity interests in Hextar Secadyme Sdn. Bhd. ("HSSB") for a total consideration of RM16.5 million by a 49% partially-owned subsidiary of the Company, Hextar Kimia Sdn. Bhd..

During current financial year, the Group completed the valuation of purchase price allocation ("PPA") of PHG Group and adjustments were made to the provisional goodwill recorded at the date of the acquisition of which tangible assets along with the corresponding deferred tax liabilities were recognised. The effect of the adjustments made upon the completion of PPA during the re-measurement period are set out below:

PHG Group	As previously reported RM	Adjustments during re- measurement period RM	As restated RM
Property, plant and equipment	36,786,384	97,576	36,883,960
Right-of-use assets	566,330	-	566,330
Deferred tax asset	11,637	-	11,637
Inventories	29,245,373	-	29,245,373
Biological assets	123,731	-	123,731
Trade receivables	7,207,827	(424,258)	6,783,569
Other receivables, deposits and prepayments	4,590,567	3,316,845	7,907,412
Current tax assets	1,511,133	(701,558)	809,575
Deposit with licensed banks	11,294,555	(2,294,546)	9,000,009
Cash and cash equivalents	5,072,613	(19,846)	5,052,767
Term loans	(11,486,990)	(398,743)	(11,885,733)
Lease liabilities	(614,082)	-	(614,082)
Deferred tax liabilities	(2,725,480)	312,466	(2,413,014)
Trade payables	(3,883,679)	(487,631)	(4,371,310)
Other payables and accruals	(1,371,365)	(1,015,768)	(2,387,133)
Contract liabilities	(251,725)	-	(251,725)
Hire purchase payables	(2,725,950)	(18,341)	(2,744,291)
Bills payable	(22,092,975)	(3,000,000)	(25,092,975)
Short-term borrowing	(3,000,000)	3,000,000	-
Dividend payable	(8,790,000)	-	(8,790,000)
Amount due to directors	(1,422,813)	49,400	(1,373,413)
Amount due to shareholders	(1,116,900)	-	(1,116,900)
Amount due to related parties	(1,729,500)	1,609,700	(119,800)
Current tax liabilities	(1,765,324)	(179,910)	(1,945,234)
Fair value of net identifiable assets acquired	33,433,367		33,278,753

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024  
cont'd

## 44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (c) During current financial year, the Group completed the valuation of purchase price allocation ("PPA") of Hextar Secadyme Sdn. Bhd. ("HSSB") and adjustments were made to the provisional goodwill recorded at the date of the acquisition of which tangible assets along with the corresponding deferred tax liabilities were recognised. The effect of the adjustments made upon the completion of PPA during the re-measurement period are set out below:

HSSB	As previously reported RM	Adjustments during re- measurement period RM	As restated RM
Property, plant and equipment	8,361,260	-	8,361,260
Right-of-use assets	6,107,271	-	6,107,271
Intangible assets	25	-	25
Inventories	2,381,578	(279,400)	2,102,178
Trade receivables	727,637	(183,913)	543,724
Other receivables, deposits and prepayments	981,164	12,179	993,343
Current tax assets	589,265	(9,696)	579,569
Cash and cash equivalents	1,237,854	(3,866)	1,233,988
Deferred tax liabilities	(1,758,888)	714,260	(1,044,628)
Trade payables	(455,246)	-	(455,246)
Other payables and accruals	(622,848)	306,073	(316,775)
Lease liabilities	(101,714)	-	(101,714)
Fair value of net identifiable assets acquired	17,447,358		18,002,995

The fair value of the above entity's assets and liabilities as at date of acquisition was measured provisionally, pending completion of an independent valuation on the PPA. In accordance with MFRS 3, Business Combinations, the Group has a period of twelve (12) months from the date of the acquisition (the "Measurement Period") to complete the PPA. At the acquisition date, the Group had estimated the provisional goodwill at RM26,734,888 and gain on bargain purchase of RM564,600 respectively.

