



# **HEXTAR GLOBAL BERHAD**

Company No.: 199001014551 (206220-U)

(Incorporated in Malaysia)

**Interim Report  
For the 12-months Financial Year Ended  
31 December 2021**



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income**

|  | INDIVIDUAL QUARTER  |   | CUMULATIVE QUARTER   |  |
|--|---|---|--|--|
|  | (3-mths)<br>Current Year<br>Quarter<br>31/12/2021<br>RM'000 | (3-mths)<br>Preceding Year<br>Quarter<br>31/12/2020<br>RM'000 | (12-mths)<br>Current<br>Year to-Date<br>31/12/2021<br>RM'000 | (12-mths)<br>Preceding<br>Year to-Date<br>31/12/2020<br>RM'000 |
| Revenue  | 138,049   | 101,795   | 464,118  | 418,642  |
| Cost of sales  | (100,217)   | (81,009)  | (359,109)  | (327,614)  |
| Gross profit   | 37,832  | 20,786  | 105,009  | 91,028   |
| Other income   | 86  | 390   | 3,043  | 3,196  |
| Selling and marketing expenses   | (5,785)   | (1,627)   | (16,145)   | (9,582)  |
| Administrative and other expenses                                      | (12,036)  | (4,547)   | (34,691)   | (25,193)   |
| Finance costs  | (1,785)   | (376)   | (4,060)  | (3,338)  |
| Share of results of joint venture                                      | 94  | 169   | 410  | 577  |
| Profit before taxation   | 18,406  | 14,795  | 53,566   | 56,688   |
| Less: Taxation   | (4,342)   | (3,336)   | (14,356)   | (12,204)   |
| Profit after taxation  | 14,064  | 11,459  | 39,210   | 44,484   |
| Other comprehensive income/(expenses):-                                |   |   |  |  |
| Revaluation of properties  | 3,839   | -   | 3,839  | -  |
| Foreign currency translation differences                               | 46  | (1)   | (10)   | -  |
| Other comprehensive income/(expenses)<br>for the financial period/year | 3,885   | (1)   | 3,829  | -  |
| Total comprehensive income<br>for the financial period/year            | 17,949  | 11,458  | 43,039   | 44,484   |
| Profit for the financial period/year<br>attributable to:               |   |   |  |  |
| - Owners of the Parent   | 14,262  | 11,459  | 39,600   | 44,536   |
| - Non-controlling interests  | (198)   | -   | (390)  | (52)   |
|  | 14,064  | 11,459  | 39,210   | 44,484   |
| Total comprehensive income<br>attributable to:                         |   |   |  |  |
| - Owners of the Parent   | 18,147  | 11,458  | 43,429   | 44,536   |
| - Non-controlling interests  | (198)   | -   | (390)  | (52)   |
|  | 17,949  | 11,458  | 43,039   | 44,484   |
| Earnings per share   |   |   |  |  |
| Basic (sen) ^  | 1.09  | 0.87  | 3.02   | 3.42   |
| Diluted (sen)  | n/a   | n/a   | n/a  | n/a  |

^ Restated to reflect the effect of bonus issue

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 12-months Financial Year Ended 31 December 2021**

**Unaudited Condensed Statements of Financial Position**

|  | <b>Unaudited<br/>as at<br/>31/12/2021<br/>RM'000</b> | <b>Audited<br/>as at<br/>31/12/2020<br/>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>                                |  |  |
| <b>Non-current assets</b>                    |  |  |
| Property, plant and equipment                | 72,220   | 41,393   |
| Investment properties                        | 6,089  | 9,733  |
| Investment in joint venture                  | 1,480  | 3,513  |
| Right-of-use assets                          | 30,427   | 20,162   |
| Investment in club membership, at cost       | 617  | 47   |
| Goodwill on consolidation                    | 145,694  | 13,336   |
| Product development expenditure              | 613  | 797  |
| Trademark                                    | 4,606  | 3  |
| Trade receivables                            | 1  | 20   |
| Prepayment                                   | 2,664  | 2,244  |
| Deferred tax assets                          | 236  | -  |
| Contract assets                              | 460  | -  |
| <b>Total non-current assets</b>              | <b>265,107</b>                                       | <b>91,248</b>                                      |
| <b>Current assets</b>                        |  |  |
| Inventories                                  | 152,509  | 81,118   |
| Trade receivables                            | 155,144  | 102,800  |
| Other receivables, deposits and prepayments  | 14,058   | 8,395  |
| Amount owing by related companies            | 299  | 5,616  |
| Amount owing by joint venture                | 1,885  | -  |
| Current tax assets                           | 2,989  | 243  |
| Contract assets                              | 586  | -  |
| Other investments                            | 547  | -  |
| Deposits with licensed banks                 | 27,163   | 120  |
| Cash and bank balances                       | 36,790   | 17,205   |
| <b>Total current assets</b>                  | <b>391,970</b>                                       | <b>215,497</b>                                     |
| <b>Asset classified as held for sale</b>     | <b>6,943</b>   | <b>310</b>   |
| <b>TOTAL ASSETS</b>                          | <b>664,020</b>                                       | <b>307,055</b>                                     |
| <b>EQUITY AND LIABILITIES</b>                |  |  |
| <b>Equity</b>                                |  |  |
| Share capital                                | 633,878  | 169,913  |
| Treasury shares                              | (10,299)   | -  |
| Merger reserve                               | (488,522)  | -  |
| Revaluation reserve                          | 17,192   | 7,405  |
| Exchange reserve                             | 94   | -  |
| Retained profits                             | 60,754   | 22,477   |
| Equity attributable to owners of the Company | 213,097  | 199,795  |
| Non-controlling interests                    | 14,489   | 1,472  |
| <b>TOTAL EQUITY</b>                          | <b>227,586</b>                                       | <b>201,267</b>                                     |

Note: Subsequent to the completion of voluntary winding up of Hextar Chemicals Limited ("HCL"), the transfer of HCL's subsidiary companies to Hextar Global Berhad represents business combination under common control. Accordingly, Hextar Group adopted merger accounting policy which is required to apply retrospectively to account for this intergroup reorganisation. A restated comparative financial statements will be issued upon the submission of audited financial statements for the financial year ended 31 December 2021.

