



HEXTAR GLOBAL BERHAD

Company No.: 199001014551 (206220-U)

(Incorporated in Malaysia)

**Interim Report
For the 3-months Financial Period Ended
31 March 2021**



Interim Report for the 3-months Financial Period Ended 31 March 2021

Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths) Current Year Quarter 31/3/2021 RM'000	(3-mths) Preceding Year Quarter 31/3/2020 RM'000	(3-mths) Current Period to-Date 31/3/2021 RM'000	(3-mths) Preceding Period to-Date 31/3/2020 RM'000
Revenue	114,816	104,566	114,816	104,566
Cost of sales	(91,632)	(81,659)	(91,632)	(81,659)
Gross profit	23,184	22,907	23,184	22,907
Other income	816	728	816	728
Selling and marketing expenses	(2,604)	(2,776)	(2,604)	(2,776)
Administrative and other expenses	(6,271)	(7,288)	(6,271)	(7,288)
Finance costs	(412)	(1,108)	(412)	(1,108)
Share of results of joint venture	156	96	156	96
Profit before taxation	14,869	12,559	14,869	12,559
Less: Taxation	(4,213)	(3,108)	(4,213)	(3,108)
Profit after taxation	10,656	9,451	10,656	9,451
Other comprehensive (expenses)/income:-				
Foreign currency translation differences	(6)	1	(6)	1
Other comprehensive (expenses)/income for the financial period	(6)	1	(6)	1
Total comprehensive income for the financial period	10,650	9,452	10,650	9,452
Profit for the financial period attributable to:				
- Owners of the Parent	10,752	9,451	10,752	9,451
- Non-controlling interests	(96)	-	(96)	-
	10,656	9,451	10,656	9,451
Total comprehensive income attributable to:				
- Owners of the Parent	10,746	9,452	10,746	9,452
- Non-controlling interests	(96)	-	(96)	-
	10,650	9,452	10,650	9,452
Earnings per share				
Basic (sen)	1.31	1.16	1.31	1.16
Diluted (sen)	n/a	n/a	n/a	n/a

The unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Period Ended 31 March 2021

Unaudited Condensed Statements of Financial Position

	Unaudited as at 31/3/2021 RM'000	Audited as at 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,985	41,393
Investment properties	9,733	9,733
Investment in joint venture	3,668	3,513
Right-of-use assets	19,820	20,162
Investment in club membership, at cost	47	47
Goodwill on consolidation	13,336	13,336
Product development expenditure	720	797
Trademark	3	3
Trade receivables	16	20
Prepayment	2,187	2,244
Total non-current assets	90,515	91,248
Current assets		
Inventories	73,932	81,118
Trade receivables	127,670	102,800
Other receivables, deposits and prepayments	18,731	8,395
Amount owing by related companies	-	5,616
Current tax assets	448	243
Deposits with licensed banks	120	120
Cash and bank balances	18,865	17,205
Total current assets	239,766	215,497
Asset classified as held for sale	-	310
TOTAL ASSETS	330,281	307,055
EQUITY AND LIABILITIES		
Equity		
Share capital	169,913	169,913
Revaluation reserve	7,371	7,405
Exchange reserve	(6)	-
Retained profits	26,697	22,477
Equity attributable to owners of the Company	203,975	199,795
Non-controlling interests	1,376	1,472
TOTAL EQUITY	205,351	201,267
Non-current liabilities		
Lease liabilities	1,974	2,223
Term loans	8,908	9,658
Deferred tax liabilities	7,486	7,257
Total non-current liabilities	18,368	19,138

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Period Ended 31 March 2021

Unaudited Condensed Statements of Financial Position (Cont'd)

	Unaudited as at 31/3/2021 RM'000	Audited as at 31/12/2020 RM'000
Current liabilities		
Trade payables	26,378	24,835
Other payables and accruals	4,363	7,127
Amount owing to related companies	-	5
Amount owing to a joint venture	803	1,238
Lease liabilities	820	824
Term loans	3,127	3,169
Bills payable	52,201	33,018
Revolving credit	12,000	10,000
Current tax liabilities	6,870	6,434
Total current liabilities	<u>106,562</u>	<u>86,650</u>
TOTAL LIABILITIES	<u>124,930</u>	<u>105,788</u>
TOTAL EQUITY AND LIABILITIES	<u>330,281</u>	<u>307,055</u>
No. of ordinary shares in issue ('000)	820,680	820,680
Net assets per share attributable to equity holders of the Company (RM)	0.25	0.25