	PHG Group RM	HSSB RM
Fair value of consideration transferred	84,000,000	17,519,945
Less: Fair value of net identifiable assets acquired	(33,278,753)	(18,002,995)
Add: Non-controlling interests	2,570,126	-
Goodwill/(Gain on bargain purchase) from the acquisition of subsidiaries	53,291,373	(483,050)
Less: Goodwill attributable to non-controlling interests	(26,112,773)	-
Adjusted goodwill/(Gain on bargain purchase)	27,178,600	(483,050)

## LIST OF PROPERTIES

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land/ Build up Area (Sq m)	NBV as at 31/12/2024 (RM'000)	Market Value (RM'000)	Date of Valuation
HS(D) 8111, PTB No. 264, Mukim of Ulu Sungai Johor, District of Kota Tinggi, Johor	Single storey detached factory with an annexed double storey office building and supporting structures/ Manufacturing and office premise	20 years	60 years lease	12,222	5,500	5,500	31.12.2024
Lot 650 & 651, GM547 & 361, Ban Foo Village, Mukim Plentong, 81800, Ulu Tiram, Johor	Agriculture land/ Vacant	27 years	Freehold	57,111	5,627	6,500	31.12.2024
Geran 190269, Lot 128303, Mukim Klang, Daerah Klang, Negeri Selangor. No. 64, Jalan Bayu Laut 4/KS09, Sazean Business Park, 41200 Klang, Selangor.	6 Storey Shop Office Building/ Office Premises	10 years	Freehold	334/ 2,007	6,592	6,600	25.11.2024
Lot 2666, Sungai Pasai, Engkabang, off Jalan Sibu-Bintulu, 96000 Sibu.	Agriculture land/ Vacant	12 years	99 years lease	19,667	74	78	26.03.2022
Lot 1753, 24 <sup>th</sup> Mile, Sibu Ulu Oya Road, off Jalan Teku Pasai-Siong, 96000 Sibu.	Agriculture land/ Vacant	12 years	99 years lease	35,181	271	287	26.03.2022
Lot 1633, 23 <sup>rd</sup> Mile, Sibu Ulu Oya Road, off Jalan Teku Pasai-Siong, 96000 Sibu.	Agriculture land/ Vacant	12 years	99 years lease	51,395	482	510	26.03.2022
Country lease 075375414, Jalan Loong Chun off KM17.2 Jalan Labuk, Sandakan, Negeri Sabah, Malaysia. Bearing postal address Lot 2, Jalan Loong Chun Off, Jalan Labuk, Mile 10, W.D.T No. 32, 9009 held under District of Sandakan, State of Sabah, Malaysia.	A double-storey office building with an annexed single- storey warehouse/ Vacant	7 years	999 years lease	6,070/ 557	1,635	1,640	22.02.2022
GRN 270596, Lot 27031, Pekan Subang Jaya, Daerah Petaling, Negeri Selangor, Bearing postal address No. 11A, Jalan USJ 6/4, 47620 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia.	A double-storey residential unit / Vacant	8 years	Freehold	111/ 98	699	700	06.12.2024

