



HEXTAR GLOBAL BERHAD

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

Interim Report
For the 9-months Financial Period Ended
30 September 2025



Interim Report for the 9-months Financial Period Ended 30 September 2025

Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths)	(3-mths)	(9-mths)	(9-mths)
	Current Year	Preceding Year	Current	Preceding
	Quarter	Quarter	Year to-Date	Year to-Date
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RM'000	RM'000	RM'000	RM'000
Revenue	232,137	252,962	648,207	698,194
Cost of sales	(161,253)	(186,160)	(458,151)	(501,513)
Gross profit	70,884	66,802	190,056	196,681
Other income	981	572	3,556	2,832
Selling and marketing expenses	(9,252)	(9,115)	(24,913)	(23,971)
Administrative and other expenses	(26,976)	(19,493)	(72,137)	(71,037)
Finance costs	(6,084)	(6,370)	(19,017)	(19,764)
Share of loss of joint ventures	(125)	(154)	(323)	(189)
Profit before taxation	29,428	32,242	77,222	84,552
Less: Taxation	(9,276)	(9,048)	(22,376)	(20,483)
Profit after taxation	20,152	23,194	54,846	64,069
Other comprehensive (expenses)/income:				
- Foreign currency translation differences	(382)	(2,453)	(1,962)	(3,217)
- Revaluation of property	-	-	1,913	-
Other comprehensive expenses for the financial period	(382)	(2,453)	(49)	(3,217)
Total comprehensive income for the financial period	19,770	20,741	54,797	60,852
Profit for the financial period attributable to:				
- Owners of the Company	15,874	19,708	45,310	51,011
- Non-controlling interests	4,278	3,486	9,536	13,058
	20,152	23,194	54,846	64,069
Total comprehensive income attributable to:				
- Owners of the Company	15,492	17,256	45,262	47,796
- Non-controlling interests	4,278	3,485	9,535	13,056
	19,770	20,741	54,797	60,852
Earnings per share				
Basic (sen)	0.41	0.51	1.17	1.32

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 9-months Financial Period Ended 30 September 2025

Unaudited Condensed Statements of Financial Position

	Unaudited as at 30/09/2025 RM'000	Audited as at 31/12/2024 RM'000
ASSETS		
Non-current assets		
Investment in joint ventures	7,139	7,962
Property, plant and equipment	116,096	119,057
Investment properties	5,823	5,972
Right-of-use assets	62,845	51,605
Intangible assets	164,426	164,183
Investment in club membership, at cost	45	45
Trade receivables	1,602	2,195
Prepayment	5,342	3,578
Deferred tax assets	3,517	1,857
Total non-current assets	366,835	356,454
Current assets		
Inventories	127,319	137,904
Trade receivables	161,526	168,638
Other receivables, deposits and prepayments	55,995	72,288
Short-term investments	-	1,473
Biological assets	-	19
Contract assets	18,682	12,637
Amount owing by related companies	-	343
Current tax assets	12,611	8,271
Derivative assets	-	1,004
Deposits with licensed banks	17,019	17,031
Cash and bank balances	71,745	49,498
Total current assets	464,897	469,106
Assets classified as held for sale	6,500	-
TOTAL ASSETS	838,232	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	(4,389)	(2,428)
Revaluation reserve	18,641	16,792
Retained profits	131,932	108,076
Equity attributable to owners of the Company	248,870	225,126
Non-controlling interests	37,160	30,407
TOTAL EQUITY	286,030	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 9-months Financial Period Ended 30 September 2025

Unaudited Condensed Statements of Financial Position (Cont'd)

	Unaudited as at 30/09/2025 RM'000	Audited as at 31/12/2024 RM'000
Non-current liabilities		
Lease liabilities	38,441	24,277
Other payables and accruals	2,301	2,406
Long-term borrowings	91,285	126,078
Deferred tax liabilities	10,387	8,232
Total non-current liabilities	142,414	160,993
Current liabilities		
Trade payables	48,758	49,139
Other payables, deposits received and accruals	27,839	46,001
Contract liabilities	6,680	10,671
Amount owing to related companies	-	785
Amount owing to a joint venture	1,310	1,570
Lease liabilities	5,612	7,230
Short-term borrowings	283,165	279,876
Current tax liabilities	15,131	13,752
Dividend payable	21,293	-
Derivative liabilities	-	10
Total current liabilities	409,788	409,034
TOTAL LIABILITIES	552,202	570,027
TOTAL EQUITY AND LIABILITIES	838,232	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)	0.06	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 9-months Financial Period Ended 30 September 2025

