

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.

Bursa Securities has not perused the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and the Proposed Renewal of Authority for Share Buy Back, except in respect of the new shareholders' mandate for the additional Recurrent Related Party Transactions on a limited review basis pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, prior to the issuance of this Circular.



**HEXTAR GLOBAL BERHAD**

Registration No: 199001014551 (206220-U)  
(Incorporated in Malaysia)

**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")**

**PART B**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY BACK**

The resolutions in respect of the above proposals will be tabled at the Company's 33<sup>rd</sup> Annual General Meeting ("33<sup>rd</sup> AGM"). The Notice of the 33<sup>rd</sup> AGM together with the Proxy Form are enclosed together with the Company's Annual Report 2023. Details of the Company's 33<sup>rd</sup> AGM which will be conducted virtually through live streaming from the broadcast venue at Hextar Global Berhad's Corporate Office, Level 3, No. 64, Jalan Bayu Laut 4/KS09, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan, Malaysia and via TIIH Online website at <https://tiih.online> (Domain Registration No. MYNIC:D1A282781) are set out below:

Date and time of the AGM : Monday, 20 May 2024 at 10.00 a.m.  
Last date and time for lodging the Proxy Form : Saturday, 18 May 2024 at 10.00 a.m.

If you decide to appoint proxy(ies) to attend, participate, speak and vote on your behalf at the 33<sup>rd</sup> AGM are requested to complete, sign and return the original Proxy Form in accordance with the instructions contained therein as soon as possible and in the event so as to arrive at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via **TIIH Online** at <https://tiih.online> on or before the time and the date indicated above should you be unable to attend the meeting. The lodging of the Proxy Form will not preclude you from attending and voting remotely at the meeting if you subsequently decide to do so.

---

## DEFINITIONS

---

In this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: The Companies Act, 2016 and any amendments made thereto from time to time
“AGM”	: Annual General Meeting of the Company
“Board”	: The Board of Directors of Hextar Global Berhad
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Code”	: The Malaysian Code on Take-Overs and Mergers, 2010 (revised) and any amendments made thereto from time to time
“Dato’ Eddie Ong”	: Dato’ Eddie Ong Choo Meng
“David Yaory”	: Person Connected and Major Shareholder of DELTA and DGW. HHSB and Persons Connected with HHSB and Hextar do not have any interest in DELTA and DGW. He is deemed as a Person Connected with Dato’ Eddie Ong by virtue of his business partnership with Dato’ Eddie Ong pursuant to Section 197 (1) (d) of the Act
“Director”	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of Hextar, its subsidiary or holding company or a chief executive of Hextar, its subsidiary or holding company
“DELTA”	: PT Delta Giri Wacana, a company owned by David Yaory
“DELTA Group”	: PT Delta Giri Wacana and PT Dharma Guna Wibawa, including companies where DELTA has beneficial interest by way of trust deed
“DGW”	: PT Dharma Guna Wibawa, a company owned by David Yaory
“EPS”	: Earnings per shares
“HBBSB”	: Hextar Biogas BEE Sdn Bhd, a 55% owned subsidiary of Hextar, 21% is owned by Lian Dazhi, 15% by Luo Deming, 7% by Lim Swee Sang and the remaining of 2% by Lim Eng Bee (all individuals are unrelated third parties to Hextar Group)
“Hextar” or “Company”	: Hextar Global Berhad [199001014551 (206220-U)]
“Hextar Group” or “Group”	: Hextar and its subsidiaries
“Hextar Capital”	Hextar Capital Berhad [199401036979 (322661-W)] (formerly known as Opcom Holdings Berhad)
“Hextar Capital Group”	Hextar Capital Berhad and its subsidiaries
“Hextar Healthcare”	: Hextar Healthcare Berhad [199601000297 (372642-U)]
“Hextar Healthcare Group”	: Hextar Healthcare Berhad and its subsidiaries
“Hextar Industries”	: Hextar Industries Berhad [201101044580 (972700-P)]

