HEXTAR INDUSTRIES BERHAD

201101044580 (972700-P)
(Incorporated in Malaysia)

Interim Financial Report
For the Fourth (4th) Quarter Ended
31 December 2025

HEXTAR INDUSTRIES BERHAD
201101044580 (972700-P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2025

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 31.12.2025 RM'000	**Unaudited 3 Months Ended 31.12.2024 RM'000**	**Unaudited 12 Months Ended 31.12.2025 RM'000**	**Audited 12 Months Ended 31.12.2024 RM'000**
Revenue	203,119	196,740	985,495	965,500
Cost of sales	(166,168)	(161,393)	(829,225)	(828,692)
Gross profit	36,951	35,347	156,270	136,808
Other operating income	1,259	1,631	4,909	5,874
Administrative expenses	(23,997)	(13,704)	(77,222)	(50,006)
Selling and distribution expenses	(11,121)	(9,343)	(50,236)	(37,611)
Profit from operations	3,092	13,931	33,721	55,065
Finance costs	(5,982)	(4,168)	(18,691)	(15,724)
(Loss)/Profit before tax	(2,890)	9,763	15,030	39,341
Taxation	1,055	(3,465)	(3,195)	(11,068)
(Loss)/Profit for the financial period, representing total comprehensive (loss)/income for the financial period	(1,835)	6,298	11,835	28,273
(Loss)/Profit for the financial period, representing total comprehensive (loss)/income for the financial period attributable to:				
- Owners of the Company	(2,206)	5,791	11,100	27,518
- Non-controlling interest	371	507	735	755
	(1,835)	6,298	11,835	28,273
Earnings per share:				
- Basic (sen)	(0.08)	0.21	0.41	1.00

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

HEXTAR INDUSTRIES BERHAD
201101044580 (972700-P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Unaudited as at 31.12.2025 RM'000	Audited as at 31.12.2024 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	225,064	214,520
Goodwill on consolidation	7,944	7,944
Intangible assets	2,350	2,622
Trade receivables	408	532
	235,766	225,618
CURRENT ASSETS		
Inventories	95,532	192,881
Trade receivables	82,077	204,969
Other receivables, prepayments and deposits	13,148	33,541
Contract assets	5,807	21,863
Tax recoverable	7,166	-
Derivative assets	-	328
Fixed deposit with licensed banks	1,522	480
Cash and bank balances	87,622	131,595
	292,874	585,657
Assets classified as held for sale	425,698	-
	718,572	585,657
TOTAL ASSETS	**954,338**	**811,275**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	671,443	671,443
Treasury shares	(26,995)	-
Merger deficit	(559,301)	(559,301)
Revaluation reserve	22,300	40,829
Retained earnings	199,819	191,356
	307,266	344,327
Non-controlling interest	2,828	2,783
TOTAL EQUITY	**310,094**	**347,110**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONTINUED)

	Unaudited as at 31.12.2025 RM'000	Audited as at 31.12.2024 RM'000
CURRENT LIABILITIES		
Trade payables	51,189	103,822
Other payables and accruals	29,526	41,522
Contract liabilities	4,513	2,388
Lease liabilities	10,415	6,462
Bank borrowings	104,298	190,791
Tax payable	5,444	7,808
	205,385	352,793
Liabilities classified as held for sale	296,273	-
	501,658	352,793
NON-CURRENT LIABILITIES		
Lease liabilities	103,561	48,901
Bank borrowings	25,941	34,595
Provision for restoration costs	1,243	49
Deferred tax liabilities	11,841	27,827
	142,586	111,372
TOTAL LIABILITIES	**644,244**	**464,165**
TOTAL EQUITY AND LIABILITIES	**954,338**	**811,275**
NET ASSET PER SHARE (sen)	11.61	12.63