Unaudited Condensed Statements of Cash Flows

	9-months ended 30/09/2025 RM'000	9-months ended 30/09/2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	77,222	84,552
Adjustments for:-		
Amortisation	361	412
Bad debts written off	135	-
Deposit written off	1	-
Depreciation	13,632	14,090
Plant and equipment written off	28	16
Impairment loss on property	1,234	-
Impairment loss on trade receivables	7	125
Interest expense	19,017	19,764
Net loss arising from changes in fair value of biological assets	19	33
Loss on forward currency contracts	994	12
Fair value gain on investment property	(249)	-
Inventories written down	7	-
Unrealised gain on foreign exchange	(2,588)	(1,462)
Gain on disposal of equipment	(144)	(184)
Gain on lease termination	(13)	(16)
Interest income	(274)	(378)
Reversal of impairment loss on trade receivables	(430)	(404)
Reversal of impairment loss on related parties	(9)	-
Write back of inventories	(1,150)	-
Share of loss of joint ventures	323	189
Operating profit before working capital changes	108,123	116,749
Changes in working capital:-		
Inventories	11,729	39,199
Receivables	16,076	(15,894)
Payables	(6,318)	(912)
Related companies	(433)	1,563
Joint venture	240	1,118
	21,294	25,074
Cash from operations	129,417	141,823
Interest paid	(19,017)	(18,971)
Income tax paid	(25,036)	(19,335)
Net cash from operating activities	85,364	103,517

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 9-months Financial Period Ended 30 September 2025

Unaudited Condensed Statements of Cash Flows (Cont'd)

	9-months ended 30/09/2025 RM'000	9-months ended 30/09/2024 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Acquisition of a joint venture	-	(5,544)
Interest received	274	316
Decrease in pledged deposits with licensed banks	823	6,766
Payment of deferred consideration	(16,754)	(64,000)
Proceeds from disposal of equipment	183	199
Proceeds from disposal of assets classified as held for sale	-	830
Proceeds from issuance of shares to non-controlling interests by a subsidiary	-	14,700
Product development expenditure incurred	(111)	(19)
Addition of intangible assets	(491)	(143)
Purchase of property, plant and equipment	(9,948)	(8,671)
Net cash for investing activities	(26,024)	(55,566)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividend paid	(3,008)	(38,761)
Drawdown of revolving credit	194,019	79,888
Drawdown of term loan	-	47,672
Net decrease of lease liabilities	(5,341)	(3,870)
Net increase in bank borrowings	13,786	8,230
Repayment of revolving credit	(197,019)	(100,938)
Repayment of term loans	(35,178)	(21,724)
Net cash for financing activities	(32,741)	(29,503)
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,599	18,448
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(929)	(2,773)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	28,800	61,508
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	54,470	77,183
CASH AND CASH EQUIVALENTS COMPRISE		
Deposits with licensed banks	17,019	20,705
Cash and bank balances	71,745	88,988
Short-term investments	-	1,490
Bank overdrafts	(17,552)	(13,758)
	71,212	97,425
Less: Deposits pledged to licensed banks	(16,358)	(19,364)
Bank balances pledged with licensed banks	(384)	(878)
	54,470	77,183

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 9-months Financial Period Ended 30 September 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
			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	-	-	-	-	-	45,310	45,310	9,536	54,846
Other comprehensive (expenses)/income for the financial period:									
- Foreign currency translation differences	-	-	-	(1,961)	-	-	(1,961)	(1)	(1,962)
- Revaluation of property	-	-	-	-	1,913	-	1,913	-	1,913
Total comprehensive (expenses)/income for the financial period	-	-	-	(1,961)	1,913	45,310	45,262	9,535	54,797
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	-
- Dividends	-	-	-	-	-	(19,380)	(19,380)	-	(19,380)
- Non-controlling interests' share of dividends	-	-	-	-	-	-	-	(4,920)	(4,920)
Total transactions with owners	-	-	-	-	-	(21,518)	(21,518)	(2,782)	(24,300)
Realisation of revaluation reserve	-	-	-	-	(64)	64	-	-	-
Net impact on disposal of revalued property	-	-	-	-	-	-	-	-	-
Balance as at 30/09/2025	633,878	(30,770)	(500,422)	(4,389)	18,641	131,932	248,870	37,160	286,030

