



HEXTAR GLOBAL BERHAD

Company No.: 199001014551 (206220-U)
(Incorporated in Malaysia)

Interim Report For the 6-months Financial Period Ended 30 June 2025



Interim Report for the 6-months Financial Period Ended 30 June 2025

Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths)	(3-mths)	(6-mths)	(6-mths)
	Current Year	Preceding Year	Current	Preceding
	Quarter	Quarter	Year to-Date	Year to-Date
	30/06/2025	30/06/2024	30/06/2025	30/06/2024
	RM'000	RM'000	RM'000	RM'000
Revenue	177,522	212,963	416,070	445,232
Cost of sales	(126,261)	(142,434)	(296,898)	(315,353)
Gross profit	51,261	70,529	119,172	129,879
Other income	653	863	2,575	2,260
Selling and marketing expenses	(7,553)	(6,842)	(15,661)	(14,856)
Administrative and other expenses	(16,134)	(25,711)	(45,161)	(51,544)
Finance costs	(6,994)	(6,265)	(12,933)	(13,394)
Share of (loss)/profit of joint ventures	(123)	36	(198)	(35)
Profit before taxation	21,110	32,610	47,794	52,310
Less: Taxation	(5,083)	(7,807)	(13,100)	(11,435)
Profit after taxation	16,027	24,803	34,694	40,875
Other comprehensive (expenses)/income:				
- Foreign currency translation differences	(851)	(526)	(1,580)	(764)
- Revaluation of property	-	-	1,913	-
Other comprehensive (expenses)/income for the financial period	(851)	(526)	333	(764)
Total comprehensive income for the financial period	15,176	24,277	35,027	40,111
Profit for the financial period attributable to:				
- Owners of the Company	15,934	19,159	29,436	31,303
- Non-controlling interests	93	5,644	5,258	9,572
	16,027	24,803	34,694	40,875
Total comprehensive income attributable to:				
- Owners of the Company	15,083	18,634	29,770	30,540
- Non-controlling interests	93	5,643	5,257	9,571
	15,176	24,277	35,027	40,111
Earnings per share				
Basic (sen)	0.41	0.49	0.76	0.81

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 2024 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2025

Unaudited Condensed Statements of Financial Position

	Unaudited as at 30/06/2025 RM'000	Audited as at 31/12/2024 RM'000
ASSETS		
Non-current assets		
Investment in joint ventures	7,764	7,962
Property, plant and equipment	121,567	119,057
Investment properties	5,919	5,972
Right-of-use assets	47,865	51,605
Intangible assets	164,406	164,183
Investment in club membership, at cost	45	45
Trade receivables	1,798	2,195
Prepayment	4,333	3,578
Deferred tax assets	3,419	1,857
Total non-current assets	357,116	356,454
Current assets		
Inventories	124,651	137,904
Trade receivables	174,776	168,638
Other receivables, deposits and prepayments	59,918	72,288
Short-term investments	-	1,473
Biological assets	-	19
Contract assets	19,829	12,637
Amount owing by related companies	-	343
Current tax assets	8,976	8,271
Derivative assets	-	1,004
Deposits with licensed banks	17,035	17,031
Cash and bank balances	52,591	49,498
Total current assets	457,776	469,106
TOTAL ASSETS	814,892	825,560
EQUITY AND LIABILITIES		
Equity		
Share capital	633,878	633,878
Treasury shares	(30,770)	(30,770)
Merger deficit reserve	(500,422)	(500,422)
Exchange reserve	(4,007)	(2,428)
Revaluation reserve	18,662	16,792
Retained profits	135,417	108,076
Equity attributable to owners of the Company	252,758	225,126
Non-controlling interests	37,802	30,407
TOTAL EQUITY	290,560	255,533

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2025

Unaudited Condensed Statements of Financial Position (Cont'd)