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 12-months Financial Year Ended 31 December 2021**

**Unaudited Condensed Statements of Financial Position (Cont'd)**

|   | <b>Unaudited<br/>as at<br/>31/12/2021<br/>RM'000</b> | <b>Audited<br/>as at<br/>31/12/2020<br/>RM'000</b> |
|---|--|--|
| <b>Non-current liabilities</b>  |  |  |
| Contingent consideration  | 87,000   | -  |
| Lease liabilities   | 5,018  | 2,223  |
| Term loans  | 141,637  | 9,658  |
| Deferred tax liabilities  | 10,074   | 7,257  |
| <b>Total non-current liabilities</b>                                    | <b>243,729</b>                                       | <b>19,138</b>                                      |
| <b>Current liabilities</b>  |  |  |
| Trade payables  | 53,100   | 24,835   |
| Other payables and accruals   | 11,960   | 7,127  |
| Amount owing to related companies                                       | 408  | 5  |
| Amount owing to a joint venture   | 642  | 1,238  |
| Lease liabilities   | 2,491  | 824  |
| Term loans  | 16,778   | 3,169  |
| Bills payable   | 98,988   | 33,018   |
| Revolving credit  | 3,450  | 10,000   |
| Bank overdraft  | 89   | -  |
| Current tax liabilities   | 4,799  | 6,434  |
| <b>Total current liabilities</b>  | <b>192,705</b>                                       | <b>86,650</b>                                      |
| <b>TOTAL LIABILITIES</b>  | <b>436,434</b>                                       | <b>105,788</b>                                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     | <b>664,020</b>                                       | <b>307,055</b>                                     |
| No. of ordinary shares in issue ('000)                                  | 1,304,899  | 1,313,087 <sup>^</sup>                             |
| Net assets per share attributable to equity holders of the Company (RM) | 0.17   | 0.15 <sup>^</sup>                                  |

<sup>^</sup> Restated to reflect the effect of bonus issue

Note: Subsequent to the completion of voluntary winding up of Hextar Chemicals Limited ("HCL"), the transfer of HCL's subsidiary companies to Hextar Global Berhad represents business combination under common control. Accordingly, Hextar Group adopted merger accounting policy which is required to apply retrospectively to account for this intergroup reorganisation. A restated comparative financial statements will be issued upon the submission of audited financial statements for the financial year ended 31 December 2021.

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**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**Unaudited Condensed Statements of Cash Flows**

|  | <b>12-months<br/>ended<br/>31/12/2021<br/>RM'000</b> | <b>12-months<br/>ended<br/>31/12/2020<br/>RM'000</b> |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>        |  |  |
| Profit before taxation                             | 53,566   | 56,688   |
| Adjustments for:-                                  |  |  |
| Amortisation                                       | 383  | 422  |
| Bad debts written off                              | 1,054  | 181  |
| Deposit written off                                | -  | 2  |
| Depreciation                                       | 5,802  | 3,475  |
| Fair value loss on investment property             | 323  | -  |
| Impairment loss on trade receivables               | 9  | 708  |
| Intangible assets written off                      | -  | 26   |
| Interest expense                                   | 4,060  | 3,338  |
| Inventories written down                           | 128  | 32   |
| Loss on disposal of property, plant and equipment  | -  | 755  |
| Interest income                                    | (159)  | (438)  |
| Reversal of impairment losses on trade receivables | (415)  | (535)  |
| Reversal of lease liabilities                      | (13)   | -  |
| Unrealised (gain)/loss on foreign exchange         | (65)   | 712  |
| Write back of inventories                          | -  | (964)  |
| Share of profit of a joint venture                 | (410)  | (577)  |
| Operating profit before working capital changes    | 64,263   | 63,825   |
| Changes in working capital:-                       |  |  |
| Inventories  | (41,134)   | (996)  |
| Receivables  | (15,910)   | 19,707   |
| Payables   | 11,192   | (3,063)  |
| Related companies                                  | 3,239  | (3,338)  |
|  | (42,613)   | 12,310   |
| Cash from operations                               | 21,650   | 76,135   |
| Interest paid                                      | (4,060)  | (3,338)  |
| Income tax paid                                    | (17,123)   | (10,744)   |
| <b>Net cash from operating activities</b>          | <b>467</b>   | <b>62,053</b>  |

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 12-months Financial Year Ended 31 December 2021**