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 9-months Financial Period Ended 30 September 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	633,878	(30,770)	(500,423)	549	14,626	138,263	256,123	3,111	259,234
- As previously reported	-	-	-	-	-	-	-	(10)	(10)
- Adjustment during measurement year	-	-	-	-	-	-	-	-	-
As restated	633,878	(30,770)	(500,423)	549	14,626	138,263	256,123	3,101	259,224
Profit after taxation for the financial period	-	-	-	-	-	51,011	51,011	13,058	64,069
Other comprehensive expenses for the financial period:	-	-	-	(3,215)	-	-	(3,215)	(2)	(3,217)
- Foreign currency translation differences	-	-	-	(3,215)	-	-	(3,215)	(2)	(3,217)
Total comprehensive (expenses)/income for the financial period	-	-	-	(3,215)	-	51,011	47,796	13,056	60,852
Contributions by and distributions to owners of the Company:	-	-	-	-	-	-	-	14,700	14,700
- Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	(58,141)	(58,141)	-	(58,141)
- Dividends	-	-	-	-	-	(58,141)	(58,141)	14,700	(43,441)
Total transactions with owners	-	-	-	-	-	(58,141)	(58,141)	14,700	(43,441)
Realisation of revaluation reserve	-	-	-	-	424	(398)	26	(26)	-
Balance as at 30/09/2024	633,878	(30,770)	(500,423)	(2,666)	15,050	130,735	245,804	30,831	276,635

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 9-months Financial Period Ended 30 September 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 9-months Financial Period Ended 30 September 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

The Company had on 25 August 2025 declared first 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.

The total dividend declared to-date for the current financial year is 0.5 sen per ordinary share, amounted to approximately RM19.4 million.

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



Interim Report for the 9-months Financial Period Ended 30 September 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

9-months ended 30 September 2025					
Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
101	255,421	286,313	106,372	-	648,207
59,706	3,083	137	31	(62,957)	-
59,807	258,504	286,450	106,403	(62,957)	648,207
75,370	38,689	50,277	6,006	(74,054)	96,288
(10,419)	(4,909)	(3,263)	(4,615)	4,189	(19,017)
4,086	99	32	200	(4,143)	274
-	62	-	(385)	-	(323)
69,037	33,941	47,046	1,206	(74,008)	77,222
(309)	(7,219)	(12,679)	(2,073)	(96)	(22,376)
68,728	26,722	34,367	(867)	(74,104)	54,846



Interim Report for the 9-months Financial Period Ended 30 September 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

9-months ended 30 September 2024					
Investment Holding	Agriculture	Specialty Chemicals	Fruits	Elimination	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
90	242,595	301,452	154,057	-	698,194
47,979	2,254	427	-	(50,660)	-
48,069	244,849	301,879	154,057	(50,660)	698,194
57,514	31,536	67,240	8,635	(60,798)	104,127
(11,535)	(4,701)	(2,796)	(5,245)	4,513	(19,764)
4,547	141	64	139	(4,513)	378
-	119	-	(308)	-	(189)
50,526	27,095	64,508	3,221	(60,798)	84,552
(251)	(5,493)	(12,620)	(2,253)	134	(20,483)
50,275	21,602	51,888	968	(60,664)	64,069



Interim Report for the 9-months Financial Period Ended 30 September 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
	30/09/2025
	RM'000
Guarantees provided to financial institutions for facilities granted to the Group	<u>678,891</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
	30/09/2025
	RM'000
Property and equipment	<u>1,031</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 9-months Financial Period Ended 30 September 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 September 2025.

	Transaction Value 30/09/2025 RM'000
Sales of raw materials/finished goods:-	
Hextar Oil & Gas Sdn. Bhd.	1,547
Hextar Fert Sdn. Bhd.	653
Hextar KCS Sdn. Bhd.	1,564
Rubberex (M) Sdn. Bhd.	109
Sin Chee Heng Sdn. Bhd.	11
PK Fert Sdn. Bhd.	15
Purchase of raw materials/finished goods:-	
Hextar Fert Sdn. Bhd.	1,254
PK Fertilizers Sdn. Bhd.	54
Hexlube Sdn. Bhd.	1,201
Receiving of management services:-	
Hextar Asset Management Sdn. Bhd.	2,486
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 9-months Financial Period Ended 30 September 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 8.2% or RM20.9 million to RM232.1 million, from RM253.0 million recorded in the corresponding quarter of the previous year. The decline was primarily attributable to a lower sales contribution from the Fruits segment amounting to RM28.0 million, due to the shorter than expected durian season compared to the corresponding quarter of the previous year. This timing shift adversely impacted the Fruits segment's performance. Nonetheless, this was partially mitigated by an improvement of RM10.9 million in the performance of the Specialty Chemicals segment.