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Period Ended 31 March 2021

Unaudited Condensed Statements of Cash Flows

	3-months ended 31/3/2021 RM'000	3-months ended 31/3/2020 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	14,869	12,559
Adjustments for:-		
Amortisation	77	112
Depreciation	903	729
Impairment loss on trade receivables	700	6
Interest expense	412	1,108
Interest income	(27)	(168)
Unrealised gain on foreign exchange	(279)	(1,158)
Share of profit of a joint venture	(156)	(96)
Operating profit before working capital changes	<u>16,499</u>	<u>13,092</u>
Changes in working capital:-		
Inventories	7,186	4,118
Receivables	(35,845)	(13,299)
Payables	(1,658)	10,975
Related companies	5,611	2,273
	<u>(24,706)</u>	<u>4,067</u>
Cash (for)/from operations	(8,207)	17,159
Interest paid	(412)	(1,108)
Income tax paid	(3,752)	(1,026)
Net cash (for)/from operating activities	<u>(12,371)</u>	<u>15,025</u>

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Period Ended 31 March 2021

Unaudited Condensed Statements of Cash Flows (Cont'd)

	3-months ended 31/3/2021 RM'000	3-months ended 31/3/2020 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	27	168
Placement of deposits with licensed banks	-	(3)
Proceeds from disposal of property, plant and equipment	300	-
Purchase of intangible assets	-	(9)
Purchase of property, plant and equipment	(334)	(625)
Net cash for investing activities	<u>(7)</u>	<u>(469)</u>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(6,566)	(6,522)
Net decrease of lease liabilities	(62)	(9)
Net increase/(decrease) in bank borrowings	21,464	(7,667)
Purchase of treasury shares	-	(6,078)
Repayment of term loans	(792)	(1,300)
Net cash from/(for) financing activities	<u>14,044</u>	<u>(21,576)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,666	(7,020)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(6)	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	17,280	29,435
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>18,940</u>	<u>22,416</u>
CASH AND CASH EQUIVALENTS COMPRISE		
Deposits with licensed banks	120	119
Cash and bank balances	18,865	22,416
	<u>18,985</u>	<u>22,535</u>
Less: Deposits pledged to licensed banks	(45)	(119)
	<u>18,940</u>	<u>22,416</u>

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Year Ended 31 March 2021

Unaudited Condensed Statements of Changes in Equity

	Share Capital RM'000	Treasury Shares RM'000	<---- Non-distributable ----> Revaluation Reserve RM'000	<-Distributable-> Exchange Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total RM'000
Balance as at 1/1/2021	169,913	-	7,405	-	22,477	199,795	1,472	201,267
Profit after taxation for the financial period	-	-	-	-	10,752	10,752	(96)	10,656
Other comprehensive expenses for the financial period:								
- Foreign currency translation differences	-	-	-	(6)	-	(6)	-	(6)
Total comprehensive (expenses)/income for the financial period	-	-	-	(6)	10,752	10,746	(96)	10,650
Contributions by and distributions to owners of the Company:								
- Dividends	-	-	-	-	(6,566)	(6,566)	-	(6,566)
Total transactions with owners	-	-	-	-	(6,566)	(6,566)	-	(6,566)
Realisation of revaluation reserve	-	-	(34)	-	34	-	-	-
Balance as at 31/3/2021	169,913	-	7,371	(6)	26,697	203,975	1,376	205,351

The unaudited Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Year Ended 31 March 2021

Unaudited Condensed Statements of Changes in Equity (Cont'd)

	Share Capital RM'000	Treasury Shares RM'000	<----- Non-distributable -----> Revaluation Reserve RM'000	Exchange Reserve RM'000	<-Distributable-> Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total RM'000
Balance as at 1/1/2020	169,913	-	7,504	-	7,924	185,341	-	185,341
Profit after taxation for the financial period	-	-	-	-	9,451	9,451	-	9,451
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	1	-	1	-	1
Total comprehensive income for the financial period	-	-	-	1	9,451	9,452	-	9,452
Contributions by and distributions to owners of the Company:								
- Purchase of treasury shares	-	(6,078)	-	-	-	(6,078)	-	(6,078)
- Dividends	-	-	-	-	(6,522)	(6,522)	-	(6,522)
Total transactions with owners	-	(6,078)	-	-	(6,522)	(12,600)	-	(12,600)
Realisation of revaluation reserve	-	-	(53)	-	53	-	-	-
Balance as at 31/3/2020	169,913	(6,078)	7,451	1	10,906	182,193	-	182,193

The unaudited Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Period Ended 31 March 2021

A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This unaudited interim financial report should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2020. The Group prepared its financial statements in accordance with the Malaysian Financial Reporting Standards (“MFRS”).