“Hexstar Industries Group”	:	Hexstar Industries Berhad and its subsidiaries
“Hexstar Rubber”	:	Hexstar Rubber Sdn Bhd [200801012230 (813518-T)]
“Hexstar Technologies”	:	Hexstar Technologies Solutions Berhad [200501034100 (716241-X)]
“Hexstar Technologies Group”	:	Hexstar Technologies Solutions Berhad and its subsidiaries
“HFSB”	:	Hexstar Fruits Sdn Bhd, a 51% owned subsidiary of Hexstar and the remaining of 49% is owned by PHG Sun Hill Sdn Bhd (an entity that is not related to Hexstar Group)
“HHSB”	:	Hexstar Holdings Sdn Bhd [200601002945 (722692-V)], the ultimate holding company of Hexstar (53.73%)
“HHSB Group”	:	Hexstar Holdings Sdn Bhd and its subsidiaries
“HKSB”	:	Hexstar Kimia Sdn Bhd, a 49% owned subsidiary of Hexstar and the remaining of 51% is owned by Ekopintar Sdn Bhd (an entity that is not related to Hexstar Group)
“HOSB”	:	Hexstar Oiltech Sdn Bhd (formerly known as OPCOM Lube & Solutions Sdn Bhd), a 60% owned subsidiary of Hexstar and the remaining of 40% is owned by Lim Jun Yeong (an individual that is not related to Hexstar Group)
“HUSB”	:	Hexstar Unitop Sdn Bhd, a 50% owned joint venture of Hexstar Chemicals Group Sdn Bhd which in turn is a wholly-owned subsidiary of Hexstar
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities and any amendments made or to be made from time to time
“LPD”	:	19 March 2024, being the latest practicable date for ascertaining certain information contained in this Circular
“Major Shareholder”	:	<p>A person who has an interest or interests in one (1) or more voting shares in the company and the number or aggregate number of those shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the company; or</p> <p>(b) 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company.</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act. A Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company.</p>
“NA”	:	Net assets
“Person Connected”	:	<p>In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:</p> <p>(a) a family member of the Director or Major Shareholder;</p> <p>(b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;</p> <p>(c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;</p>

- (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
  - (f) a body corporate in which the Director, Major Shareholder and/or persons connected with the Director or Major Shareholder are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - (g) a body corporate which is a related corporation of the Director or Major Shareholder.
- “Proposed Renewal” : The proposed renewal of authority for the Company to purchase up to ten percent (10%) of the issued and paid-up share capital of the Company
- “Proposed Renewal of Shareholders’ Mandate” : Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business of the Group as set out in Section 2.3.3 (a) of this Circular
- “Proposed New Shareholders’ Mandate” : Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business of the Group as set out in Section 2.3.3 (b) of this Circular
- “Proposed Shareholders’ Mandate” : Collectively, the Proposed Renewal of Shareholders’ Mandate and Proposed New Shareholders’ Mandate, approvals of which are being sought from the shareholders at the forthcoming AGM
- “PTASR” : PT Agro Sentosa Raya, a 99.91% owned subsidiary of HGB and the remaining of 0.09% is owned by Ardian Gunawan (an unrelated third party to Hextar Group)
- “Recurrent Related Party Transactions” or “RRPTs” : Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group and are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders
- “Related Party(ies)” : A Director, Major Shareholder of the Hextar Group or Person Connected with such Director or Major Shareholder
- “RM or Sen” : Ringgit Malaysia and sen respectively
- “Shareholder’s Mandate” : Shareholders’ mandate for the Recurrent Related Party Transactions
- “Treasury Shares” : The Purchase Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127 of the Act

All references to “you” in this Circular are referred to the Company’s shareholders.

Words importing the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies or corporations, unless otherwise specified.

Any enactment referred to in this Circular is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to dates and time in this Circular are references to dates and time in Malaysia, unless otherwise stated.