**Unaudited Condensed Statements of Cash Flows (Cont'd)**

|  | <b>12-months<br/>ended<br/>31/12/2021<br/>RM'000</b> | <b>12-months<br/>ended<br/>31/12/2020<br/>RM'000</b> |
|--|--|--|
| <b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>                      |  |  |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired | (109,351)  | (5,270)  |
| Decrease in pledged fixed deposits with licensed banks                 | -  | 75   |
| Dividend received  | 2,485  | -  |
| Interest received  | 159  | 438  |
| Placement of deposits with licensed banks                              | -  | (4)  |
| Proceeds from disposal of property, plant and equipment                | 300  | 30,090   |
| Purchase of intangible assets  | (96)   | (14)   |
| Purchase of property, plant and equipment                              | (4,880)  | (1,466)  |
| <b>Net cash (for)/from investing activities</b>                        | <u>(111,383)</u>                                     | <u>23,849</u>  |
| <b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>                      |  |  |
| Dividend paid  | (19,696)   | (32,640)   |
| Drawdown of revolving credit   | -  | 10,000   |
| Drawdown of term loan  | 139,000  | -  |
| Net increase/(decrease) of lease liabilities                           | 2,090  | (536)  |
| Net increase/(decrease) in bank borrowings                             | 51,857   | (53,907)   |
| Net proceeds from disposal of treasury shares                          | -  | 10,266   |
| Purchase of treasury shares  | (10,299)   | (7,706)  |
| Repayment of term loans  | (5,619)  | (23,690)   |
| <b>Net cash from/(for) financing activities</b>                        | <u>157,333</u>                                       | <u>(98,213)</u>                                      |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>            | 46,417   | (12,311)   |
| <b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>                         | 122  | 156  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>        | 17,280   | 29,435   |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>              | <u>63,819</u>  | <u>17,280</u>  |
| <b>CASH AND CASH EQUIVALENTS COMPRISE</b>                              |  |  |
| Deposits with licensed banks   | 27,163   | 120  |
| Cash and bank balances   | 36,790   | 17,205   |
| Bank overdraft   | (89)   | -  |
|  | <u>63,864</u>  | <u>17,325</u>  |
| Less: Deposits pledged to licensed banks                               | (45)   | (45)   |
|  | <u>63,819</u>  | <u>17,280</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 12-months Financial Year Ended 31 December 2021

Unaudited Condensed Statements of Changes in Equity

|  | Share Capital<br>RM'000 | Treasury Shares<br>RM'000 | Non-distributable        |                               |                            | <-Distributable-><br>Retained Profits<br>RM'000 | Attributable to Owners<br>of the Company<br>RM'000 | Non-controlling Interests<br>RM'000 | Total<br>RM'000 |
|--|-------------------------|---------------------------|--------------------------|-------------------------------|----------------------------|---|--|-------------------------------------|-----------------|
|  |                         |                           | Merger Reserve<br>RM'000 | Revaluation Reserve<br>RM'000 | Exchange Reserve<br>RM'000 |   |  |                                     |                 |
| Balance as at 1/1/2021                                       | 169,913                 | -                         | -                        | 7,405                         | -                          | 22,477  | 199,795  | 1,472                               | 201,267         |
| Adoption of merger accounting policy                         | 463,965                 | -                         | (488,732)                | 6,128                         | 104                        | 18,535  | -  | -                                   | -               |
| Balance as at 1/1/2021, restated                             | 633,878                 | -                         | (488,732)                | 13,533                        | 104                        | 41,012  | 199,795  | 1,472                               | 201,267         |
| Profit after taxation for the financial year                 | -                       | -                         | -                        | -                             | -                          | 39,600  | 39,600   | (390)                               | 39,210          |
| Other comprehensive expenses for the financial year:         |                         |                           |                          |                               |                            |   |  |                                     |                 |
| - Revaluation of properties                                  | -                       | -                         | -                        | 3,839                         | -                          | -   | 3,839  | -                                   | 3,839           |
| - Foreign currency translation differences                   | -                       | -                         | -                        | -                             | (10)                       | -   | (10)   | -                                   | (10)            |
| Total comprehensive income/(expenses) for the financial year | -                       | -                         | -                        | 3,839                         | (10)                       | 39,600  | 43,429   | (390)                               | 43,039          |
| Contributions by and distributions to owners of the Company: |                         |                           |                          |                               |                            |   |  |                                     |                 |
| - Acquisition of subsidiaries                                | -                       | -                         | 210                      | -                             | -                          | (342)   | (132)  | 13,407                              | 13,275          |
| - Purchase of treasury shares                                | -                       | (10,299)                  | -                        | -                             | -                          | -   | (10,299)   | -                                   | (10,299)        |
| - Dividends  | -                       | -                         | -                        | -                             | -                          | (19,696)  | (19,696)   | -                                   | (19,696)        |
| Total transactions with owners                               | -                       | (10,299)                  | 210                      | -                             | -                          | (20,038)  | (30,127)   | 13,407                              | (16,720)        |
| Realisation of revaluation reserve                           | -                       | -                         | -                        | (180)                         | -                          | 180   | -  | -                                   | -               |
| Balance as at 31/12/2021                                     | 633,878                 | (10,299)                  | (488,522)                | 17,192                        | 94                         | 60,754  | 213,097  | 14,489                              | 227,586         |

Note: Subsequent to the completion of voluntary winding up of Hextar Chemicals Limited ("HCL"), the transfer of HCL's subsidiary companies to Hextar Global Berhad represents business combination under common control. Accordingly, Hextar Group adopted merger accounting policy which is required to apply retrospectively to account for this intergroup reorganisation. A restated comparative financial statements will be issued upon the submission of audited financial statements for the financial year ended 31 December 2021.

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 12-months Financial Year Ended 31 December 2021

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

|  | Share<br>Capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | <----- Non-distributable -----> |                                  |                               | <-Distributable->             | Attributable<br>to Owners<br>of the Company<br>RM'000 | Non-controlling<br>Interests<br>RM'000 | Total<br>RM'000 |
|--|----------------------------|------------------------------|---------------------------------|----------------------------------|-------------------------------|-------------------------------|---|--|-----------------|
|  |                            |                              | Merger<br>Reserve<br>RM'000     | Revaluation<br>Reserve<br>RM'000 | Exchange<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 |   |  |                 |
| Balance as at 1/1/2020                                       | 169,913                    | -                            | -                               | 7,504                            | -                             | 7,924                         | 185,341   | -                                      | 185,341         |
| Profit after taxation for the financial year                 | -                          | -                            | -                               | -                                | -                             | 44,536                        | 44,536  | (52)                                   | 44,484          |
| Other comprehensive income for the financial year:           |                            |                              |                                 |                                  |                               |                               |   |  |                 |
| - Foreign currency translation differences                   | -                          | -                            | -                               | -                                | -                             | -                             | -   | -                                      | -               |
| Total comprehensive income for the financial year            | -                          | -                            | -                               | -                                | -                             | 44,536                        | 44,536  | (52)                                   | 44,484          |
| Contributions by and distributions to owners of the Company: |                            |                              |                                 |                                  |                               |                               |   |  |                 |
| - Acquisition of a subsidiary                                | -                          | -                            | -                               | -                                | -                             | -                             | -   | 1,524                                  | 1,524           |
| - Purchase of treasury shares                                | -                          | (7,707)                      | -                               | -                                | -                             | -                             | (7,707)   | -                                      | (7,707)         |
| - Treasury shares sold                                       | -                          | 7,707                        | -                               | -                                | -                             | 2,559                         | 10,266  | -                                      | 10,266          |
| - Dividends  | -                          | -                            | -                               | -                                | -                             | (32,641)                      | (32,641)  | -                                      | (32,641)        |
| Total transactions with owners                               | -                          | -                            | -                               | -                                | -                             | (30,082)                      | (30,082)  | 1,524                                  | (28,558)        |
| Realisation of revaluation reserve                           | -                          | -                            | -                               | (99)                             | -                             | 99                            | -   | -                                      | -               |
| Balance as at 31/12/2020                                     | 169,913                    | -                            | -                               | 7,405                            | -                             | 22,477                        | 199,795   | 1,472                                  | 201,267         |