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2025

	<- Attributable to the Owners of the Company ->						
	<----------- Non-Distributable ----------->				***<Distributable>***		
Unaudited	**Share Capital RM'000**	**Treasury Shares RM'000**	**Merger Reserve RM'000**	**Revaluation Reserve RM'000**	**Retained Earnings RM'000**	**Non-Controlling Interest RM'000**	**Total Equity RM'000**
Balance as at 1 January 2025	671,443	-	(559,301)	40,829	191,356	2,783	347,110
- Profit for the financial period	-	-	-	-	11,100	735	11,835
- Dividends paid	-	-	-	-	(27,473)	(690)	(28,163)
- Purchase of treasury shares	-	(26,995)	-	-	-		(26,995)
- Realisation of revaluation reserve	-	-	-	(598)	598	-	-
- Net impact on disposal of revalued property	-	-	-	(17,931)	24,238	-	6,307
Balance as at 31 December 2025	671,443	(26,995)	(559,301)	22,300	199,819	2,828	310,094

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONTINUED)

	<- Attributable to the Owners of the Company ->					
	<--------- Non-Distributable --------->			*<Distributable>*		
Audited	**Share Capital RM'000**	**Merger Reserve RM'000**	**Revaluation Reserve RM'000**	**Retained Earnings RM'000**	**Non-Controlling Interest RM'000**	**Total Equity RM'000**
Balance as at 1 January 2024	671,443	(559,301)	35,322	190,149	2,028	339,641
- Profit for the financial period	-	-	-	27,518	755	28,273
- Dividend paid	-	-	-	(27,473)	-	(27,473)
- Realisation of revaluation reserve	-	-	(985)	985	-	-
- Net impact on disposal of revalued property	-	-	(177)	177	-	-
- Net impact on revaluation of property, plant and equipment	-	-	6,669	-	-	6,669
Balance as at 31 December 2024	671,443	(559,301)	40,829	191,356	2,783	347,110

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2025

	Unaudited 12 months ended 31.12.2025 RM'000	Audited 12 months ended 31.12.2024 RM'000
Cash Flows From Operating Activities		
Profit before tax	15,030	39,341
Adjustment for:		
Amortisation of intangible assets	272	48
Bad debts written off	-	17
Depreciation of property, plant and equipment	24,915	17,120
Deposit written off	-	6
Gain on lease modification	-	(32)
Gain on struck off of subsidiaries	-	(69)
Impairment loss on other investments	-	3,144
Gain on disposal of property, plant and equipment	(234)	(474)
Impairment loss on property, plant and equipment	3,253	-
Inventories written off	425	166
Inventories written down	-	459
Property, plant and equipment written off	11	13
Net impairment/(recovery) on receivables	536	(253)
Unrealised loss/(gain) on foreign exchange	195	(542)
Interest expenses	18,691	15,724
Interest income	(3,060)	(1,775)
Operating profit before working capital changes	60,034	72,893
Changes in working capital:		
Inventories	(71,166)	(6,376)
Trade and other receivables	8,790	(20,928)
Trade and other payables	30,283	44,823
Contract assets	16,056	(11,865)
Contract liabilities	2,125	991
	(13,912)	6,645
Cash generated from operations	46,122	79,538
Interest received	3,060	1,126
Interest paid	(18,691)	(8,529)
Tax paid	(9,402)	(14,898)
Tax refunded	395	915
	(24,638)	(21,386)
Net cash generated from operating activities	21,484	58,152

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2025 (CONTINUED)

	Unaudited 12 months ended 31.12.2025 RM'000	Audited 12 months ended 31.12.2024 RM'000
Cash Flow From Investing Activities		
Deferred consideration paid	(2,000)	(1,500)
Purchase of property, plant and equipment	(41,181)	(8,734)
Purchase of intangible assets	-	(2,240)
Proceed from struck off of subsidiaries	-	69
Proceed from disposal of property, plant and equipment	22,340	2,474
Uplift of other investments	-	9,473
Net cash used in investing activities	(20,841)	(458)
Cash Flow From Financing Activities		
Dividend paid	(27,473)	(27,473)
Dividend paid to non-controlling interests	(690)	-
Net changes in the pledged fixed deposits	(1,334)	-
Drawdown/(Repayment) of borrowings	57,288	(4,956)
Advances from related parties	731	-
Treasury shares acquired	(26,995)	-
Net cash generated from/(used in) financing activities	1,527	(32,429)
Net increase in cash and cash equivalents	2,170	25,265
Cash and cash equivalents at beginning of the financial period	131,595	106,330
Cash and cash equivalents at end of the financial period	**133,765**	**131,595**
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with licensed banks	1,522	480
- Cash and bank balances	87,622	131,595
	89,144	132,075
Less: Fixed deposits pledged with licensed banks	(1,522)	(480)
	87,622	131,595
Cash and cash equivalents included in disposal group classified as held for sale	46,143	-
	133,765	**131,595**