**PART A – CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”)**

---

**TABLE OF CONTENTS**

---

**LETTER TO THE SHAREHOLDERS IN RELATION TO PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE AND NEW SHAREHOLDERS’ MANDATE FOR RRPT:**

	<u>Page No.</u>
<b>1. INTRODUCTION</b>	1
<b>2. DETAILS OF THE PROPOSED SHAREHOLDERS’ MANDATE</b>	
2.1 Shareholders’ Mandate	2
2.2 Details of the Proposed Shareholders’ Mandate	2
2.3 Class and Nature of Recurrent Related Party Transactions	6
2.3.1 Classes of Related Parties	6
2.3.2 Interest of Director, Major Shareholders and Persons connected to them	8
2.3.3 Nature of Recurrent Related Party Transaction	9
2.4 Outstanding amount due and owing by related parties	12
2.5 Deviation from Mandate	12
<b>3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS’ MANDATE TO THE HEXTAR GROUP</b>	
3.1 Rationale	13
3.2 Benefits	13
<b>4. REVIEW METHODS OR PROCEDURES OF THE PROPOSED SHAREHOLDERS’ MANDATE</b>	
4.1 Review Methods or Procedures	13
4.2 Threshold of Authority	14
4.3 Abstain from Voting	15
4.4 Disclosure	15
<b>5. STATEMENT BY AUDIT COMMITTEE</b>	15
<b>6. CONDITION FOR THE PROPOSED SHAREHOLDERS’ MANDATE</b>	16
<b>7. EFFECTS OF THE PROPOSED SHAREHOLDERS’ MANDATE</b>	16
<b>8. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS</b>	16
<b>9. DIRECTORS’ RECOMMENDATION</b>	16
<b>10. AGM</b>	17
<b>11. FURTHER INFORMATION (APPENDIX 1)</b>	17

**PART B – STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY BACK**

---

**TABLE OF CONTENTS**

---

THIS STATEMENT CONTAINS: -	Page No.
1. INTRODUCTION	20
2. DETAILS OF THE PROPOSED RENEWAL	20
3. RATIONALE FOR THE PROPOSED RENEWAL	21
4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL	21
5. FUNDING	22
6. FINANCIAL EFFECTS TO THE PROPOSED SHARE BUY-BACK	22
7. PUBLIC SHAREHOLDING SPREAD	25
8. IMPLICATIONS OF THE CODE	25
9. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED	26
10. PURCHASE OF SHARES AND RESALE OF TREASURY SHARES	26
11. SHARE PRICES	26
12. APPROVALS REQUIRED	27
13. DIRECTORS' RECOMMENDATION	27
14. FURTHER INFORMATION	27
15. APPENDIX	27

**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND  
NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED  
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**



## HEXTAR GLOBAL BERHAD

Registration No: 199001014551 (206220-U)  
(Incorporated in Malaysia)

### Registered Office:

Unit 30-01, Level 30, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8 Jalan Kerinchi  
59200 Kuala Lumpur

18 April 2024

### Directors:

Dato' Sri Dr. Erwan bin Dato' Haji Mohd Tahir (*Independent Non-Executive Chairman*)  
Dato' Ong Soon Ho (*Non-Independent Non-Executive Vice Chairman*)  
Lee Chooi Keng (*Group Managing Director*)  
Rayburn Azhar Bin Ali (*Executive Director*)  
Yeoh Chin Hoe (*Senior Independent Non-Executive Director*)  
Liew Jee Min @ Chong Jee Min (*Independent Non-Executive Director*)

### To: The Shareholders of Hextar Global Berhad

Dear Sir/Madam,

### **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

---

#### 1. INTRODUCTION

At the 32<sup>nd</sup> AGM of the Company held on 12 June 2023, the Company had obtained a mandate from its shareholders to enter into RRPTs with the Related Parties. The Existing Shareholders' Mandate will expire at the conclusion of the forthcoming 33<sup>rd</sup> AGM scheduled to be held on 20 May 2024.

The Company has on 2 April 2024 announced its intention to seek shareholders' approval for the Proposed Shareholders' Mandate.