The Group reported a profit before taxation ("PBT") of RM29.4 million for the current quarter, representing a decrease of 8.7% or RM2.8 million compared to RM32.2 million recorded in the corresponding quarter of the previous year. The decline in PBT was largely driven by softened supply in the Fruits segment, which saw a decrease of RM3.8 million. This impact was partially offset by a RM1.2 million improvement in the performance of the Specialty Chemicals segment.

On a year-to-date basis, the Group recorded revenue of RM648.2 million for the cumulative quarter under review, compared to RM698.2 million in the corresponding period of the preceding year, representing a decrease of RM50.0 million or 7.2%. The decline was primarily attributable to lower sales contributions from the Fruits segment, which accounted for RM47.7 million of the shortfall.

For the year-to-date, the Group reported a profit before taxation of RM77.2 million for the cumulative quarter under review, compared to RM84.5 million in the corresponding period of the preceding year. This represents a decline of 8.7% or RM7.3 million, primarily attributable to lower sales contributions from the Specialty Chemicals segment, which resulted in a reduction of RM17.5 million in PBT. The impact was partially mitigated by a RM6.8 million improvement in the performance of the Agriculture segment.

2. Comparisons with the Immediate Preceding Quarter's Results

	3-months Current Quarter ended 30/09/2025 (RM'000)	3-months Preceding Quarter ended 30/06/2025 (RM'000)
Revenue	232,137	177,522
Profit before taxation	29,428	21,110

On a quarter-on-quarter basis, the Group's revenue increased to RM232.1 million from RM177.5 million in the preceding quarter, representing an increase of 30.8% or RM54.6 million. This increase was primarily attributable to higher revenue from the Specialty Chemicals segment and Fruits segment, which improved by RM24.5 million and RM34.7 million respectively.

In line with the increase in revenue, the Group's profit before taxation also increases significantly by RM8.3 million or 39.4%, to RM29.4 million compared to RM21.1 million in the preceding quarter. The substantial improvement was mainly due to stronger performance from the Specialty Chemicals segment and Fruits segment, which contributed to a RM8.7 million and RM4.4 million respectively.



Interim Report for the 9-months Financial Period Ended 30 September 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 9-months Financial Period Ended 30 September 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
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax	(160)	149	(266)	2,751
Income tax	(9,116)	(9,197)	(22,110)	(23,234)
Taxation	<u>(9,276)</u>	<u>(9,048)</u>	<u>(22,376)</u>	<u>(20,483)</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 September 2025 and 31 December 2024 are as follows:

	As at	As at
	30/09/2025	31/12/2024
	RM'000	RM'000
Short-term borrowings		
<u>Secured</u>		
Term loans	43,967	47,214
Hire purchases	1,752	1,712
Bills payable	151,894	138,313
Revolving credit	68,000	71,000
Bank overdrafts	17,552	21,637
	<u>283,165</u>	<u>279,876</u>
Long-term borrowings		
<u>Secured</u>		
Term loans	88,135	122,497
Hire purchases	3,150	3,581
	<u>91,285</u>	<u>126,078</u>
Total	<u>374,450</u>	<u>405,954</u>



Interim Report for the 9-months Financial Period Ended 30 September 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 30/09/2025	Preceding Year Quarter 30/09/2024	Current Year to-Date 30/09/2025	Preceding Year to-Date 30/09/2024
Profit attributable to equity holders of the Company (RM'000)	15,874	19,708	45,310	51,011
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	0.51	1.17	1.32

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 9-months Financial Period Ended 30 September 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
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RM'000	RM'000	RM'000	RM'000
Amortisation	100	161	361	412
Bad debts written off	135	-	135	-
Deposit written off	1	-	1	-
Depreciation	4,376	4,804	13,632	14,090
Plant and equipment written off	24	11	28	16
Impairment loss on:				
- trade receivables	7	1	7	125
- property	-	-	1,234	-
Interest expense	6,084	5,577	19,017	19,764
Inventories written down	-	-	7	-
Net loss arising from changes in fair value of biological assets	-	5	19	33
Share of loss of joint ventures	125	154	323	189
Loss on forward currency contracts	-	225	994	12
Fair value gain on investment property	-	-	(249)	-
Interest income	(108)	(96)	(274)	(378)
Unrealised loss/(gain) on foreign exchange	1,310	(2,656)	(2,588)	(1,462)
Gain on disposal of equipment	(47)	-	(144)	(184)
Gain on lease termination	-	(16)	(13)	(16)
Reversal of impairment loss on trade receivables	(134)	(368)	(430)	(404)
Reversal of impairment loss on related parties	(9)	-	(9)	-
Written back of inventories	(183)	-	(1,150)	-

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

Tan Tong Lang
Company Secretary
Kuala Lumpur
17 November 2025