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of Hextar Global Berhad (“Hextar” or the “Company”) and its subsidiaries (the “Group”) since the financial year ended 31 December 2020.

2. Significant Accounting Policies

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The following are accounting standards, amendments and IC interpretations of the MFRS that have been issued by the MASB but are not yet effective and have not been adopted by the Group:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 16: COVID-19-Related Rent Concessions

Amendments to MFRS 17 Insurance Contracts

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

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 -2020

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations when they become effective in the respective financial periods.

The adoption of the above accounting standards and amendments are expected to have no material impact on the financial statements of the Group upon their initial application.



Interim Report for the 3-months Financial Period Ended 31 March 2021

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding annual audited financial statements for the financial year ended 31 December 2020 were not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's agriculture business is sensitive to prolonged extreme weather conditions.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review and financial period to-date.

6. Material Changes in Estimates

There were no material changes in estimates of amount reported that have a material effect on the current quarter under review and financial period to-date except as disclosed in the financial statements.

7. Details of Changes in Debts and Equity Securities

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

8. Dividend

On 26 March 2021, the Company paid a fourth interim single-tier dividend of 0.8 sen per ordinary share amounting to RM6,565,436 in respect of the financial year ended 31 December 2020.

The Company had paid a total dividend of 4.0 sen per ordinary share amounting to approximately RM32.68 million in respect of the financial year ended 31 December 2020.

Other than the above, there were no dividends proposed or paid during the quarter under review.



Interim Report for the 3-months Financial Period Ended 31 March 2021

9. Segmental Reporting

	3-months ended 31 March 2021					
	Investment Holding RM'000	Agriculture RM'000	Consumer Products RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External	-	109,988	4,814	14	-	114,816
Inter-segment	676	4,268	2,452	-	(7,396)	-
Total	676	114,256	7,266	14	(7,396)	114,816
Results						
Segment results	(360)	15,922	(109)	(270)	(85)	15,098
Finance costs	(54)	(305)	(53)	-	-	(412)
Finance income	1	23	3	-	-	27
Share of result of joint venture	-	156	-	-	-	156
Profit/(Loss) before taxation	(413)	15,796	(159)	(270)	(85)	14,869
Taxation	(9)	(3,921)	(19)	(15)	(249)	(4,213)
Profit/(Loss) after taxation	(422)	11,875	(178)	(285)	(334)	10,656
	3-months ended 31 March 2020					
	Investment Holding RM'000	Agriculture RM'000	Consumer Products RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External	-	96,206	8,360	-	-	104,566
Inter-segment	61,118	2,518	3,808	-	(67,444)	-
Total	61,118	98,724	12,168	-	(67,444)	104,566
Results						
Segment results	59,775	14,078	450	(30)	(60,869)	13,404
Finance costs	(370)	(685)	(53)	-	-	(1,108)
Finance income	94	62	10	1	-	167
Share of result of joint venture	-	96	-	-	-	96
Profit/(Loss) before taxation	59,499	13,551	407	(29)	(60,869)	12,559
Taxation	-	(3,227)	3	-	116	(3,108)
Profit/(Loss) after taxation	59,499	10,324	410	(29)	(60,753)	9,451



Interim Report for the 3-months Financial Period Ended 31 March 2021

10. Valuation of Property, Plant and Equipment

The values of property, plant and equipment have been brought forward without amendments from the Company's previous annual audited financial statements for the financial year ended 31 December 2020.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

12. Contingent Liabilities

The contingent liabilities are as follows:

	Company As at 31/3/2021 RM'000
Guarantees given to financial institutions for facilities granted to subsidiaries	<u>195,260</u>

13. Capital Commitments

There were no material capital commitments entered into and not provided for by the Group during the current quarter under review.

14. Material Events Subsequent to the End of the Interim Reporting Period

There were no material events subsequent to the end of the interim reporting period reported.



Interim Report for the 3-months Financial Period Ended 31 March 2021

15. Related Party Transactions

The following table provides information on the transactions which have been entered into with related parties during the 3-months ended 31 March 2021.