	Unaudited as at 30/06/2025 RM'000	Audited as at 31/12/2024 RM'000
Non-current liabilities		
Lease liabilities	22,425	24,277
Other payables and accruals	2,242	2,406
Long-term borrowings	102,194	126,078
Deferred tax liabilities	10,051	8,232
Total non-current liabilities	136,912	160,993
Current liabilities		
Trade payables	42,887	49,139
Other payables, deposits received and accruals	24,207	46,001
Contract liabilities	6,744	10,671
Amount owing to related companies	-	785
Amount owing to a joint venture	2,729	1,570
Lease liabilities	6,172	7,230
Short-term borrowings	289,551	279,876
Current tax liabilities	15,130	13,752
Derivative liabilities	-	10
Total current liabilities	387,420	409,034
TOTAL LIABILITIES	524,332	570,027
TOTAL EQUITY AND LIABILITIES	814,892	825,560
No. of ordinary shares in issue ('000)	3,876,067	3,876,067
Net assets per share attributable to equity holders of the Company (RM)	0.07	0.06

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2025

Unaudited Condensed Statements of Cash Flows

	6-months ended 30/06/2025 RM'000	6-months ended 30/06/2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	47,794	52,310
Adjustments for:-		
Amortisation	261	251
Depreciation	9,256	9,286
Plant and equipment written off	4	5
Impairment loss on property	1,234	-
Impairment loss on trade receivables	-	124
Interest expense	12,933	14,187
Net loss arising from changes in fair value of biological assets	19	28
Loss/(Gain) on forward currency contracts	994	(213)
Fair value gain on investment property	(249)	-
Inventories written down	25	-
Unrealised (gain)/loss on foreign exchange	(3,898)	1,194
Gain on disposal of equipment	(97)	(184)
Gain on lease termination	(13)	-
Interest income	(166)	(282)
Reversal of impairment loss on trade receivables	(296)	(36)
Reversal of impairment loss on related parties	(9)	-
Write back of inventories	(985)	-
Share of loss of joint ventures	198	35
Operating profit before working capital changes	67,005	76,705
Changes in working capital:-		
Inventories	14,213	53,300
Receivables	(1,659)	(25,555)
Payables	(15,493)	1,189
Related companies	(433)	1,557
Joint venture	1,159	965
	(2,213)	31,456
Cash from operations	64,792	108,161
Interest paid	(12,933)	(13,394)
Income tax paid	(12,364)	(7,715)
Net cash from operating activities	39,495	87,052

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2025

Unaudited Condensed Statements of Cash Flows (Cont'd)

	6-months ended 30/06/2025 RM'000	6-months ended 30/06/2024 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Acquisition of a joint venture	-	(5,544)
Interest received	166	220
Decrease in pledged deposits with licensed banks	422	7,500
Payment of deferred consideration	(16,754)	(64,000)
Proceeds from disposal of equipment	137	199
Proceeds from disposal of assets classified as held for sale	-	83
Proceeds from issuance of shares to non-controlling interests by a subsidiary	-	14,700
Product development expenditure incurred	(37)	(19)
Addition of intangible assets	(449)	(133)
Purchase of property, plant and equipment	(6,701)	(5,617)
Net cash for investing activities	(23,216)	(52,611)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividend paid	-	(38,761)
Drawdown of revolving credit	144,449	52,200
Drawdown of term loan	-	47,672
Net decrease of lease liabilities	(3,669)	(2,000)
Net increase/(decrease) in bank borrowings	19,675	(49,992)
Repayment of revolving credit	(147,469)	(51,800)
Repayment of term loans	(24,310)	(13,523)
Net cash for financing activities	(11,324)	(56,204)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,955	(21,763)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(902)	62
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	28,799	61,508
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	32,852	39,807
CASH AND CASH EQUIVALENTS COMPRISE		
Deposits with licensed banks	17,035	19,561
Cash and bank balances	52,591	57,409
Short-term investments	-	2,145
Bank overdrafts	(19,632)	(19,800)
	49,994	59,315
Less: Deposits pledged to licensed banks	(16,758)	(18,165)
Bank balances pledged with licensed banks	(384)	(1,343)
	32,852	39,807