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

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2025

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of Hextar Industries Berhad ("HIB" or "the Group") for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

The significant accounting policies adopted in preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024, except for the adoption of the new MFRS, amendments to MFRSs and IC Interpretation as below:

- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)
- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)
- Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)
- Supplier Finance Arrangement (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)

The adoption above mentioned standards did not have any material impact on this interim financial report.

A2. Auditors' report of preceding annual audited financial statements

The auditors' report on the preceding year audited financial statements are not subject to any qualification.

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A3. Seasonal or cyclical factors

The plantation business may be impacted by the adverse weather conditions, which in turn will affect demand for fertilisers.

Saved as disclosed above, the businesses of the Group are not affected by seasonal or cyclical factors.

A4. Unusual items

There are no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

A5. Material changes in estimates

There are no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial period under review.

A6. Detail of changes in debts and equity securities

During the current quarter under review, the Company purchased 71,149,100 of its issued ordinary shares from the open market at an average price of RM0.35 per share. The total consideration paid for the purchase was RM25,232,899 including the transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act, 2016 and are presented as a deduction from equity.

As at 31 December 2025, the Company held as treasury shares a total of 76,296,100 of its 2,747,341,623 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM26,995,342.

Other than the above, 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.

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A7. Segmental information

The Group's revenues are derived from three (3) reportable segments, as below:

3-months quarter ended 31 December 2025

	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	150,549	52,570	-	-	203,119
Inter-segment sales	19,888	1,745	28,476	(50,109)	-
Total	170,437	54,315	28,476	(50,109)	203,119
Results					
Segment results	9,384	(6,845)	(196,599)	195,289	1,229
Finance costs	(4,159)	(2,722)	(649)	1,548	(5,982)
Finance income	112	172	1,579	-	1,863
Profit/(Loss) before tax	5,337	(9,395)	(195,669)	196,837	(2,890)
Taxation	(803)	1,870	(12)	-	1,055
Profit/(Loss) after tax	4,534	(7,525)	(195,681)	196,837	(1,835)

12-months quarter ended 31 December 2025

	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	828,643	156,852	-	-	985,495
Inter-segment sales	87,186	4,619	79,031	(170,836)	-
Total	915,829	161,471	79,031	(170,836)	985,495
Results					
Segment results	53,468	(18,934)	(151,632)	147,759	30,661
Finance costs	(14,850)	(4,589)	(857)	1,605	(18,691)
Finance income	372	937	1,751	-	3,060
Profit/(Loss) before tax	38,990	(22,586)	(150,738)	149,364	15,030
Taxation	(8,421)	5,522	(296)	-	(3,195)
Profit/(Loss) after tax	30,569	(17,064)	(151,034)	149,364	11,835

A7. Segmental information (Cont'd)

The Group's revenues are derived from three (3) reportable segments, as below: (Cont'd)

	3-months quarter ended 31 December 2024				
	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	150,622	46,118	-	-	196,740
Inter-segment sales	49,224	9,741	4,263	(63,228)	-
Total	199,846	55,859	4,263	(63,228)	196,740
Results					
Segment results	11,306	3,316	(22,734)	21,536	13,424
Finance costs	(3,589)	(257)	(332)	10	(4,168)
Finance income	116	239	152	-	507
Profit/(Loss) before tax	7,833	3,298	(22,914)	21,546	9,763
Taxation	(3,249)	(527)	137	174	(3,465)
Profit/(Loss) after tax	4,584	2,771	(22,777)	21,720	6,298