## LIST OF PROPERTIES

cont'd

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land/ Build up Area (Sq m)	NBV as at 31/12/2024 (RM'000)	Market Value (RM'000)	Date of Valuation
Geran 1769/M1/4/35, Lot 37224, Mukim of Petaling. No. 28-3, Block A, Sri Desa Entrepreneurs Park, Jalan 1/116B, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	Office Lot/ Office premises	24 years	Freehold	129	367	375	31.12.2023
Geran 1766/M5/6/296, Lot 37216, Mukim of Petaling. Unit No. 9-5-3A, Sri Desa Condominium, Block 9, Jalan 1/116B, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	Condominium Unit/ Hostel for own staff	23 years	Freehold	103	391	400	31.12.2023
Geran 47480, Lot 36469, Mukim of Petaling. Unit No. B-16- 2, Tower B, The Link 2 @ Bukit Jalil No.1, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur.	Serviced Apartment Unit / Rented to third party	7 years	Freehold	113	820	820	31.12.2023
Lot 3605, Block 217, Kuching North Land District, Jalan Batu Kawa, Kuching, Sarawak.	2-storey semi- detached building for industrial purposes/ Warehouse	9 years	60 years leasehold	622/ 227	1,328	1,400	18.03.2022
Lot No.12, Lorong Epik Industri 1, Epik Industri, Mile 7, Tuaran Road, Inanam, 88450 Kota Kinabalu, Sabah.	2-storey semi- detached showroom, office and workshop/ Warehouse	9 years	99 years leasehold	908/ 521	3,582	3,600	25.09.2024
PN 9958, Lot No. 6120, Mukim of Teluk Kalung, District of Kemaman, Negeri Terengganu.	Industrial land under a double-storey office building/ Office premises and warehouse	4 years	60 years leasehold	10,017/ 3,654	16,034	16,554	14.02.2023
18-20 Kilkenny Court, Dandenong, VIC 3175, Melbourne, Australia. Land title Lot 5 on PS 440532	Single level industrial warehouse/ Office and warehouse	21 years	Freehold	3,285 / 619	4,531	4,924	28.02.2022
ASR CK Building, Kawasan Industri Jababeka Tahap III, Block B1-D, Desa Pasirgombang, Kec. Cikarang Utara, Indonesia	Warehouse with 2 Storey Office/Rented	16 years	20 years leasehold	2,203 / 1,932	4,426	4,426	15.01.2025

## LIST OF PROPERTIES

cont'd

Property	Description/ Existing Use	Approximate Age of Building	Tenure	Land/ Build up Area (Sq m)	NBV as at 31/12/2024 (RM'000)	Market Value (RM'000)	Date of Valuation
ASR GP Building, Jl.Wakil sandi, Kp.kedep No.125 RT.001/RW.021 Desa Tlajung Udik, Gunung Putri Bogor, Indonesia.	Factory and Warehouse	11 years	20 years leasehold	7,755 / 5,052	7,883	7,883	10.01.2025
PN 6568, Lot No. 5410, Mukim of Teluk Kalung, District of Kemaman, Negeri Terengganu.	Industrial land under a double-storey office building/ Office premises and warehouse	17 years	60 years leasehold	20,000 / 3,000	12,518	12,919	26.09.2023
Unit No. B-05-01, Block B, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur.	Shopoffice/ Vacant	17 years	Freehold	158	617	630	29.12.2023
Unit No. B-05-02, Block B, Setiawangsa Business Suite, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur.	Shopoffice/ Vacant	17 years	Freehold	146	534	550	29.12.2023
Lot 10380, GM 4324, Jalan Sungai Chalit, Sungai Klau, 27630 Raub, Pahang.	Manufacturing and office premise	7 years	Freehold	7,129 / 3,509	10,763	11,000	26.10.2023
No. 9, Lorong K/J 1, Taman Kelau Jaya, 27500 Raub, Pahang.	Double Storey Shop-office/Hostel for own staff	3 years	Freehold	130	546	560	26.10.2023
GM 9841, Lot 13896, Mukim of Gali, District of Raub.	Agriculture land cultivated with durian trees	9 years	Freehold	29,430	1,461	1,461	26.10.2023
GM 9616, Lot 13897, Mukim of Gali, District of Raub.	Agriculture land cultivated with durian trees	13 years	Freehold	36,490	1,781	1,781	26.10.2023
GM 9617, Lot 13900, Mukim of Gali, District of Raub.	Agriculture land cultivated with durian trees	13 years	Freehold	34,270	1,698	1,698	26.10.2023
Lot A-5-6, Block A, Level 3A, Unit No. 6, Jade Residence Condominium. Held Under CL 015101461 District of Kota Kinabalu.	Condominium Unit / Vacant	8 years	99 years leasehold	168	726	975	20.02.2025