Note: Subsequent to the completion of voluntary winding up of Hextar Chemicals Limited ("HCL"), the transfer of HCL's subsidiary companies to Hextar Global Berhad represents business combination under common control. Accordingly, Hextar Group adopted merger accounting policy which is required to apply retrospectively to account for this intergroup reorganisation. A restated comparative financial statements will be issued upon the submission of audited financial statements for the financial year ended 31 December 2021.

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**Interim Report for the 12-months Financial Year Ended 31 December 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 12-months Financial Year Ended 31 December 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**

During the quarter under review, the Company proposed a second interim single-tier dividend of 1.2 sen per ordinary share amounting to approximately RM15.66 million in respect of the financial year ended 31 December 2021. The entitlement date and payment date have been fixed on 9 March 2022 and 25 March 2022 respectively.

The Company had on 28 September 2021 paid the first single-tier dividend of 1 sen per ordinary share, amounting to approximately RM13.13 million in respect of the financial year ending 31 December 2021.

The total dividend declared to-date for the current financial year of 2.2 sen per ordinary share, amounted to approximately RM28.79 million with a payout ratio of 73.4%.



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**9. Segmental Reporting**

**12-months ended 31 December 2021**

|                                      | <b>Investment Holding<br/>RM'000</b> | <b>Agriculture<br/>RM'000</b> | <b>Specialty Chemicals<br/>RM'000</b> | <b>Consumer Products<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|--------------------------------------|--------------------------------------|-------------------------------|---------------------------------------|-------------------------------------|--------------------------|--------------------------------|--------------------------------|
| <b>Revenue</b>                       |                                      |                               |                                       |                                     |                          |                                |                                |
| External                             | -                                    | 402,094                       | 46,147                                | 15,208                              | 669                      | -                              | 464,118                        |
| Inter-segment                        | 133,796                              | 17,342                        | 17,935                                | 7,422                               | -                        | (176,495)                      | -                              |
| <b>Total</b>                         | <b>133,796</b>                       | <b>419,436</b>                | <b>64,082</b>                         | <b>22,630</b>                       | <b>669</b>               | <b>(176,495)</b>               | <b>464,118</b>                 |
| <b>Results</b>                       |                                      |                               |                                       |                                     |                          |                                |                                |
| Segment results                      | 127,672                              | 60,083                        | 7,603                                 | (3,387)                             | (864)                    | (134,089)                      | 57,018                         |
| Finance costs                        | (1,694)                              | (2,064)                       | (110)                                 | (192)                               | -                        | -                              | (4,060)                        |
| Finance income                       | 18                                   | 131                           | 41                                    | 6                                   | 2                        | -                              | 198                            |
| Share of result of joint venture     | -                                    | 452                           | -                                     | -                                   | -                        | (42)                           | 410                            |
| <b>Profit/(Loss) before taxation</b> | <b>125,996</b>                       | <b>58,602</b>                 | <b>7,534</b>                          | <b>(3,573)</b>                      | <b>(862)</b>             | <b>(134,131)</b>               | <b>53,566</b>                  |
| Taxation                             | (190)                                | (12,523)                      | (1,536)                               | 7                                   | (212)                    | 98                             | (14,356)                       |
| <b>Profit/(Loss) after taxation</b>  | <b>125,806</b>                       | <b>46,079</b>                 | <b>5,998</b>                          | <b>(3,566)</b>                      | <b>(1,074)</b>           | <b>(134,033)</b>               | <b>39,210</b>                  |

**12-months ended 31 December 2020**

|                                      | <b>Investment Holding<br/>RM'000</b> | <b>Agriculture<br/>RM'000</b> | <b>Consumer Products<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|--------------------------------------|--------------------------------------|-------------------------------|-------------------------------------|--------------------------|--------------------------------|--------------------------------|
| <b>Revenue</b>                       |                                      |                               |                                     |                          |                                |                                |
| External                             | -                                    | 392,957                       | 25,566                              | 119                      | -                              | 418,642                        |
| Inter-segment                        | 132,838                              | 12,600                        | 12,248                              | -                        | (157,686)                      | -                              |
| <b>Total</b>                         | <b>132,838</b>                       | <b>405,557</b>                | <b>37,814</b>                       | <b>119</b>               | <b>(157,686)</b>               | <b>418,642</b>                 |
| <b>Results</b>                       |                                      |                               |                                     |                          |                                |                                |
| Segment results                      | 125,083                              | 61,951                        | 119                                 | (215)                    | (127,926)                      | 59,012                         |
| Finance costs                        | (990)                                | (2,161)                       | (187)                               | -                        | -                              | (3,338)                        |
| Finance income                       | 161                                  | 205                           | 27                                  | 44                       | -                              | 437                            |
| Share of result of joint venture     | -                                    | 577                           | -                                   | -                        | -                              | 577                            |
| <b>Profit/(Loss) before taxation</b> | <b>124,254</b>                       | <b>60,572</b>                 | <b>(41)</b>                         | <b>(171)</b>             | <b>(127,926)</b>               | <b>56,688</b>                  |
| Taxation                             | (255)                                | (13,748)                      | (12)                                | (119)                    | 1,930                          | (12,204)                       |
| <b>Profit/(Loss) after taxation</b>  | <b>123,999</b>                       | <b>46,824</b>                 | <b>(53)</b>                         | <b>(290)</b>             | <b>(125,996)</b>               | <b>44,484</b>                  |



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**10. Valuation of Property, Plant and Equipment**

Properties of the Group were revalued by independent professional valuers during the financial year under review.