The purpose of this Circular is to provide you with the relevant details of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution in relation thereto to be tabled at the forthcoming AGM.

*[The rest of this page has been intentionally left blank]*

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Shareholders' Mandate**

In compliance with Paragraph 10.09 of the Listing Requirements, Hextar proposes to seek its shareholders' approval for the Proposed Shareholders' Mandate which will enable the Hextar Group to enter into the Recurrent Related Party Transactions as set out in Section 2.3.3 below.

The Proposed Shareholders' Mandate will, if approved by shareholders at the forthcoming AGM, be subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time this Shareholders' Mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340 (2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

The Proposed Shareholders' Mandate shall apply in respect of all Recurrent Related Party Transactions to be entered into from the date of the forthcoming AGM to the next AGM. Thereafter, approval from shareholders for a renewal of Shareholders' Mandate will be sought at each subsequent AGM of Hextar.

In making the disclosure of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the existing Shareholders' Mandate, Hextar will provide a breakdown of the aggregate value of the Recurrent Related Party Transactions to be made from 12 June 2023 to the 33<sup>rd</sup> AGM to be convened in 2024 in Section 2.3.3 if this Circular is based on the following information:-

- (a) the type of the Recurrent Related Party Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Group.

Shareholders are advised to refer to pages 5 – 10 of this Circular for further details.

### **2.2 Details of the Proposed Shareholders' Mandate**

Hextar is proposing to seek its shareholders' approval for the Proposed Shareholders' Mandate to enable the Group to continue entering into the Recurrent Related Party Transactions with the Related Parties.

*[The rest of this page has been intentionally left blank]*

The Company is principally an investment holding company whilst the principal activities of its subsidiaries are as follows:-

<b>Hextar's Subsidiaries</b>	<b>Effective Ownership Interest</b>	<b>Principal activities</b>
Halex Management Sdn Bhd	100%	Provision of management services
Halex (M) Sdn Bhd ("Halex (M)")	100%	Marketing, distributions and agency of agrochemicals
Hextar Chemicals Group Sdn Bhd ("HCGSB")	100%	Investment holding
HBBSB	55%	(i) Providing services related to integrated process and system using biological green technology (ii) Providing consultancy, research and development, design, manufacturing and commissioning and testing, maintenance, and service to produce methane gas or organic fertilizer (iii) Investment holding
Chempro Technology (M) Sdn Bhd ("CTSB")	100%	General Agent and Trading in Institutional and Industrial Chemicals
Alpha Aim (M) Sdn Bhd	100%	Manufacturing and Trading Industrial Chemicals Detergent and Related Products
Nobel Synthetic Polymer Sdn Bhd	100%	Manufacturing of Chemicals Derivatives, Coating and Related Products
Nobel Scientific Sdn Bhd	100%	Manufacturing of Chemicals Derivatives, Coating and Related Products
HKSB	49%	Manufacture, Blending, Bulk Storage, Repacking and Specialty Chemicals, Catalysts and Adsorbents
Hextar Kimia (Australia) Pty. Ltd. ("Hextar Kimia (Australia)")	100%	Investment holding
Tuffbond Technology Sdn Bhd	100%	Trading & Manufacturing of Polymers, Adhesive Product, Machineries, Provision of Technical Assistance & Technology Transfer
Hextar Agriculture Sdn Bhd	100%	Manufacturing and marketing of a wide range of fertilisers and the trading of agrochemical products
PTASR	99.91%	Principally engaged in the chemical industry in Indonesia, a one-stop solution company providing full range of services from developing, procuring, processing, warehousing to distributing chemical products
Hextar Industrial Chemicals Sdn Bhd ("HICSB")	100%	Principally engaged in trading and distribution of industrial chemical products, including chemicals for food, pharmaceutical, plastic, coating, Polyvinyl chloride (PVC), personal care, rubber and adhesive, and others
HFSB	51%	Investment holding