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2025

Unaudited Condensed Statements of Changes in Equity

	Share Capital RM'000	Treasury Shares RM'000	<----- Non-distributable ----->			<-Distributable->	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total RM'000
	RM'000	RM'000	Merger Deficit Reserve RM'000	Exchange Reserve RM'000	Revaluation Reserve RM'000	Retained Profits RM'000			
Balance as at 1/1/2025	633,878	(30,770)	(500,422)	(2,428)	16,792	108,076	225,126	30,407	255,533
Profit after taxation for the financial period	-	-	-	-	-	29,436	29,436	5,258	34,694
Other comprehensive (expenses)/income for the financial period:									
- Foreign currency translation differences	-	-	-	(1,579)	-	-	(1,579)	(1)	(1,580)
- Revaluation of property	-	-	-	-	1,913	-	1,913	-	1,913
Total comprehensive (expenses)/income for the financial period	-	-	-	(1,579)	1,913	29,436	29,770	5,257	35,027
Contributions by and distributions to owners of the Company:									
- Changes in subsidiary's ownership interest that do not result in a loss of control	-	-	-	-	-	(2,138)	(2,138)	2,138	-
Total transactions with owners	-	-	-	-	-	(2,138)	(2,138)	2,138	-
Realisation of revaluation reserve	-	-	-	-	(43)	43	-	-	-
Balance as at 30/06/2025	633,878	(30,770)	(500,422)	(4,007)	18,662	135,417	252,758	37,802	290,560

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 2024 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2025

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

	Share Capital RM'000	Treasury Shares RM'000	<----- Non-distributable -----> Merger Deficit Reserve RM'000	Exchange Reserve RM'000	Revaluation 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 1/1/2024									
- As previously reported	633,878	(30,770)	(500,423)	549	14,626	138,262	256,122	3,110	259,232
- Adjustment during measurement year	-	-	-	-	-	-	-	(10)	(10)
As restated	633,878	(30,770)	(500,423)	549	14,626	138,262	256,122	3,100	259,222
Profit after taxation for the financial period	-	-	-	-	-	31,303	31,303	9,572	40,875
Other comprehensive expenses for the financial period:									
- Foreign currency translation differences	-	-	-	(763)	-	-	(763)	(1)	(764)
Total comprehensive (expenses)/income for the financial period	-	-	-	(763)	-	31,303	30,540	9,571	40,111
Contributions by and distributions to owners of the Company:									
- Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	14,700	14,700
- Dividends	-	-	-	-	-	(38,761)	(38,761)	-	(38,761)
Total transactions with owners	-	-	-	-	-	(38,761)	(38,761)	14,700	(24,061)
Realisation of revaluation reserve	-	-	-	-	447	(428)	19	(19)	-
Balance as at 30/06/2024	633,878	(30,770)	(500,423)	(214)	15,073	130,376	247,920	27,352	275,272

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 2024 and the accompanying notes attached to this interim financial report.



Interim Report for the 6-months Financial Period Ended 30 June 2025

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 2024. 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 2024.

2. Significant Accounting Policies

The financial statements of the Group and of the Company are 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:-

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

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments

Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity

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

Amendments to MFRS 121: Lack of Exchangeability

Annual Improvements to MFRS Accounting Standards – Volume 11

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 and of the Company upon their initial application.



Interim Report for the 6-months Financial Period Ended 30 June 2025

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 2024 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's agriculture and fruit businesses are sensitive to prolonged and extreme weather conditions.

5. Unusual Items

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

6. Material Changes in Estimates

There were no material changes in the estimates of amounts reported that have a material effect on the results for the current quarter under review and financial period up 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 an interim single-tier dividend of 0.5 sen per ordinary share amounting to approximately RM19.4 million in respect of the financial year ending 31 December 2025, with a payout ratio of 55.9%.

The entitlement date and payment date have been fixed on 12 September 2025 and 3 October 2025 respectively.

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



Interim Report for the 6-months Financial Period Ended 30 June 2025

9. Segmental Reporting

REVENUE AND EXPENSES

Revenue

External
Inter-segment
Total revenue

Results

Segment results
Finance costs
Finance income
Share of result of joint ventures
Profit/(Loss) before taxation
Taxation
Consolidated profit/(loss) after
taxation

6-months ended 30 June 2025					
Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
67	172,845	194,093	49,065	-	416,070
29,334	2,132	123	-	(31,589)	-
29,401	174,977	194,216	49,065	(31,589)	416,070
38,903	23,746	33,446	848	(36,184)	60,759
(7,385)	(3,458)	(2,151)	(2,998)	3,059	(12,933)
2,993	64	21	111	(3,023)	166
-	61	-	(259)	-	(198)
34,511	20,413	31,316	(2,298)	(36,148)	47,794
(140)	(3,939)	(8,319)	(623)	(79)	(13,100)
34,371	16,474	22,997	(2,921)	(36,227)	34,694