	12-months quarter ended 31 December 2024				
	Fertilisers RM'000	Industrial and Consumer RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	805,540	159,960	-	-	965,500
Inter-segment sales	121,380	23,421	23,529	(168,330)	-
Total	926,920	183,381	23,529	(168,330)	965,500
Results					
Segment results	45,263	10,463	9,009	(11,445)	53,290
Finance costs	(13,763)	(911)	(1,070)	20	(15,724)
Finance income	968	415	392	-	1,775
Profit/(Loss) before tax	32,468	9,967	8,331	(11,425)	39,341
Taxation	(9,185)	(1,978)	(79)	174	(11,068)
Profit/(Loss) after tax	23,283	7,989	8,252	(11,251)	28,273

A8. Dividend paid

On 22 May 2025, the Company declared an interim single-tier dividend of 1 sen per ordinary share total RM27,473,416 in respect of the financial year ending 31 December 2025, which had been paid on 18 June 2025.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial period under review.

A10. Capital commitments

There are no material capital commitments as at the date of this report.

A11. Changes in the composition of the Group

There are no changes in the composition of the Group for the current financial period ended 31 December 2025.

A12. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets as at the date of this financial report.

A13. Material event subsequent to the end of the quarter

HIB had on 12 February 2026 entered into a conditional share purchase agreement for the acquisition of 51% equity interest in Woodpeckers Group Sdn. Bhd. for a cash consideration of RM177.48 million. ("Proposed Acquisition")

HIB and the Vendors have agreed that the entire equity interest in Grey Heron Sdn. Bhd. and its subsidiaries ("Grey Heron"), which are principally involved in the operation of food and beverage (F&B) retail outlets under the "ChaTraMue" franchise, will be excluded from the Proposed Acquisition.

Upon the completion of the Proposed Acquisition, Woodpeckers and its subsidiaries (excluded Grey Heron) will become the subsidiaries of HIB.

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A14. Related party transactions

Transaction with companies in which the major shareholders of the Group have interest for the current quarter ended 31 December 2025 are as follows: -

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 31.12.2025 RM'000	**Audited 3 Months Ended 31.12.2024 RM'000**	**Unaudited 12 Months Ended 31.12.2025 RM'000**	**Audited 12 Months Ended 31.12.2024 RM'000**
<u>Income</u>				
Sales of fertilisers	514	420	1,877	1,149
Sales or rental of equipment	56	3	252	28
Sales of office supplies	61	23	158	109
Repair and maintenance services	1,084	-	1,928	-
Rental of office	1	-	3	-
<u>Purchase/Expenditure</u>				
Rental of factories and warehouses	2,617	1,556	8,733	6,055
Rental of office	19	19	77	77
Rental of retail shops	31	-	45	-
Hiring of lorry	10	79	232	287
Purchase of fertilisers	482	-	1,227	-
Purchase of industrial products	640	1,223	992	1,474
Purchase of consumer products	-	27	5	32
Repair and maintenance services	-	-	30	-
Management fee	447	545	1,891	1,888
Storage charges	516	755	2,234	2,809
Transportation charges	260	137	1,415	407

The transactions are carried out in the ordinary course of business and on normal commercial terms.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

	Quarter ended 31.12.2025 ("Q4/25") RM'000	Quarter ended 31.12.2024 ("Q4/24") RM'000	Changes RM'000	Changes (%)
Revenue	203,119	196,740	6,379	3.2%
(Loss)/Profit before tax	(2,890)	9,763	(12,653)	-129.6%
(Loss)/Profit after tax	(1,835)	6,298	(8,133)	-129.1%

<u>Comparison between Q4/25 with Q4/24</u>

HIB registered a quarterly consolidated revenue of RM203 million, with a loss before tax ("LBT") of RM2.9 million and a loss after tax ("LAT") of RM1.8 million for the fourth quarter ended 31 December 2025.