# ANALYSIS OF SHAREHOLDINGS

As at 7 April 2025

## SHARE CAPITAL

Class of Shares	:	Ordinary Shares
Total Number of Issued Shares	:	3,939,261,852
Number of Treasury Shares	:	63,195,300

## DISTRIBUTION OF SHAREHOLDINGS AS AT 7 APRIL 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF SHAREHOLDINGS (%)
1 to 99	232	10,129	0.00
100 to 1,000	525	216,868	0.01
1,001 to 10,000	1,191	5,816,182	0.15
10,001 to 100,000	883	30,394,670	0.78
100,001 - <5% of Issued Shares	613	3,047,278,192	78.62
5% of Issued Shares and above	2	792,350,511	20.44
<b>Total</b>	<b>3,446</b>	<b>3,876,066,552</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 7 APRIL 2025

(This is an aggregation of securities from different securities accounts belonging to the same Registered Holder)

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	NO. OF SHARES HELD		NO. OF SHARES HELD	
		DIRECT	%	INDIRECT	%
1	HEXTAR HOLDINGS SDN BHD	2,009,664,767	51.85	0	0.00
2	DATO' ONG CHOO MENG	177,230,100	4.57	2,009,664,767 <sup>(a)</sup>	51.85
3	DATO' ONG SOON HO	0	0.00	2,186,894,867 <sup>(a)(b)</sup>	56.42

### Notes:

- (a) Deemed interested by virtue of his interest in Hextar Holdings Sdn Bhd ("HHSB") pursuant to Section 8 of the Companies Act 2016 ("the Act"). HHSB is the holding company of Hextar.
- (b) Indirect interested by virtue of the interest held through his child, Dato' Ong Choo Meng pursuant to Section 59(11) of the Act.
- (c) of the Act.

## DIRECTORS' INTERESTS IN SHARES AS AT 7 APRIL 2025

(This is an aggregation of securities from different securities accounts belonging to the same Registered Holder)

NO.	NAME OF DIRECTOR	NO. OF SHARES HELD		NO. OF SHARES HELD	
		DIRECT	%	INDIRECT	%
1	Y.D.H. DATO' SRI DR. ERWAN BIN DATO' HAJI MOHD TAHIR	0	0.00	0	0.00
2	DATO' ONG SOON HO	0	0.00	2,186,894,867 <sup>(a)(b)</sup>	56.42
3	RAYBURN AZHAR BIN ALI	0	0.00	0	0.00
4	LEE CHOOI KENG	4,309,920	0.11	0	0.00
5	YEOH CHIN HOE	0	0.00	0	0.00
6	LIEW JEE MIN @ CHONG JEE MIN	0	0.00	0	0.00

### Notes:

- (a) Deemed interested by virtue of his interest in Hextar Holdings Sdn Bhd ("HHSB") pursuant to Section 8 of the Companies Act 2016 ("the Act"). HHSB is the holding company of Hextar.
- (b) Indirect interested by virtue of the interest held through his child, Dato' Ong Choo Meng pursuant to Section 59(11) of the Act.
- (c) of the Act.

## ANALYSIS OF SHAREHOLDINGS

As at 7 April 2025  
cont'd

**LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS**  
**(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 7 APRIL 2025)**  
**(Without aggregating securities from different securities accounts belonging to the same Registered Holder)**