<b>Hextar's Subsidiaries</b>	<b>Effective Ownership Interest</b>	<b>Principal activities</b>
HOSB	60%	Principally engaged in the business of trading of lubricant oil and oil related products.
<b>Held through Halex (M):</b>		
Halex Industries (M) Sdn Bhd	100%	Formulations and distributions of agricultural chemicals, fertilisers and compounds
Halex Biotechnologies Sdn Bhd	100%	Horticulture and agro-biotechnology
Halex Realty Sdn Bhd	100%	Investment in landed property
Halex Chemicals (S) Pte Ltd	100%	Trading of fertilizers and agriculture chemicals
Pengedaran Beras Lestari Sdn Bhd	100%	Wholesale of rice, other grains, flour, and sugars
<b>Held through CTSB:</b>		
Protek Chemicals & Engineering (B) Sdn Bhd	99.99%	Retailer of specialized cleaning and sanitizing chemicals and other related services
<b>Held through HCGSB:</b>		
Hextar Chemicals Sdn Bhd ("HCSB")	100%	Production and trading of pesticides/ agrochemicals
Hextar R&D International Sdn Bhd	100%	R&D activities and the provision of laboratory services in relation to agrochemicals
HUSB	50%	Production and trading of special chemicals
<b>Held through HBBSB:</b>		
Biogas Environmental Engineering Sdn Bhd	100%	Business of biological technology to process the waste from palm oil processing mill or other industries to produce methane (biogas) or organic fertiliser
<b>Held through HKSB:</b>		
Hextar Oilfield Chemicals Sdn Bhd	100%	Marketing, Selling and Distribution of Equipment and Machineries as well as Provision of After-Sales Services Including Maintenance, Repair and Overhauling
Hextar Downstream Services Sdn Bhd	100%	Principally engaged in the provision of innovative field development, refurbishment and abandonment solutions to the global upstream oil and gas industry
Hextar Secadyme Sdn Bhd (formerly known as Propel Chemicals Sdn Bhd)	100%	Supplying industrial chemicals and catalysts for the oil and gas industry, blending, mixing and supplying of oilfield chemicals, environmental chemicals and other related products
<b>Held through Hextar Kimia (Australia):</b>		
International Chemicals Engineering Pty. Ltd.	100%	Supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems

<b>Hextar's Subsidiaries</b>	<b>Effective Ownership Interest</b>	<b>Principal activities</b>
<b>Held through HFSB:</b>		
PHG.Ever Fresh Food (M) Sdn Bhd ("PEFFM")	100%	Engaged in the business of durian, durian processing and other fruits
PHG.Ever Fresh Food (TK) Sdn Bhd ("PEFFTK")	100%	Engaged in the business of frozen durian, durian paste, durian pulp and other durian related products
PHG Wholesale & Retail Sdn Bhd ("PW&R")	100%	Wholesale of durian and other fruits
PHG Ever Fresh Plantation Sdn Bhd ("PEFP")	55%	Principally engaged in the business of growing and wholesale of durian
Fruits Venture Sdn Bhd	100%	(i) Investment holding company. (ii) Trading, distribution, import and export of fruits.
Durian Boat Global Sdn Bhd (formerly known as Hextar IOT Sdn Bhd)	100%	Trading of Durian

*[The rest of this page has been intentionally left blank]*

### 2.3 Class and Nature of Recurrent Related Party Transactions

The Proposed Shareholders' Mandate will apply to transactions with Related Parties comprising Directors, Major Shareholders and/or persons connected with such Directors and/or Major Shareholders of the Hextar Group and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a Director or Major Shareholder of the Hextar Group.