The Group's revenue rose from RM197 million to RM203 million compared to the corresponding quarter last year. This growth is primarily attributable to the Group's strategic expansion into the retail sector, driven by the rapid establishment of coffee outlets.

Despite better sales performance, the Group recorded a loss after tax ("LAT") of RM1.8 million, as compared with the profit after tax of RM6.3 million in the corresponding period of the previous year. This downturn in profit is mainly attributed to the initial start-up costs incurred from the retail business expansion.

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B1. Review of performance (Cont'd)

	Year-to-date 31.12.2025 ("YTD-25") RM'000	Year-to-date 31.12.2024 ("YTD-24") RM'000	Changes RM'000	Changes (%)
Revenue	985,495	965,500	19,995	2.1%
Profit before tax	15,030	39,341	(24,311)	-61.8%
Profit after tax	11,835	28,273	(16,438)	-58.1%

Comparison between YTD-25 with YTD-24

The Group reported a revenue of RM985 million for the financial period ended 31 December 2025, representing an increase of 2.1% compared to the corresponding period last year. The growth was mainly driven by higher sales of fertilisers and expansion into retail business. Fertilisers Division remained as the primary source of revenue of the Group's business portfolio, contributed 84% of total revenue in 2025.

Despite the revenue growth, the Group recorded lower profit after tax of RM11.8 million, primarily due to initial setup costs for the retail business expansion and the impairment loss from disposal of rental equipment amounting to RM3.2 million.

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B2. Comparison with immediate preceding quarter's results

	Quarter ended 31.12.2025 ("Q4/25") RM'000	Quarter ended 30.09.2025 ("Q3/25") RM'000	Changes RM'000	Changes (%)
Revenue	203,119	282,972	(79,853)	-28.2%
(Loss)/Profit before tax	(2,890)	5,517	(8,407)	-152.4%
(Loss)/Profit after tax	(1,835)	4,804	(6,639)	-138.2%

As compared to preceding quarter, the Group recorded lower revenue of RM203.1 million, primarily attributed to lower fertiliser sales during the monsoon season. Accordingly, the Group recorded a loss after tax of RM1.8 million, as compared to a profit after tax of RM4.8 million reported in the preceding quarter.

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B3. Prospects

Fertilisers

In driving sustainable agriculture practices, the Group is into innovative product with a point of difference versus conventional fertilisers which help to alleviate a long-standing issue of the fertilisers industry with regard to leaching losses of nutrients and nutrient run-off after rainfall. We believe that using this innovative fertiliser can contribute towards a sustainable agriculture practice.

Fertilisers division remained as the primary source of revenue and profit driver for HIB in 2026. HIB's strategic planning of disposing partial fertiliser business and diversify into retail (F&B) business will allow us to build more balance portfolio of recurring income with stronger growth potential.

Industrial and Consumer

The industrial division is expected to experience moderate growth driven by the engineering solution with the on-going orders in hand. On the other hand, the strategic partnership with Luckin Coffee Holding Singapore Pte Ltd to develop, open and operate coffee shop under "Luckin Coffee" brand nationwide is progressing well. As of today, the Group has expanded its footprint to 77 outlets, each received positive market response and robust customer engagement.

HIB has entered into share purchase agreement to acquire 51% equity stake in Woodpeckers Group Sdn. Bhd. Upon the Proposed Acquisition completed, HIB will represent two distinct global franchise brands, namely "Luckin Coffee" and "llaollao" as a master franchise in Malaysia.

B4. Profit forecast

The Group does not have any profit forecast in the public documents.

B5. Taxation

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 31.12.2025 RM'000	**Audited 3 Months Ended 31.12.2024 RM'000**	**Unaudited 12 Months Ended 31.12.2025 RM'000**	**Audited 12 Months Ended 31.12.2024 RM'000**
Income tax expense	(1,007)	3,051	3,436	11,053
Deferred tax	(48)	414	(241)	15
	(1,055)	3,465	3,195	11,068

The effective tax for current financial year under review is lower than the Malaysian statutory tax rate of 24% mainly due to over provision of income tax in prior year.