		Transaction Value 31/3/2021 RM'000
	Note	
Sales of raw materials/finished goods:-		
PT Dharma Guna Wibawa	#	16,963
PT Delta Giri Wacana	#	12,814
Vitallium Sdn. Bhd.	#	3,190
Hextar Oil & Gas Sdn. Bhd.	#	317
Binapuri Sakti Sdn. Bhd.	#	726
Hextar Fert Sdn. Bhd.	#	81
Hextar KCS Sdn. Bhd.	#	2
Purchase of raw materials/finished goods:-		
Hextar Industrial Chemicals Sdn. Bhd.	#	255
Hextar Fert Sdn. Bhd.	#	114
Purchase of management services:-		
Hextar Asset Management Sdn. Bhd.	#	585
Rental of warehouse:-		
Hextar Industrial Chemicals Sdn. Bhd.	#	<u>194</u>

The directors and/or major shareholders of Hextar Global Berhad are either the directors and/or major shareholders of the Company or the persons connected with the Company by virtue of Section 197 of Companies Act 2016.



Interim Report for the 3-months Financial Period Ended 31 March 2021

B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

1. Review of Performance of the Group

The Group registered a revenue of RM114.82 million for the current and cumulative quarter under review as compared to RM104.57 million for the corresponding quarter of the preceding year, representing an increase of RM10.25 million or 9.8%. The Group has grown even stronger in the sales to both local and oversea and the increase in revenue was mainly contributed by Agriculture segment. The Group's strong fundamental was strongly supported by the Group's core competency in research and development. However, the Group yielded a slightly lower gross profit margin of 20.2% as compared to 21.9% for the corresponding quarter of the preceding year.

The Group recorded a profit before taxation of RM14.87 million for the current and cumulative quarter against RM12.56 million for the corresponding quarter of the preceding year, representing an increase of RM2.31 million or 18.4%. Had the Group excluded the foreign exchange gain of RM0.29 million for the current quarter and foreign exchange loss of RM1.56 million for the corresponding quarter of the preceding year for comparison, the Group would have still recorded a higher result for the current and cumulative quarter under review despite the lower gross profit margin. Other than the above, the Group had incorporated an impairment loss on trade receivable of amounting to RM0.7 million for the current quarter under review.

2. Comparisons with the Immediate Preceding Quarter's Results

	(3-months) Current Quarter ended 31/3/2021 (RM'000)	(3-months) Preceding Quarter ended 31/12/2020 (RM'000)
Revenue	114,816	101,795
Profit before taxation	14,869	14,796

For the current quarter ended 31 March 2021, the Group registered a revenue of RM114.82 million as compared to the immediate preceding quarter of RM101.80 million, representing an increase of RM13.02 million or 12.8%. The increase was mainly due to higher sales recorded from Agriculture segment.

During the current quarter, the Group recorded a profit before taxation of RM14.87 million against RM14.80 million in the immediate preceding quarter, representing an increase of RM0.07 million or 0.5% as compared to the immediate preceding quarter. The Agriculture segment was the main contributor by recording a profit before taxation of RM15.80 million during the current quarter under review.



Interim Report for the 3-months Financial Period Ended 31 March 2021

3. Year 2021 Prospects

Agriculture

The Agriculture segment achieved a historical achievement for the financial year 2020 despite the outbreak of COVID-19 and the implementation of movement control order (“MCO”). For year 2021, the segment will continue to intensify its sales and marketing efforts to secure more customers locally and oversea in order to boost our market shares as well as continuous developing of new products to improve our competitive advantage. Barring any unforeseen resurgence of COVID-19 and challenges ahead, the Group is well prepared and the Board is confident that the segment will continue to contribute a sustainable income in year 2021.

Consumer Products

The Consumer Products segment had successfully turnaround from a loss before taxation of RM1.48 million for the financial year 2019 to a near to breakeven point of loss before taxation of RM0.05 million for the financial year 2020. The result was strongly driven by management’s continuous effort in cost rationalisation and strengthening of operational efficiency. In view of year 2021, despite the current quarter recognition of a loss before taxation of RM0.16 million, the segment plans to continue to strengthen its operational efficiency and focuses to boost its revenue by market and product development. The segment is positive in achieving a result in the black to contribute to the Group positively.

Others

The Proposed Acquisition and Proposed Diversification as mentioned in Item 6 below will enable the Group to venture into the specialty cleaning chemicals industry where there is high demand from the glove makers, F&B retailers and caterers, food processors, hospitals, hotels and others.

The Board is of the view that with the abovementioned strategies and initiatives, Proposed Acquisition and Proposed Diversification, the Group would be able to deliver another satisfactory financial performance for the financial year.

4. Financial Forecast and Profit Guarantee

The Group has not provided any financial forecast or profit guarantee in any public document.