The Related Parties are as described below:

#### 2.3.1 Classes of Related Parties

##### Directors and/or Major Shareholders and Persons Connected to them:-

Related Parties	Principal Activities
Hextar Healthcare Group	<ul style="list-style-type: none"> <li>• Manufacturing and sales of test kits and other healthcare related products and services such as medicine, medical consumables, pharmaceutical products, medical equipment or devices, vaccines, health supplements, provision of quarantine services, health screening services, clinical services, and laboratory services.</li> <li>• Manufacturing and sale of household, industrial rubber gloves and disposable gloves.</li> <li>• Trading of gloves, household items, kitchen items and personal protective products.</li> </ul>
Hextar Industries Group	<ul style="list-style-type: none"> <li>• Manufacturing, trading, distribution, and wholesale of fertilisers.</li> <li>• Supply and distributing machinery, reconditioned machinery, spare parts, conveyor belts and related industrial products to quarry industry and manufacturing, distribution, and supply of quarry crusher screens.</li> <li>• Provision of temporary temperature, control, power, structure solutions and trading of industrial products that include forklifts, industrial batteries and/or its accessories/parts.</li> </ul>
Hextar Capital Group	<ul style="list-style-type: none"> <li>• Manufacturing of fibre optic cables, systems, accessories to telecommunications network operators and electrical utility provider, and thixotropic gel for fibre optic and construction purposes.</li> <li>• Trading of cable filling, flooding compounds, industrial products and building materials as well as provision of engineering services to the telecommunications and power utilities industry.</li> </ul>
Hextar Technologies Group	<ul style="list-style-type: none"> <li>• Provision of total logistics services including land transportation, forwarding services, project logistics, and door-to-door delivery services.</li> <li>• Provision of warehouse.</li> <li>• Trading of building materials for residential, commercial, and industrial developments.</li> <li>• Provision of technology-related services including e-commerce marketplace and one-stop solution financial application.</li> </ul>
HHSB Group	<ul style="list-style-type: none"> <li>• Manufacturing, trading and distribution of formulated agrochemicals, fertilisers and industrial chemical products.</li> </ul>
DELTA Group	<ul style="list-style-type: none"> <li>• Sales and Marketing of chemicals.</li> </ul>

Related Parties	Nature of Relationships
Dato' Ong Soon Ho	<ul style="list-style-type: none"> <li>● Non-Independent Non-Executive Vice-Chairman of Hexstar.</li> <li>● Director and Major Shareholder of HHSB, the holding company of Hexstar.</li> <li>● Major Shareholder of Hexstar, Hexstar Industries and Hexstar Technologies via his substantial shareholding and directorship in HHSB.</li> <li>● Spouse of Datin Teoh who is a substantial shareholder of HHSB.</li> <li>● Father of Dato' Eddie Ong.</li> </ul>
Dato' Eddie Ong	<ul style="list-style-type: none"> <li>● Shareholder of Hexstar.</li> <li>● Group Managing Director/Group Chief Executive Officer of the HHSB Group of Companies.</li> <li>● Group Chief Executive Director and Executive Director of Hexstar Technologies.</li> <li>● Major Shareholder of Hexstar, Hexstar Industries and Hexstar Technologies via his substantial shareholding and directorship in HHSB.</li> <li>● Major Shareholder of Hexstar Healthcare via his substantial shareholdings and directorship in Hexstar Rubber.</li> <li>● Major Shareholder of Hexstar Capital.</li> <li>● Son of Dato' Ong Soon Ho and Datin Teoh.</li> </ul>
Datin Teoh	<ul style="list-style-type: none"> <li>● Datin Teoh Siew Yoke @ Teoh Siew Chin is the spouse of Dato' Ong Soon Ho and the mother of Dato' Eddie Ong.</li> <li>● Major Shareholder of Hexstar, and Hexstar Industries via her substantial shareholding in HHSB.</li> </ul>
HHSB	<ul style="list-style-type: none"> <li>● Major Shareholder of Hexstar via its direct interest of 53.73%.</li> </ul>
Teh Li King	<ul style="list-style-type: none"> <li>● Director for Subsidiaries of Hexstar and Hexstar Industries Group of Companies.</li> <li>● He is also deemed as a Person Connected with Dato' Eddie Ong as he is the Group Chief Operating Officer of HHSB Group of Companies.</li> <li>● Director for Hexstar Rubber.</li> <li>● Director of Hexstar Capital.</li> <li>● Shareholder of Hexstar.</li> </ul>
David Yaory	<ul style="list-style-type: none"> <li>● Person Connected and Major Shareholder of DELTA and DGW. Hexstar and Persons Connected with HHSB and Hexstar do not have any interest in DELTA and DGW.</li> <li>● He is deemed as a Person Connected with Dato' Eddie Ong by virtue of his business partnership in foreign business entities that is not involved in the business of Hexstar Group with Dato' Eddie Ong pursuant to Section 197 (1) (d) of the Act.</li> </ul>