**11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period under review other than the following:-

- (a) On 31 July 2021, the Company completed the acquisition of 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 in cash.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

- (i) Fair Value of Purchase Consideration

|                              | <b>Group and Company</b> |
|------------------------------|--------------------------|
|                              | <b>As at</b>             |
|                              | <b>31/7/2021</b>         |
|                              | <b>RM'000</b>            |
| Cash                         | 138,000                  |
| Total purchase consideration | <u>138,000</u>           |

- (ii) Identifiable Assets Acquired and Liabilities Assumed

|  | <b>Group</b>     |
|--|------------------|
|  | <b>As at</b>     |
|  | <b>31/7/2021</b> |
|  | <b>RM'000</b>    |
| Property, plant and equipment  | 13,908           |
| Inventories  | 15,282           |
| Trade receivables  | 20,906           |
| Other receivables, deposits and prepayments                            | 4,210            |
| Current tax assets   | 943              |
| Deposits with licensed banks   | 29,279           |
| Cash and cash equivalents  | 17,543           |
| Non-current asset held for sale  | 3,443            |
| Term loan  | (4,673)          |
| Lease liabilities  | (566)            |
| Deferred taxation liabilities  | (86)             |
| Trade payables   | (8,235)          |
| Other payables   | (3,335)          |
| Current tax liabilities  | (619)            |
| Fair value of net identifiable assets acquired and liabilities assumed | <u>88,000</u>    |



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**11. Changes in the Composition of the Group (Cont'd)**

(iii) Provisional goodwill Arising from Acquisition

|  | <b>Group<br/>As at<br/>31/7/2021<br/>RM'000</b> |
|--|---|
| Total consideration transferred (item (i) above)   | 138,000   |
| Less: Fair value of identifiable net assets acquired and liabilities assumed (item (ii) above) | <u>(88,000)</u>                                 |
| Provisional goodwill from the acquisition of subsidiaries                                      | <u>50,000</u>                                   |

- (b) On 29 September 2021, Hextar Chemicals Limited, a wholly owned subsidiary of the Company duly incorporated in British Virgin Islands, was dissolved under Section 208 of the BVI Business Companies Act, 2004, following the certificate issued by the Registrar of Corporate Affairs.
- (c) On 18 November 2021, the Company completed the acquisition of 500,000 ordinary shares in Nobel Synthetic Polymer Sdn. Bhd. (“NSPSB”), representing 100% equity interest in NSPSB; and 250,000 ordinary shares in Nobel Scientific Sdn. Bhd. (“NSSB”), representing 100% equity interest in NSSB; for a total purchase consideration of RM105,000,000 to be fully satisfied in cash.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(i) Fair Value of Purchase Consideration

|                              | <b>Group and Company<br/>As at<br/>18/11/2021<br/>RM'000</b> |
|------------------------------|--|
| Cash                         | 105,000  |
| Total purchase consideration | <u>105,000</u>   |

(ii) Identifiable Assets Acquired and Liabilities Assumed

|  | <b>Group<br/>As at<br/>18/11/2021<br/>RM'000</b> |
|--|--|
| Property, plant and equipment  | 296  |
| Intangible assets  | 1,196  |
| Inventories  | 6,522  |
| Trade receivables  | 6,609  |
| Other receivables, deposits and prepayments                            | 1,402  |
| Current tax assets   | 1,125  |
| Cash and cash equivalents  | 27,749   |
| Trade payables   | (1,593)  |
| Other payables   | <u>(555)</u>                                     |
| Fair value of net identifiable assets acquired and liabilities assumed | <u>42,751</u>                                    |



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**11. Changes in the Composition of the Group (Cont'd)**

(iii) Provisional goodwill Arising from Acquisition

|  | <b>Group<br/>As at<br/>18/11/2021<br/>RM'000</b> |
|--|--|
| Total consideration transferred (item (i) above)   | 105,000  |
| Less: Fair value of identifiable net assets acquired and liabilities assumed (item (ii) above) | <u>(42,751)</u>                                  |
| Provisional goodwill from the acquisition of subsidiaries                                      | <u>62,249</u>                                    |

- (d) On 30 November 2021, the Company completed the acquisition of 4,900,000 ordinary shares in Hextar Kimia Sdn. Bhd. (formerly known as ENRA Kimia Sdn. Bhd.) ("HKSB"), representing 49% equity interest in HKSB for a total purchase consideration of RM24,500,000 to be fully satisfied in cash.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(i) Fair Value of Purchase Consideration

|                              | <b>Group and Company<br/>As at<br/>30/11/2021<br/>RM'000</b> |
|------------------------------|--|
| Cash                         | 24,500   |
| Total purchase consideration | <u>24,500</u>  |