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF SHAREHOLDINGS (%)
1	HEXTAR HOLDINGS SDN BHD	427,487,511	11.03
2	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (PJCAC)</i>	364,863,000	9.41
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR HEXTAR HOLDINGS SDN BHD (PB)</i>	167,352,000	4.32
4	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR HEXTAR HOLDINGS SDN BHD (BX1213)</i>	139,400,000	3.60
5	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN. BHD. (M3918A)</i>	130,000,000	3.35
6	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN. BHD. (ACC 2)</i>	123,150,000	3.18
7	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (MGN-OCM0001M)</i>	114,000,000	2.94
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD</i>	104,064,000	2.68
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>PEMBANGUNAN SUMBER MANUSIA BERHAD</i>	100,122,099	2.58
10	SJ SEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AL RAJHI BANK FOR HEXTAR HOLDINGS SDN. BHD.</i>	95,418,256	2.46
11	BBL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD</i>	87,000,000	2.24
12	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK ISLAMIC BERHAD FOR HEXTAR HOLDINGS SDN BHD</i>	85,800,000	2.21
13	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG</i>	76,480,000	1.97
14	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR VINAYAKA CAPITAL SDN. BHD.</i>	70,100,000	1.81
15	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHIAU BENG TEIK (SMART)</i>	60,889,240	1.57

## ANALYSIS OF SHAREHOLDINGS

As at 7 April 2025

cont'd

**LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)**  
**(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 7 APRIL 2025)**  
**(Without aggregating securities from different securities accounts belonging to the same Registered Holder)**

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF SHAREHOLDINGS (%)
16	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (ACCT 2)</i>	57,000,000	1.47
17	PERTUBUHAN KESELAMATAN SOSIAL	50,700,500	1.31
18	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>CIMB BANK BERHAD (EDP 2)</i>	39,675,000	1.02
19	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD</i>	39,650,000	1.02
20	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	39,074,600	1.01
21	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (THIRD PARTY)</i>	36,240,000	0.94
22	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR VILLAGIO HOLDING SDN. BHD.</i>	32,454,400	0.84
23	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR AGILEVEST SDN. BHD. (ACC 2)</i>	31,763,700	0.82
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG (7001511)</i>	29,590,000	0.76
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR CHEONG KONG FITT</i>	29,127,800	0.75
26	MOK YAU CHOY	23,673,100	0.61
27	M & A NOMINEE (TEMPATAN) SDN BHD - AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK</i>	22,800,000	0.59
28	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN. BHD. (MY3933)</i>	22,226,200	0.57
29	APEX NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN BHD (3P-3ON20578)</i>	20,000,000	0.52
30	KENANGA INVESTMENT BANK BERHAD IVT NAGA 68	19,381,000	0.50
<b>TOTAL</b>		<b>2,639,482,406</b>	<b>68.10</b>

# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirty-Fourth Annual General Meeting (“34<sup>th</sup> AGM”) of Hextar Global Berhad (“the Company”) will be held at Hextar Global Berhad’s Corporate Office, Level 17 Hextar Tower, Empire City, Jalan PJU 8/1, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan on **Friday, 30 May 2025 at 10.00 a.m.** or at any adjournment thereof for the following purposes:

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.  
**[Please refer to Explanatory Note (1)]**
2. To re-elect the following Directors who are retiring in accordance with Clause 127 of the Company’s Constitution: -
 

(a) Dato’ Sri Dr. Erwan bin Dato’ Haji Mohd Tahir	Ordinary Resolution 1
(b) Mr Yeoh Chin Hoe	Ordinary Resolution 2

**[Please refer to Explanatory Note (2)]**
3. To approve the payment of Directors’ fees amounting to RM384,000.00 to the Directors of the Company for the financial year ending 31 December 2025. Ordinary Resolution 3
4. To approve the payment of Directors’ benefits of up to RM100,000 from the date of the forthcoming 34<sup>th</sup> AGM until the next Annual General Meeting (“AGM”) of the Company.  
**[Please refer to Explanatory Note (3)]** Ordinary Resolution 4
5. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.  
**[Please refer to Explanatory Note (4)]** Ordinary Resolution 5

## SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:-

6. **PROPOSED RENEWAL OF AUTHORITY TO ISSUE AND ALLOT SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** Ordinary Resolution 6

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company (“Proposed Mandate”).

# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

cont'd

THAT such approval on the Proposed Mandate shall continue to be in force until:-

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 15 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed Mandate."

***[Please refer to Explanatory Note (5)]***

## 7. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

Ordinary Resolution 7

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- i the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

cont'd

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

**[Please refer to Explanatory Note (6)]**

# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

cont'd

## 8. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

Ordinary Resolution 8

"THAT subject to Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to the Shareholders dated 30 April 2025 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not detrimental to the interest of the minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which this shareholders' mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

**[Please refer to Explanatory Note (7)]**

- 9. To transact any other business of the Company of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

## BY ORDER OF THE BOARD

**TAN TONG LANG** (SSM PC No. 202208000250) (MAICSA No. 7045482)

**LIM WEN THENG** (SSM PC No. 202308000441) (MAICSA No. 7073397)

**PHAN NEE CHIN** (SSM PC No. 202008004339) (MIA No. 28178)

Company Secretaries

30 April 2025

Kuala Lumpur

## NOTES:

1. The 34th AGM will be held at Hextar Global Berhad's Corporate Office, Level 17 Hextar Tower, Empire City, Jalan PJU 8/1, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.
2. For the purpose of determining a member who shall be entitled to attend and vote the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 21 May 2025. Only members whose names appear in the General Meeting Record of Depositors as at 21 May 2025 shall be entitled to attend, participate, speak and vote at the Meeting or appoint proxies to attend and vote in his/her stead.



# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

cont'd

3. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) ("SICDA") who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak and vote at the Meeting shall have the same rights as the members to speak and vote at the Meeting.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint one not more than two (2) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
8. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, this proxy form must be deposited with the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
  - (ii) By electronic means  
The proxy form can be electronically submitted with the Share Registrar of the Company via email at [admin@aldpro.com.my](mailto:admin@aldpro.com.my).
9. Please ensure ALL the particulars as required in the Proxy Form are completed, signed, and dated accordingly.
10. Last date and time for lodging the Proxy Form is Wednesday, 28 May 2025 at 10.00 a.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's Office, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur above not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is nortarially certified and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed a representative, please deposit the ORIGINAL OR DULY CERTIFIED certificate of appointment with the share registrar in accordance with Note 8 above. The certificate of appointment should be executed in the following manner:
  - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

cont'd

(b) *If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*

1. *at least two (2) authorised officers, of whom one shall be a director; or*
2. *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*

13. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Securities, all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.*

## **Explanatory Notes to the Agenda:**

### Item 1 of the Agenda

#### Audited Financial Statements for the financial year ended 31 December 2024

1. This item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

### Item 2 of the Agenda – Ordinary Resolutions 1 and 2

#### Re-election of Directors who retire in accordance with Clause 127 of the Company's Constitution

2. The Board through the Nomination and Remuneration Committee ("NRC") had assessed the retiring Directors, taking into account their performance, contribution to interaction, quality of input, understanding of their roles, independence of Independent Director, their declaration of conflict of interest, including fit and proper assessment criteria.

Dato' Sri Dr. Erwan bin Dato' Haji Mohd Tahir and Yeoh Chin Hoe are due for retirement at the 34<sup>th</sup> AGM in accordance with Clause 127 of the Company's Constitution. Based on the results of the Board Effectiveness Assessment for the financial year 2024, the Board agreed with the NRC's recommendations on the re-election of the retiring directors. The Board recommended to the shareholders for their approval on the re-election of Directors, backed by the following justifications:-

- They possess a pertinent mix of experience, skills, industry knowledge on business and legal requirements, expertise and core competency, all of which contribute significantly to the Company's well-being.
- They have fulfilled the fit and proper criteria as stated in the Directors' Fit and Proper Policy in discharging their roles and responsibilities.
- They demonstrate a fearlessness in pursuing views and opinions on presented issues.
- They consistently allocate adequate time in discharging their duties and responsibilities as Directors, engage constructively with fellow Board members, attend meetings with thorough preparation, and add substantial value to Board deliberations during meetings.