B6. Status of corporate proposals announced

(a) On 29 August 2024, HIB, through Sin Chee Heng Sdn. Bhd. ("SCH"), a wholly-owned subsidiary of HIB and PK Fertilizers Sdn. Bhd. ("PKF"), an indirect wholly-owned subsidiary of HIB, respectively entered into 2 conditional sale and purchase agreements ("SPAs") with Pacific Trustees Berhad ("Pacific Trustee"), being the trustee of KIP Real Estate Investment Trust ("KIP REIT"), for the disposals of the following properties to KIP REIT, for a total cash consideration of RM45.90 million ("Disposals"):

Subsidiaries	Properties	Disposal consideration (RM'000)
SCH	A parcel of land together with the buildings erected thereon in Cheras, Selangor	22,600
PKF	Remaining unexpired period of a lease created over a parcel of land together with the buildings erected thereon in Johor Bahru, Johor	23,300
	Total	45,900

Simultaneously with the execution of the SPAs, SCH and PKF had respectively signed the tenancy agreements in-escrow with Pacific Trustees for rental of the abovementioned properties from KIP REIT upon the terms and covenants contained therein, commencing upon the completion of the Disposals ("Properties Tenancies").

In addition to the above, HIB, through Hextar Solutions Sdn. Bhd. ("HSO"), an indirect wholly-owned subsidiary of HIB, entered into a tenancy agreement in-escrow with Pacific Trustees for the rental of a parcel of land together with the buildings erected thereon in Bintulu, Sarawak ("Bintulu Property") from KIP REIT upon the terms and conditions agreed between them. The said tenancy will commence upon the completion of a disposal of the Bintulu Property from the current landlord, Teju Logistics Sdn Bhd to Pacific Trustees ("Bintulu Disposal"), based on a conditional sale and purchase agreement dated 29 August 2024 ("Bintulu Tenancy").

On 24 January 2025, the Disposals, Properties Tenancies and Bintulu Tenancy have obtained the approvals from the shareholders through the Extraordinary General Meeting.

The disposals of the Cheras Property and the Pasir Gudang Property were completed on 26 February 2025 and 17 October 2025, respectively. The tenancy agreements for both properties, which had been signed in escrow with Pacific Trustees, were dated and became effective on the respective completion dates.

The Bintulu Disposal had been completed on 30 September 2025 and the Bintulu Tenancy, which had been signed in-escrow between HSO and Pacific Trustee, was dated and become effective on the same day.

B6. Status of corporate proposals announced (cont'd)

(a) (continued)

The gross proceeds of RM45.90 million from these transactions will be utilised as follows:

Details of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Estimated timeframe for utilisation
Working capital	45,200	21,900	23,300	Within 24 months
Estimated expenses for the Proposals	700	700	-	Upon completion
TOTAL	**45,900**	**22,600**	**23,300**	

(b) On 23 December 2025, HIB and its wholly-owned subsidiary, Hextar Fertilizers Group Sdn Bhd ("HFGSB") had entered into the following 2 separate conditional share sale agreements with Hextar Global Berhad ("HGB"):-

(i) conditional share sale agreement between HIB and HGB in relation to the proposed disposal by HIB of the entire equity interest in PK Fert Sdn Bhd to HGB for a cash consideration of RM3.30 million, subject to adjustment as provided in the conditional share sale agreement between HIB and HGB dated 23 December 2025; and

(ii) conditional share sale agreement between HFGSB and HGB in relation to the proposed disposal by HFGSB of the entire equity interests in Hextar Fert Sdn Bhd and PK Fertilizers Sdn Bhd to HGB for an aggregate cash consideration of RM116.70 million, subject to adjustment as provided in the conditional share sale agreement between HFGSB and HGB dated 23 December 2025, (collectively referred to as the "Proposed Disposals").

In addition to the Proposed Disposals, the Board of Directors of HIB proposes to undertake the proposed diversification of the existing principal activities of the Company and its subsidiaries to include the retail business of food and beverage and related activities ("Proposed Diversification").