(ii) Identifiable Assets Acquired and Liabilities Assumed

|  | <b>Group<br/>As at<br/>30/11/2021<br/>RM'000</b> |
|--|--|
| Property, plant and equipment  | 18,182   |
| Right-of-use assets  | 2,704  |
| Intangible assets  | 3,509  |
| Deferred tax assets  | 236  |
| Goodwill   | 4,004  |
| Contract assets  | 467  |
| Inventories  | 5,483  |
| Trade receivables  | 4,585  |
| Other receivables, deposits and prepayments                            | 3,196  |
| Current tax assets   | 230  |
| Deposits with licensed banks   | 5,466  |
| Cash and cash equivalents  | 2,580  |
| Term loan  | (7,534)  |
| Lease liabilities  | (1,420)  |
| Deferred tax liabilities   | (692)  |
| Trade payables   | (2,618)  |
| Other payables   | (909)  |
| Bill payables  | (6,829)  |
| Overdraft  | (511)  |
| Current tax liabilities  | (336)  |
| Fair value of net identifiable assets acquired and liabilities assumed | <u>29,793</u>                                    |



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**11. Changes in the Composition of the Group (Cont'd)**

(iii) Provisional goodwill Arising from Acquisition

|  | <b>Group<br/>As at<br/>30/11/2021<br/>RM'000</b> |
|--|--|
| Total consideration transferred (item (i) above)   | 24,500   |
| Less: Fair value of identifiable net assets acquired and liabilities assumed (item (ii) above) | (29,793)   |
| Non-controlling interests – 51%  | 13,407   |
| Provisional goodwill from the acquisition of subsidiaries                                      | <u>8,114</u>                                     |

- (e) On 2 December 2021, the Company completed the acquisition of 200,000 ordinary shares in TufBond Technologies Sdn. Bhd. (“TTSB”), representing 100% equity interest in TTSB for a total purchase consideration of RM13,000,000 to be fully satisfied in cash.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(i) Fair Value of Purchase Consideration

|                              | <b>Group and Company<br/>As at<br/>2/12/2021<br/>RM'000</b> |
|------------------------------|---|
| Cash                         | 13,000  |
| Total purchase consideration | <u>13,000</u>   |

(ii) Identifiable Assets Acquired and Liabilities Assumed

|  | <b>Group<br/>As at<br/>2/12/2021<br/>RM'000</b> |
|--|---|
| Property, plant and equipment  | 1,876   |
| Inventories  | 3,098   |
| Trade receivables  | 1,824   |
| Other receivables, deposits and prepayments                            | 156   |
| Deposits with licensed banks   | 628   |
| Cash and cash equivalents  | 501   |
| Lease liabilities  | (591)   |
| Deferred tax liabilities   | (155)   |
| Trade payables   | (1,656)   |
| Other payables   | (373)   |
| Bill payables  | (209)   |
| Current tax liabilities  | (91)  |
| Fair value of net identifiable assets acquired and liabilities assumed | <u>5,008</u>                                    |



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**11. Changes in the Composition of the Group (Cont'd)**

(iii) Provisional goodwill Arising from Acquisition

|  | <b>Group<br/>As at<br/>2/12/2021<br/>RM'000</b> |
|--|---|
| Total consideration transferred (item (i) above)   | 13,000  |
| Less: Fair value of identifiable net assets acquired and liabilities assumed (item (ii) above) | <u>(5,008)</u>                                  |
| Provisional goodwill from the acquisition of subsidiaries                                      | <u>7,992</u>                                    |

- (f) On 29 December 2021, the Company completed the acquisition of 400,000 ordinary shares in Hextar Agriculture Sdn. Bhd. ("HAGSB"), representing 100% equity interest in HAGSB for a total purchase consideration of RM190,000 to be fully satisfied in cash.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(i) Fair Value of Purchase Consideration

|                              | <b>Group and Company<br/>As at<br/>29/12/2021<br/>RM'000</b> |
|------------------------------|--|
| Cash                         | 190  |
| Total purchase consideration | <u>190</u>   |

(ii) Identifiable Assets Acquired and Liabilities Assumed

|  | <b>Group<br/>As at<br/>29/12/2021<br/>RM'000</b> |
|--|--|
| Property, plant and equipment  | 217  |
| Trade receivables  | 615  |
| Other receivables, deposits and prepayments                            | 839  |
| Current tax assets   | 6  |
| Cash and cash equivalents  | 972  |
| Trade payables   | (78)   |
| Other payables   | <u>(2,513)</u>                                   |
| Fair value of net identifiable assets acquired and liabilities assumed | <u>58</u>  |

**12. Contingent Liabilities**

The contingent liabilities are as follows:

|  | <b>Company<br/>As at<br/>31/12/2021<br/>RM'000</b> |
|--|--|
| Guarantees given to financial institutions for facilities granted to the Group | <u>423,260</u>                                     |





**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**13. Capital Commitments**

There were no material capital commitments entered into and not provided for by the Group during the current quarter under review other than the following:-

|   | <b>Company<br/>As at<br/>31/12/2021<br/>RM'000</b> |
|---|--|
| Contingent consideration in relation to the acquisition of subsidiaries | <u>87,000</u>                                      |

**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.

**15. Related Party Transactions**

The following table provides information on the transactions which have been entered into with related parties during the 12-months ended 31 December 2021.

|  | Note | <b>Transaction<br/>Value<br/>31/12/2021<br/>RM'000</b> |
|--|------|--|
| Sales of raw materials/finished goods:-    |      |  |
| PT Dharma Guna Wibawa                      | #    | 65,956   |
| PT Delta Giri Wacana                       | #    | 29,904   |
| Vitallium Sdn. Bhd.                        | #    | 6,957  |
| Hextar Oil & Gas Sdn. Bhd.                 | #    | 1,119  |
| Binapuri Sakti Sdn. Bhd.                   | #    | 726  |
| Hextar Fert Sdn. Bhd.                      | #    | 520  |
| Hextar KCS Sdn. Bhd.                       | #    | 25   |
| Hextar Solution Sdn. Bhd.                  | #    | 7  |
| Purchase of raw materials/finished goods:- |      |  |
| Hextar Industrial Chemicals Sdn. Bhd.      | #    | 559  |
| Hextar Fert Sdn. Bhd.                      | #    | 283  |
| Purchase of management services:-          |      |  |
| Hextar Asset Management Sdn. Bhd.          | #    | 2,340  |
| Rental of warehouse:-                      |      |  |
| Hextar Industrial Chemicals Sdn. Bhd.      | #    | <u>774</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 12-months Financial Year Ended 31 December 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 RM138.05 million for the current quarter under review as compared to RM101.80 million for the corresponding quarter of the preceding year, representing an increase of RM36.25 million or 35.6%. The significant increase was mainly contributed by the revenue from newly acquired Specialty Chemicals segment amounting to RM30.63 million. Improved contributions from the Agriculture segment which increased by RM6.58 million due to delivery of partial backlog orders caused by supply chain disruption had further improved the revenue recorded for the quarter.