### 2.3.2 Interest of Director, Major Shareholders and Persons Connected to Them

The direct and indirect interests of the interested Director, Major Shareholders and persons connected with Director and Major Shareholders in Hextar as at LPD are as follows:-

<b>Interested Director:-</b>				
<b>Name</b>	<b>Direct Interest</b>	<b>[1] %</b>	<b>Indirect Interest</b>	<b>[1] %</b>
Dato' Ong Soon Ho	Nil	Nil	2,434,160,903 <sup>[2][3]</sup>	62.80 <sup>[2][3]</sup>

Notes:

[1] Based on 3,876,066,552 ordinary shares (excluded Treasury Shares of 63,195,300) in Hextar.

[2] Deemed interested pursuant to Section 8 of the Act by virtue of his shareholdings in HHSB.

[3] Indirect Interested pursuant to Section 59(11)(c) of the Act by virtue of the interest held through his child, Dato' Eddie Ong.

<b>Interested Major Shareholders and persons connected to Director and/or Major Shareholders:-</b>				
<b>Name</b>	<b>Direct Interest</b>	<b>[1] %</b>	<b>Indirect Interest</b>	<b>[1] %</b>
HHSB	2,082,466,103	53.73	-	-
Dato' Ong Soon Ho	-	-	2,434,160,903 <sup>[2][3]</sup>	62.80 <sup>[2][3]</sup>
Datin Teoh	-	-	2,082,466,103 <sup>[2]</sup>	53.73 <sup>[2]</sup>
Dato' Eddie Ong	351,694,800	9.07	2,082,466,103 <sup>[2]</sup>	53.73 <sup>[2]</sup>
Teh Li King	4,209,500	0.11	-	-
David Yaory	-	-	-	-

Notes:

[1] Based on 3,876,066,552 ordinary shares (excluded Treasury Shares of 63,195,300) in Hextar.

[2] Deemed interested pursuant to Section 8 of the Act by virtue of his/her shareholdings in HHSB.

[3] Indirect Interested pursuant to Section 59(11)(c) of the Act by virtue of the interest held through his child, Dato' Eddie Ong.

[The rest of this page has been intentionally left blank]

### 2.3.3 Nature of Recurrent Related Party Transactions

The nature of transactions which Hextar Group will be entered into from the date of the forthcoming AGM until the next AGM, for which shareholders' mandate is being sought comprises the following:-

#### (a) Proposed Renewal of Shareholders' Mandate

No.	Nature of Recurrent Related Party Transaction	Transacting Related Parties	Interested Directors, Major Shareholder and Person Connected	Estimated value as disclosed in existing mandate (RM'000)	Actual Value transacted from date of existing mandate up to the LPD (RM'000)	*Estimated value from forthcoming 33 <sup>rd</sup> AGM to the next 34 <sup>th</sup> AGM (RM'000)
1.	Sales of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products	HHSB Group	<ul style="list-style-type: none"> <li>- Dato' Ong Soon Ho</li> <li>- Dato' Eddie Ong</li> <li>- Datin Teoh</li> <li>- Teh Li King</li> </ul>	10,000	4,064	15,000
2.	Sales of formulated chemicals for the purpose of glove manufacturing process, work in progress and finished goods such as fertilisers, packaging material and other related products			1,000	0	0
3.	Purchase of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products			6,000	0	0
4.	Receipt of facility assets and management services including business consultation and support & cash management system			4,000	2,363	4,000
5.	Receipt of service for supply and installation of civil foundation, piping system and tanks installation			8,000	0	0
6.	Provision of specialist services such as oilfield chemicals, corrosion preservation products and associated consultation services, and supply of speciality chemicals and other related products			2,000	0	0