On 13 February 2026, an application has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") to seek an extension of time for HIB to submit the draft circular (including the draft independent advice letter) to the shareholders of HIB in relation to the Proposal Disposals and Proposed Diversification to Bursa Securities.

(c) On 12 February 2026, HIB had entered into a conditional shares purchase agreement with Tan Kai Young, Chua Ray-Men, Tan Sze Liang, Lee Ken Vern and Ricky Tjandra for the acquisition of 51% equity interest in Woodpeckers Group Sdn Bhd for a cash consideration of RM177.48 million, subject to adjustment as provided in the agreement ("Proposed Acquisition").

Save as disclosed above, there is no other corporate proposal which has been announced but not yet completed as at the date of this report.

B7. Borrowings

The Group's borrowings are as follows: -

	Denominated in currency	Unaudited as at 31.12.2025 RM'000	Audited as at 31.12.2024 RM'000
Secured			
Bills payable	CNY	-	372
Bills payable	USD	6,823	550
Bills payable	MYR	66,053	176,497
Revolving credit	MYR	26,000	4,500
Hire purchases	MYR	1,080	2,425
Term loans	MYR	30,283	41,042
Total bank borrowings		130,239	225,386
Short Term			
Bills payable	CNY	-	372
Bills payable	USD	6,823	550
Bills payable	MYR	66,053	176,497
Revolving credit	MYR	26,000	4,500
Hire purchases	MYR	645	963
Term loans	MYR	4,777	7,909
		104,298	190,791
Long Term			
Hire purchases	MYR	435	1,462
Term loans	MYR	25,506	33,133
		25,941	34,595

B8. Changes in material litigation

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B9. Dividend

No dividend was proposed for the financial quarter.

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B10. Basic earnings per share/Diluted earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

	<--Individual Quarter--> Ended		<--Cumulative Quarter--> Ended	
	31.12.2025 RM'000	**31.12.2024 RM'000**	**31.12.2025 RM'000**	**31.12.2024 RM'000**
Profit attributable to owners of the Company	(2,206)	5,791	11,100	27,518
Weighted average number of ordinary shares in issue ('000) ^	2,689,189	2,747,342	2,732,662	2,747,342
Basic earnings per share (sen)	(0.08)	0.21	0.41	1.00

^ The Company acquired 76,296,100 units of treasury shares for a total consideration of RM26,995,342, leading to a lower weighted average number of ordinary shares as at 31 December 2025.

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B11. Disclosure on selected expense/income items as required by the Listing Requirements

	<--Individual Quarter-->		<--Cumulative Quarter-->	
	Unaudited 3 Months Ended 31.12.2025 RM'000	**Audited 3 Months Ended 31.12.202 RM'000**	**Unaudited 12 Months Ended 31.12.2025 RM'000**	**Audited 12 Months Ended 31.12.2024 RM'000**
Profit before tax is arrived at after charging/(crediting):-				
- Amortisation of intangible assets	68	12	272	48
- Bad debts written off	-	17	-	17
- Depreciation of property, plant and equipment	7,798	4,697	24,915	17,120
- Deposit written off	-	6	-	6
- Gain on disposal of property, plant and equipment	(105)	(30)	(234)	(474)
- Gain on lease modification	-	(32)	-	(32)
- Gain on struck off of subsidiaries	-	(69)	-	(69)
- Impairment loss on other investments	-	-	-	3,144
- Impairment loss on property, plant and equipment	-	-	3,253	-
- Interest expenses	5,982	4,168	18,691	15,724
- Interest income	(1,863)	(507)	(3,060)	(1,775)
- Inventories written off	305	17	425	166
- Inventories written down	-	459	-	459
- Property, plant and equipment written off	-	-	11	13
- Net impairment/(recovery) on receivables	432	904	536	(253)
- Realised loss/(gain) on foreign exchange	55	(509)	(318)	(163)
- Unrealised (gain)/loss on foreign exchange	(156)	(13)	195	(542)

BY ORDER OF THE BOARD
25 Feb 2026