The Group recorded a profit before taxation of RM18.41 million for the current quarter against RM14.80 million for the corresponding quarter of the preceding year, representing an increase of RM3.61 million or 24.4% was mainly due to the Group's sound inventory management to maintain business competitiveness coupled with the new source of earnings from the Specialty Chemicals segment.

On the year-to-date basis, the Group had again registered a historical high total revenue of RM464.12 million as compared to RM418.64 million in the corresponding financial year of the preceding year, representing an increase of RM45.48 million or 10.9%.

On earnings perspective, the Group recorded a profit before taxation of RM53.57 million for the current year against RM56.69 million for the corresponding financial year of the preceding year, representing a decrease of RM3.12 million or 5.5%. The decrease was mainly resulted from various corporate exercises undertaken during the financial year as well as slow performance from the Consumer Products segment.

**2. Comparisons with the Immediate Preceding Quarter's Results**

|                        | (3-months)<br>Current Quarter ended<br>31/12/2021<br>(RM'000) | (3-months)<br>Preceding Quarter<br>ended 30/9/2021<br>(RM'000) |
|------------------------|---|--|
| Revenue                | 138,049   | 112,549  |
| Profit before taxation | 18,406  | 10,261   |

For the current quarter ended 31 December 2021, the Group registered a revenue of RM138.05 million as compared to the immediate preceding quarter of RM112.55 million, representing an increase of RM25.50 million or 22.7%. The increase was mainly driven by consolidation of financial results of newly acquired Specialty Chemicals segment as well as better contribution from the Agriculture segment.

During the current quarter, the Group recorded a profit before taxation of RM18.41 million against RM10.26 million in the immediate preceding quarter, representing an increase of RM8.15 million or 79.4% as compared to the immediate preceding quarter. The increase was mainly contributed by Agriculture segment, followed by Specialty Chemicals segment.



## Interim Report for the 12-months Financial Year Ended 31 December 2021

### 3. Year 2022 Prospects

#### Agriculture

The Agriculture segment had achieved another historical results for the financial year 2021 despite the challenges of the outbreak of COVID-19 and the implementation of movement control order (“MCO”). For year 2022, the segment will continue to intensify its sales and marketing efforts to secure more customers locally and overseas in order to penetrate market share as well as continuously develop 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 2022.

#### Specialty Chemicals

Asia Pacific continues to hold the highest specialty chemicals market share in year 2021. The market is expected to continue to grow which is primarily driven by the increasing industrial productions and recovery of tourism industry by year 2022 across the world, leading to a higher demand for specialty chemicals. The prospect for this Specialty Chemicals segment is expected to be positive as the industry continues to be resilient as Malaysia and the rest of the world are gradually opening up their border in year 2022.

#### Consumer Products

The Consumer Products segment is changing its business direction from appointing a sole distributor to various authorised distribution channels. The segment is enlarging its product range to enhance its market share. This came in tandem with rising consumer confident level and demand for more consumer products resulting from the on-going of full swing vaccination of program, whereby strict lockdown no longer necessary to contain COVID-19. The segment is optimistic in achieving satisfactory results in year 2022.

The Board is confident that the management team is executing the strategic plans in order to continuously creates long-term shareholder value.

### 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 12-months Financial Year Ended 31 December 2021**

**5. Taxation**

The taxation figures are as follows:-

|              | Individual Quarter                              |   | Cumulative Quarter                              |   |
|--------------|---|---|---|---|
|              | Current Year<br>Quarter<br>31/12/2021<br>RM'000 | Preceding Year<br>Quarter<br>31/12/2020<br>RM'000 | Current<br>Year to-Date<br>31/12/2021<br>RM'000 | Preceding<br>Year to-Date<br>31/12/2020<br>RM'000 |
| Deferred tax | (1,000)   | 542   | (923)   | 2,349   |
| Income tax   | (3,342)   | (3,878)   | (13,433)  | (14,553)  |
|              | <u>(4,342)</u>                                  | <u>(3,336)</u>                                    | <u>(14,356)</u>                                 | <u>(12,204)</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 14 June 2021, the Company obtained the approval from shareholders for the 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 29 June 2021 (“Bonus Issue”). Subsequently on 29 June 2021, the Company announced the completion of the Bonus Issue upon the listing and quotation of 492,407,420 Bonus Shares on the Main Market of Bursa Securities.

On 14 June 2021, the Company had also obtained the approval from shareholders for the proposed acquisition of the entire equity interest in Alpha Aim (M) Sdn. Bhd. (“AASB”) and Chempro Technology (M) Sdn. Bhd. (“CTSB”) for a total purchase consideration of RM138,000,000 to be fully satisfied by cash (“Acquisitions”). Subsequently on 23 July 2021, the Company announced the completion of the Acquisitions upon the fulfilment of all conditions precedent pursuant to the share sale agreement.

In conjunction with the Acquisitions, the Company had also obtained the approval from shareholders on 14 June 2021 to undertake diversification of the business activities of the Group to include the business of manufacturing and distribution of specialty chemicals products (“Diversification”).