### Item 4 of the Agenda – Ordinary Resolution 4

#### Payment of Directors' benefits

3. This resolution is to facilitate payment of Directors' benefits from the 34<sup>th</sup> AGM until the next AGM of the Company. In the event the Directors' benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Directors' benefits include meeting allowances and other emoluments payable to Directors and in determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees and covers the period from the 34<sup>th</sup> AGM until the next AGM of the Company.

# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

cont'd

## Item 5 of the Agenda – Ordinary Resolution 5

### Re-appointment of Crowe Malaysia PLT

4. The Audit Committee (“AC”), in collaboration with the Management, conducted an annual evaluation on the suitability, objectivity, and their independence of the External Auditors (“EA”), Crowe Malaysia PLT (“Crowe”), in accordance with the Company’s External Auditors Policy.

The findings of the assessment were presented to the AC for deliberation recommended to the Board on the re-appointment of the Crowe during its meetings held on 19 November 2024. The AC was satisfied with the suitability of Crowe, considering factors such as calibre of the EA firm, the quality of audit, performance, competency, and adequacy of resources provided by the external audit team to the Group.

On 19 November 2024, the Board during its meetings, agreed with the AC’s recommendations and proposed to the shareholders’ approval at the 34th AGM on the appointment of Crowe as EA of the Company for the financial year 2025 in accordance with Section 340(1)(c) and Section 274(1)(a) of the Act.

## Item 6 of the Agenda – Ordinary Resolution 6

### Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

5. The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being (“Proposed Mandate”).

The authority for the Proposed Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Ordinary Resolution 6 is a renewal of the previous year’s mandate. The Proposed Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time.

The purpose of this Proposed Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 33<sup>rd</sup> AGM held on 20 May 2024 and will lapse at the conclusion of the 34<sup>th</sup> AGM to be held on 30 May 2025. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

Pursuant to Section 85 of the Act read together with Clause 15 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

# NOTICE OF THE 34<sup>TH</sup> ANNUAL GENERAL MEETING

cont'd

Section 85(1) of the Act provides as follows:

“85. Pre-emptive rights to new shares

- (1) Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”

Clause 15 of the Constitution of the Company provides as follows:

“Subject to any direction to the contrary that may be given in general meeting, all new shares or other convertible securities shall, before issue be offered to Members who at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution in such manner as they think most beneficial to the Company.”

The proposed Ordinary Resolution 6, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

## Item 7 of the Agenda – Ordinary Resolution 10 Proposed Renewal of Authority of Share Buy-Back

6. The proposed Ordinary Resolution 7, is a renewal general mandate and if passed, will empower the Directors of the Company to purchase up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

For further information, please refer to Circular to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 30 April 2025.

## Item 8 of the Agenda – Ordinary Resolution 8 Proposed Renewal of Existing Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature

7. The proposed Ordinary Resolution 8 in respect of the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further details are set out in the Circular to Shareholders in relation to the Proposed dated 30 April 2025.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individual who are standing for election as Directors (excluding Directors for re-election).

No individual is seeking election as a Director at the 34<sup>th</sup> AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Listing Requirements of Bursa Securities Malaysia Berhad

Kindly refer to the Explanatory Notes on Special Business – Proposed Renewal of Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 under Explanatory Note (6) of the Notice of the 34<sup>th</sup> AGM.