Interim Report for the 6-months Financial Period Ended 30 June 2025

9. Segmental Reporting (Cont'd)

REVENUE AND EXPENSES

Revenue

External
Inter-segment
Total revenue

Results

Segment results
Finance costs
Finance income
Share of result of joint ventures
Profit/(Loss) before taxation
Taxation
Consolidated profit/(loss) after taxation

6-months ended 30 June 2024					
Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
63	156,273	220,116	68,780	-	445,232
36,539	1,163	374	-	(38,076)	-
36,602	157,436	220,490	68,780	(38,076)	445,232
43,115	16,698	51,805	(564)	(45,597)	65,457
(8,083)	(3,120)	(1,911)	(3,530)	3,250	(13,394)
3,271	117	45	99	(3,250)	282
-	68	-	(103)	-	(35)
38,303	13,763	49,939	(4,098)	(45,597)	52,310
(131)	(3,167)	(9,285)	1,180	(32)	(11,435)
38,172	10,596	40,654	(2,918)	(45,629)	40,875



Interim Report for the 6-months Financial Period Ended 30 June 2025

10. Valuation of Property, Plant and Equipment

The property, plant and equipment were revalued by independent professional valuers during the financial period under review.

11. Changes in the Composition of the Group

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

- (a) On 26 February 2025, the Company disposed 40% equity interest in Hextar Agriculture Sdn. Bhd. ("HAGSB"), a wholly-owned subsidiary of the Company. Subsequent to the disposal, HAGSB became a 60% owned subsidiary of the Company.
- (b) Pengedaran Beras Lestari Sdn. Bhd., an indirect subsidiary of the Company, was dissolved on 21 April 2025.
- (c) Fruits Venture Sdn. Bhd., an indirect subsidiary of the Company, was dissolved on 22 May 2025.

12. Contingent Liabilities

The contingent liabilities are as follows:

	As at
	30/06/2025
	RM'000
Guarantees provided to financial institutions for facilities granted to the Group	<u>662,060</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 other than the following:-

	Group
	As at
	30/06/2025
	RM'000
Property and equipment	<u>725</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.



Interim Report for the 6-months Financial Period Ended 30 June 2025

15. Related Party Transactions

The related parties comprising of directors and/or major shareholders of Hextar Global Berhad who are either the directors and/or major shareholders of the Company or the persons connected with the Company by virtue of Section 197 Companies Act 2016. The following table provides information on the transactions which have been entered into with the related parties for the period ended 30 June 2025.

	Transaction Value 30/06/2025 RM'000
Sales of raw materials/finished goods:-	
Hextar Oil & Gas Sdn. Bhd.	700
Hextar Fert Sdn. Bhd.	314
Hextar KCS Sdn. Bhd.	1,512
Rubberex (M) Sdn. Bhd.	73
Sin Chee Heng Sdn. Bhd.	11
PK Fert Sdn. Bhd.	15
Purchase of raw materials/finished goods:-	
Hextar Fert Sdn. Bhd.	685
PK Fertilizers Sdn. Bhd.	40
Hexlube Sdn. Bhd.	1,201
Receiving of management services:-	
Hextar Asset Management Sdn. Bhd.	1,698
Opcom Shared Services Sdn. Bhd.	40
Rental of storage space and warehouse facilities services:-	
Hexlube Sdn. Bhd.	92
Receipt of e-Commerce and other IT related services:-	
CIBC Technology Sdn. Bhd.	68



Interim Report for the 6-months Financial Period Ended 30 June 2025

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

1. Review of Performance of the Group

The Group's revenue for the current quarter decreased by 16.7% or RM35.5 million to RM177.5 million, from RM213.0 million recorded in the corresponding quarter of the previous year. The decline was primarily attributable to a reduction in sales contribution from the Specialty Chemicals amounting to RM49.5 million, driven by the absence of oil and gas specialty deliveries that were recorded in the corresponding quarter of the previous year, which adversely impacted the Specialty Chemicals segment's performance. Nonetheless, this was partially mitigated by an improvement of RM11.3 million in the performance of the Agriculture segment.

The Group reported a profit before taxation ("PBT") of RM21.1 million for the current quarter, representing a decrease of 35.3% or RM11.5 million compared to RM32.6 million recorded in the corresponding quarter of the previous year. The decline in PBT was largely driven by softened demand in the Specialty Chemicals segment, which saw a decrease of RM22.9 million. This impact was partially offset by a RM5.3 million improvement in the performance of the Agriculture segment.