On 12 July 2021, the Company entered into a conditional share sale agreement to acquire the entire equity interest in Nobel Synthetic Polymer Sdn. Bhd. (“NSPSB”) and Nobel Scientific Sdn. Bhd. (“NSSB”) for a total purchase price of RM105,000,000 to be fully satisfied by cash (“Proposed Nobel Acquisitions”). Subsequently on 18 November 2021, the Company announced the completion of the Proposed Nobel Acquisitions upon the fulfilment of all conditions precedent pursuant to the share sale agreement.

On 23 July 2021, the Company together with Ekopintar Sdn. Bhd. (“ESB”) issued a Joint Letter of Offer (“Joint Offer”) to ENRA Energy Sdn. Bhd. (“EESB”) to acquire the entire equity interest of ENRA Kimia Sdn. Bhd. (“EKSB”) for a total cash consideration of RM50,000,000 to be fully satisfied by cash (“Proposed ENRA Kimia Acquisition”). Under the terms of Joint Offer, the Company will acquire 49%, representing 4,900,000 shares in EKSB for a cash consideration of RM24,500,000 and ESB will acquire the remaining 51%, representing 5,100,000 shares for a cash consideration of RM25,500,000. The Joint Offer was accepted by EESB. Subsequently on 2 August 2021, the Company entered into a conditional share sale agreement with ESB and EESB and then completed the Proposed ENRA Kimia Acquisition on 30 November 2021 upon the fulfilment of all conditions precedent pursuant to the share sale agreement.



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

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

On 3 November 2021, the Company entered into a share sale agreement for the acquisition of 200,000 ordinary shares, representing 100% equity interest in TufBond Technologies Sdn. Bhd. (“TTSB”) for a total purchase consideration of RM13,000,000 to be satisfied wholly in cash (“Proposed TufBond Acquisition”). Subsequently on 2 December 2021, the Company announced the completion of the Proposed TufBond Acquisitions upon the fulfilment of all conditions precedent pursuant to the share sale agreement.

**7. Borrowings**

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

|                              | <b>As at<br/>31/12/2021<br/>RM’000</b> | <b>As at<br/>31/12/2020<br/>RM’000</b> |
|------------------------------|--|--|
| <b>Short-term borrowings</b> |  |  |
| <u>Secured</u>               |  |  |
| Term loans                   | 3,488                                  | 3,169                                  |
| <u>Unsecured</u>             |  |  |
| Lease liabilities            | 2,491                                  | 824                                    |
| Term loan                    | 13,290                                 | -                                      |
| Bills payable                | 98,988                                 | 33,018                                 |
| Revolving credit             | 3,450                                  | 10,000                                 |
| Bank overdraft               | 89                                     | -                                      |
|                              | <u>121,796</u>                         | <u>47,011</u>                          |
| <b>Long-term borrowings</b>  |  |  |
| <u>Secured</u>               |  |  |
| Term loans                   | 18,152                                 | 9,658                                  |
| <u>Unsecured</u>             |  |  |
| Lease liabilities            | 5,018                                  | 2,223                                  |
| Term loans                   | 123,485                                | -                                      |
|                              | <u>146,655</u>                         | <u>11,881</u>                          |
| Total                        | <u>268,451</u>                         | <u>58,892</u>                          |

**8. Material Litigation**

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



**Interim Report for the 12-months Financial Year Ended 31 December 2021**

**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<br>Year<br>Quarter<br>31/12/2021 | Preceding<br>Year<br>Quarter<br>31/12/2020 | Current<br>Year<br>to-Date<br>31/12/2021 | Preceding<br>Year<br>to-Date<br>31/12/2020 |
| Profit attributable to equity holders of the Company (RM'000) | 14,262                                   | 11,459                                     | 39,600                                   | 44,536                                     |
| Weighted average number of ordinary shares in issue ('000) ^  | 1,304,899                                | 1,313,087                                  | 1,310,350                                | 1,300,745                                  |
| Basic earnings per share (sen)                                | 1.09                                     | 0.87                                       | 3.02                                     | 3.42                                       |

<sup>^</sup> *The calculation of basic earnings per share for the previous financial period has been adjusted retrospectively to reflect the changes in the number of shares as a result of the bonus issue.*

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 12-months Financial Year Ended 31 December 2021**

**9. 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 Year<br>Quarter<br>31/12/2021<br>RM'000 | Preceding<br>Year Quarter<br>31/12/2020<br>RM'000 | Current<br>Period to-Date<br>31/12/2021<br>RM'000 | Preceding<br>Period to-Date<br>31/12/2020<br>RM'000 |
| Amortisation                                       | 166   | 89  | 383   | 422   |
| Bad debts written off                              | 1,054   | 181   | 1,054   | 181   |
| Deposit written off                                | -   | 2   | -   | 2   |
| Depreciation                                       | 2,136   | 1,029   | 5,802   | 3,475   |
| Fair value loss on investment properties           | 323   | -   | 323   | -   |
| Impairment loss on trade receivables               | (683)   | (915)   | 9   | 708   |
| Intangible assets written off                      | -   | -   | -   | 26  |
| Interest expense                                   | 1,785   | 376   | 4,060   | 3,338   |
| Inventories written down                           | 128   | 32  | 128   | 32  |
| Loss on disposal of property, plant and equipment  | -   | 911   | -   | 755   |
| Interest income                                    | (60)  | (128)   | (159)   | (438)   |
| Reversal of impairment losses on trade receivables | (415)   | (535)   | (415)   | (535)   |
| Reversal of lease liabilities                      | -   | -   | (13)  | -   |
| Unrealised loss/(gain) on foreign exchange         | 108   | 86  | (65)  | 712   |
| Write back of inventories                          | -   | (964)   | -   | (964)   |
| Share of profit of a joint venture                 | (94)  | (169)   | (410)   | (577)   |

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

Lim Hooi Mooi  
Company Secretary  
Kuala Lumpur  
21 February 2022