Interim Report for the 3-months Financial Period Ended 31 March 2021

5. Taxation

The taxation figures are as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2021 RM'000	Preceding Year Quarter 31/3/2020 RM'000	Current Year to-Date 31/3/2021 RM'000	Preceding Year to-Date 31/3/2020 RM'000
Deferred tax	256	119	256	119
Income tax	(4,469)	(3,227)	(4,469)	(3,227)
	<u>(4,213)</u>	<u>(3,108)</u>	<u>(4,213)</u>	<u>(3,108)</u>

The effective tax rate for the current quarter under review for the Group is higher than the statutory rate of taxation is mainly due to losses recorded in certain subsidiary companies which is unable to set off against taxable profits made by other profitable subsidiary companies.

6. Status of Corporate Proposal

On 22 February 2021, the Company proposed to undertake a bonus issue of up to 492,407,738 new ordinary shares in the Company ("Bonus Share(s)") on the basis of three (3) Bonus Shares for every five (5) existing ordinary shares of the Company held by the shareholders of the Company whose name appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later ("Proposed Bonus Issue"). The proposed bonus issue is subject to approval from the authorities and shareholders.

On 8 March 2021, the Company has entered into a conditional Share Sale Agreement to acquire 500,000 ordinary shares in Alpha Aim (M) Sdn. Bhd. ("AASB"), representing 100% equity interest in AASB and 1,050,014 ordinary shares in Chempro Technology (M) Sdn. Bhd. ("CTSB"), representing 100% equity interest in CTSB, for a total purchase consideration of RM138,000,000 to be fully satisfied by cash ("Proposed Acquisition").

In conjunction with the Proposed Acquisition, the Company intends to undertake diversification of the business activities of the Group to include the business of manufacturing and distribution of specialty chemicals products such as latex polymers, coagulants, detergents, degreasers, chlorine sanitiser and others ("Proposed Diversification").

Application for approval and clearance of circular to shareholders and additional listing application for the listing of and quotation for new Hextar Shares was submitted to Bursa Malaysia Securities Berhad ("BURSA") on 8 April 2021. BURSA had on 19 May 2021 given the approval and clearance subject to the comments to be incorporated in the circular prior to the issuance. The Proposed Bonus Issue, Proposed Acquisition and Proposed Diversification is subject to approval from the shareholders.



Interim Report for the 3-months Financial Period Ended 31 March 2021

7. Borrowings

The Group's borrowings as at 31 March 2021 and 31 December 2020 are as follows:

	As at 31/3/2021 RM'000	As at 31/12/2020 RM'000
Short-term borrowings		
<u>Secured</u>		
Term loans	3,127	3,169
<u>Unsecured</u>		
Lease liabilities	820	824
Bills payable	52,201	33,018
Revolving credit	12,000	10,000
	<u>68,148</u>	<u>47,011</u>
Long-term borrowings		
<u>Secured</u>		
Term loans	8,908	9,658
<u>Unsecured</u>		
Lease liabilities	1,974	2,223
	<u>10,882</u>	<u>11,881</u>
Total	<u>79,030</u>	<u>58,892</u>

8. Material Litigation

There were no material litigations involving the Group as at the date of this interim report.

9. Earnings Per Share

a. Basic

The basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company for the period by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2021	Preceding Year Quarter 31/3/2020	Current Year to-Date 31/3/2021	Preceding Year to-Date 31/3/2020
Profit attributable to equity holders of the Company (RM'000)	<u>10,752</u>	<u>9,451</u>	<u>10,752</u>	<u>9,451</u>
Weighted average number of ordinary shares in issue ('000)	<u>820,680</u>	<u>813,727</u>	<u>820,680</u>	<u>813,727</u>
Basic earnings per share (sen)	<u>1.31</u>	<u>1.16</u>	<u>1.31</u>	<u>1.16</u>

b. Diluted

The calculation of diluted earnings per ordinary share is the same with basic earnings per ordinary share as the Group has no dilutive potential ordinary shares.



Interim Report for the 3-months Financial Period Ended 31 March 2021

10. Notes to the Statements of Profit or Loss and Other Comprehensive Income

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year Quarter	Year Quarter	Period to-Date	Period to-Date
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	RM'000	RM'000	RM'000	RM'000
Amortisation	77	112	77	112
Depreciation	903	729	903	729
Impairment loss on trade receivables	700	6	700	6
Interest expense	412	1,108	412	1,108
Interest income	(27)	(168)	(27)	(168)
Unrealised gain on foreign exchange	(279)	(1,158)	(279)	(1,158)
Share of profit of a joint venture	(156)	(96)	(156)	(96)

By Order of the Board
HEXTAR GLOBAL BERHAD
199001014551 (206220 – U)

Lim Hooi Mooi
Company Secretary
Kuala Lumpur
31 May 2021