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**HEXTAR GLOBAL BERHAD**  
Registration No. 199001014551 (206220-U)  
(Incorporated in Malaysia)

**PROXY FORM**

(Before completing this form please refer to the notes below)

<b>Number of Shares held</b>	
<b>CDS Account</b>	

I/We \_\_\_\_\_ Tel: \_\_\_\_\_  
[Full name in block and as per NRIC/Passport, NRIC/Passport/Company No.]

of \_\_\_\_\_  
[Full address]

being member(s) of **HEXTAR GLOBAL BERHAD**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address & Tel:			

^and/or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address & Tel:			

Or failing ^him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 34<sup>th</sup> Annual General Meeting ("34<sup>th</sup> AGM") of the Company will be held at Hextar Global Berhad's Corporate Office, Level 17 Hextar Tower, Empire City, Jalan PJU 8/1, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan on Friday, 30 May 2025 at 10.00 a.m. and any adjournment thereof, to vote as indicated below:

RESOLUTIONS	DESCRIPTION OF RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	To re-elect (a) Dato' Sri Dr. Erwan bin Dato' Haji Mohd Tahir as Director of the Company pursuant to Clause 127 of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Mr Yeoh Chin Hoe as Director of the Company pursuant to Clause 127 of the Company's Constitution.		
Ordinary Resolution 3	To approve the payment of Directors' fees amounting to RM384,000.00 to the Directors of the Company for the financial year ending 31 December 2025.		
Ordinary Resolution 4	To approve Directors' benefits of up to RM100,000.00 from the date of the forthcoming 34 <sup>th</sup> AGM until the next Annual General Meeting of the Company.		
Ordinary Resolution 5	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
Ordinary Resolution 6	Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 And 76 of the Companies Act, 2016.		
Ordinary Resolution 7	Proposed Renewal of Authority for Share Buy-Back.		
Ordinary Resolution 8	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

\_\_\_\_\_  
Signature of Member(s) or  
Common Seal\*

^ Delete whichever is inapplicable

\* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  - (i) at least two (2) authorised officers, of whom one shall be a director; or
  - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



**Notes:**

1. The 34<sup>th</sup> AGM will be held at Hextar Global Berhad's Corporate Office, Level 17 Hextar Tower, Empire City, Jalan PJU 8/1, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.
2. For the purpose of determining a member who shall be entitled to attend and vote the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **21 May 2025**. Only members whose names appear in the **General Meeting Record of Depositors** as at 21 May 2025 shall be entitled to attend, participate, speak and vote at the Meeting or appoint proxies to attend and vote in his/her stead.
3. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) ("SICDA") who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak and vote at the Meeting shall have the same rights as the members to speak and vote at the Meeting.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint one not more than two (2) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
8. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, this proxy form must be deposited with the Share Registrar of the Company, Aldpro Corporate Services Sdn. Bhd. of B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
  - (ii) By electronic means  
The proxy form can be electronically submitted with the Share Registrar of the Company via email at [admin@aldpro.com.my](mailto:admin@aldpro.com.my)

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AFFIX  
STAMP

The Share Registrar of  
**HEXTAR GLOBAL BERHAD** [Registration No. 199001014551 (206220-U)]  
c/o Aldpro Corporate Services Sdn. Bhd.  
B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur,  
Wilayah Persekutuan, Malaysia

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9. Please ensure ALL the particulars as required in the Proxy Form are completed, signed, and dated accordingly.
10. Last date and time for lodging the Proxy Form is **Wednesday, 28 May 2025 at 10.00 a.m.**
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar's Office, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur above **not less than forty-eight (48) hours before the time appointed for holding the AGM** or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is nortarially certified and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed a representative, please deposit the **ORIGINAL OR DULY CERTIFIED** certificate of appointment with the share registrar in accordance with Note 8 above. The certificate of appointment should be executed in the following manner:
  - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
  - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    1. at least two (2) authorised officers, of whom one shall be a director; or
    2. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Securities, all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.



**[www.hextarglobal.com](http://www.hextarglobal.com)**

***Hextar***

**HEXTAR GLOBAL BERHAD**

199001014551 (206220-U)

No. 64, Jalan Bayu Laut 4/KS09, Kota Bayuemas,  
41200 Klang, Selangor Darul Ehsan, Malaysia

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