On a year-to-date basis, the Group recorded revenue of RM416.1 million for the cumulative quarter under review, compared to RM445.2 million in the corresponding period of the preceding year, representing a decrease of RM29.1 million or 6.5%. The decline was primarily attributable to lower sales contributions from the Specialty Chemicals segment, which accounted for RM26.0 million of the shortfall.

For the year-to-date, the Group reported a profit before taxation of RM47.8 million for the cumulative quarter under review, compared to RM52.3 million in the corresponding period of the preceding year. This represents a decline of 8.6% or RM4.5 million, primarily attributable to lower sales contributions from the Specialty Chemicals segment, which resulted in a reduction of RM18.6 million in PBT. The impact was partially mitigated by a RM6.7 million improvement in the performance of the Agriculture segment.

2. Comparisons with the Immediate Preceding Quarter's Results

	3-months Current Quarter ended 30/06/2025 (RM'000)	3-months Preceding Quarter ended 31/03/2025 (RM'000)
Revenue	177,552	238,548
Profit before taxation	21,110	26,684

On a quarter-on-quarter basis, the Group's revenue declined to RM177.6 million from RM238.5 million in the preceding quarter, representing a decrease of 25.5% or RM60.9 million. This decline was primarily attributable to a reduction in revenue from the Specialty Chemicals segment, which fell by RM58.7 million.

In line with the decrease in revenue, the Group's profit before taxation also declined significantly by RM5.6 million or 21.0%, to RM21.1 million compared to RM26.7 million in the preceding quarter. The substantial reduction was mainly due to lower demand from the Specialty Chemicals segment, which contributed to a RM17.2 million shortfall, partially offset by a RM7.4 million increase in contributions from the Agriculture segment.



Interim Report for the 6-months Financial Period Ended 30 June 2025

3. Year 2025 Prospects

Agriculture

The agrochemicals industry in Malaysia is poised for growth in 2025, driven by several key factors such as market expansion whereby the Malaysian agrochemicals market is projected to reach USD 710.58 million in 2025, with an anticipated compound annual growth rate (“CAGR”) of 4.56% from 2025 to 2030. This growth is attributed to the increasing importance of sustainable agriculture in ensuring food security and enhancing rural incomes as the population expands. With growing demand for food and rapid urbanisation, the industry is faced with challenges of labour shortages, shrinking arable land and regulatory compliance.

Looking at the government support and initiatives, the Malaysian government is stimulating economic growth in this sector by offering incentives to encourage modernisation in the agricultural sector. This includes funding for smart farming practices, agricultural education, and sustainable farming. We aim to focus on developing products that comply with updated regulations, with the goal of maintaining and potentially enhancing market access, as well as creating environmentally friendly products to support global ESG initiatives.

Barring unforeseen circumstances, the Board believes the Agriculture segment will gradually recover in the second half of 2025 and continue to support the Group’s long-term income sustainability.

Specialty Chemicals

The specialty chemicals market is expected to have a positive outlook, registering fluctuating growth trends depending on the market context as there are pillars of strength to exploit amid the soaring inflation and rising energy prices.

Special derivative and coating chemicals used in rubber industry are expected to have moderate growth amid challenging market condition. Meanwhile, the specialty cleaning and sanitation industry in Malaysia is expected to experience notable growth, driven by increasing consumer awareness, urbanisation, and a shift towards eco-friendly products as there is a growing demand for sustainable and eco-friendly cleaning products. We shall put focus on innovation, sustainability and product quality to capitalise on emerging opportunities and expand to other markets.

The outlook for Specialty Chemicals & Catalysts business in the Oil & Gas Industry for 2025 is generally positive as Malaysia's state energy firm, is actively pursuing growth in specialty chemicals. Our strategy remains focused on innovation, sustainability, and product differentiation, allowing us to adapt to market shifts and pursue growth opportunities in targeted regional markets.

Fruits

The durian industry in Malaysia is projected to have a stable growth in 2025, driven by increasing production, expanding export markets and rising global demand. Malaysia has been exporting frozen durian products to China since 2011 and gained approval to export frozen whole durians in 2018. In 2022, the export value to China reached RM887 million Malaysian ringgit. With a recent agreement allowing the export of fresh durians, Malaysia is expected to become an increasingly important exporter to China.

While Thailand remains the largest global exporter of durians, Malaysia and Vietnam are emerging as significant competitors. Both countries have seen substantial growth in durian exports and are expected to increasingly challenge Thailand's dominance in the market. Growth within the durian industry is likely to come from factors such as the growing awareness and appreciation for durians from consumers domestically and around the world, particularly for “Musang King” originating from Malaysia as they are generally considered nicer.

In summary, Malaysia's durian industry is set for substantial growth in 2025, supported by increased production, expanded export agreements, and favorable market conditions. Hence, the Board believes that the Fruits segment will provide the Group with a sustainable source of income.



Interim Report for the 6-months Financial Period Ended 30 June 2025

4. Financial Forecast and Profit Guarantee

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

5. Taxation

The taxation figures are as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding	Current	Preceding
	Quarter	Year Quarter	Year to-Date	Year to-Date
	30/06/2025	30/06/2024	30/06/2025	30/06/2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax	(225)	(214)	(106)	2,602
Income tax	(4,858)	(7,593)	(12,994)	(14,037)
Taxation	<u>(5,083)</u>	<u>(7,807)</u>	<u>(13,100)</u>	<u>(11,435)</u>

The effective tax rate for preceding year-to-date under review for the Group was lower than at 22% compared to the statutory tax rate of 24%, primarily due to the recognition of deferred tax assets. In contrast, the effective tax rate for the current quarter and current year-to-date was higher at 26% and 28% respectively, mainly due to tax losses in certain subsidiaries that could not be set off against profits of other subsidiaries within the Group and certain expenses that were not tax-deductible.

6. Status of Corporate Proposal

There were no corporate proposals for the financial period under review.

7. Borrowings

The Group's borrowings as at 30 June 2025 and 31 December 2024 are as follows:

	As at	As at
	30/06/2025	31/12/2024
	RM'000	RM'000
Short-term borrowings		
<u>Secured</u>		
Term loans	44,088	47,214
Hire purchases	1,769	1,712
Bills payable	156,082	138,313
Revolving credit	67,980	71,000
Bank overdrafts	19,632	21,637
	<u>289,551</u>	<u>279,876</u>
Long-term borrowings		
<u>Secured</u>		
Term loans	98,822	122,497
Hire purchases	3,372	3,581
	<u>102,194</u>	<u>126,078</u>
Total	<u>391,745</u>	<u>405,954</u>



Interim Report for the 6-months Financial Period Ended 30 June 2025

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 are 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 30/06/2025	Preceding Year Quarter 30/06/2024	Current Year to-Date 30/06/2025	Preceding Year to-Date 30/06/2024
Profit attributable to equity holders of the Company (RM'000)	15,934	19,159	29,436	31,303
Weighted average number of ordinary shares in issue ('000)	3,876,067	3,876,067	3,876,067	3,876,067
Basic earnings per share (sen)	0.41	0.49	0.76	0.81

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 6-months Financial Period Ended 30 June 2025

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

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

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year Quarter	Year Quarter	Year-to-Date	Year-to-Date
	30/06/2025	30/06/2024	30/06/2025	30/06/2024
	RM'000	RM'000	RM'000	RM'000
Amortisation	124	117	261	251
Depreciation	4,656	4,712	9,256	9,286
Plant and equipment written off	4	-	4	5
Impairment loss on:				
- trade receivables	-	39	-	124
- property	-	-	1,234	-
Interest expense	6,994	6,662	12,933	14,187
Inventories written down	25	-	25	-
Net (gain)/loss arising from changes in fair value of biological assets	-	(8)	19	28
Share of loss/(gain) of joint ventures	123	(36)	198	35
(Gain)/Loss on forward currency contracts	-	(116)	994	(213)
Fair value gain on investment property	-	-	(249)	-
Interest income	(87)	(49)	(166)	(282)
Unrealised (gain)/loss on foreign exchange	(2,219)	(300)	(3,898)	1,194
Gain on disposal of equipment	(33)	(131)	(97)	(184)
Gain on lease termination	(13)	-	(13)	-
Reversal of impairment loss on trade receivables	(250)	(28)	(296)	(36)
Reversal of impairment loss on related parties	(9)	-	(9)	-
Written back of inventories	(983)	-	(985)	-

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

Tan Tong Lang
Company Secretary
Kuala Lumpur
25 August 2025