No.	Nature of Recurrent Related Party Transaction	Transacting Related Parties	Interested Directors, Major Shareholder and Person Connected	Estimated value as disclosed in existing mandate (RM'000)	Actual Value transacted from date of existing mandate up to the LPD (RM'000)	*Estimated value from forthcoming 33 <sup>rd</sup> AGM to the next 34 <sup>th</sup> AGM (RM'000)
7.	Sales of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products	DELTA Group	<ul style="list-style-type: none"> <li>- Dato' Ong Soon Ho</li> <li>- Dato' Eddie Ong</li> <li>- Datin Teoh</li> <li>- Teh Li King</li> <li>- David Yaory</li> </ul>	128,000	39,756	83,000
8.	Provision of specialist service for product testing, research development and product formulation registration			2,000	0	2,000
9.	Sales of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products	Hextar Industries Group	<ul style="list-style-type: none"> <li>- Dato' Ong Soon Ho</li> <li>- Dato' Eddie Ong</li> <li>- Datin Teoh</li> <li>- Teh Li King</li> </ul>	2,000	505	3,000
10.	Purchase of raw materials, work in progress and finished goods including chemicals, fertilisers, packaging material and other related products			3,000	273	10,000
11.	Sales of formulated chemicals for the purpose of glove manufacturing process, work in progress and finished goods such as packaging material and other related products	Hextar Healthcare Group	<ul style="list-style-type: none"> <li>- Dato' Eddie Ong</li> <li>- Teh Li King</li> </ul>	2,000	451	2,000

Note:

\* The estimated values of the RRPT are based on the Company's business forecast for financial years 2023 and 2024. Due to the nature of the RRPT and factors that may not be within the Company's control, the actual value of RRPT may vary from the estimated value disclosed above.

- None of the Actual Value of the Recurrent Related Party Transactions under the Existing Mandate has exceeded the Estimated Value by 10% or more.

(b) Proposed New Shareholders' Mandate

No.	Nature of Recurrent Related Party Transaction	Related Parties	Interested Directors, Major Shareholder and Person Connected	*Estimated value from forthcoming 33 <sup>rd</sup> AGM to the next 34 <sup>th</sup> AGM (RM'000)
1.	Receipt of service for supply and installation of civil foundation, piping system and tanks installation	Hextar Industries Group	- Dato' Ong Soon Ho - Dato' Eddie Ong - Datin Teoh - Teh Li King	10,000
2.	Receipt of facility assets and management services including business consultation and support & cash management system			2,000
3.	Sales of raw materials and finished goods including chemicals, packaging material and other related products			1,000
4.	Purchase of raw materials and finished goods including chemicals, packaging material and other related products	Hextar Capital Group	- Dato' Eddie Ong - Teh Li King	35,000
5.	Rental of storage space and receiving warehousing facilities services			1,000
6.	Receipt of e-Commerce services and support and other IT related services support	Hextar Technologies Group	- Dato' Ong Soon Ho - Dato' Eddie Ong - Datin Teoh - Teh Li King	5,000

Note:

\* The estimated values of the RRPT are based on the Company's business forecast for financial years 2023 and 2024. Due to the nature of the RRPT and factors that may not be within the Company's control, the actual value of RRPT may vary from the estimated value disclosed above.

#### 2.4 Outstanding amount Due and Owing by Related Parties

As at the financial year ended 31 December 2023, the outstanding amount due and owing to the Group by its related party under the Recurrent Related Party Transactions which exceeded the credit terms are as follow:-

No.	Related Party	6 months or less (RM'000)	1 year or less (RM'000)	More than 1 to 3 years (RM'000)	More than 3 to 5 years (RM'000)	More than 5 years (RM'000)
1	Due from Delta Group	1,208	-	-	-	-

The total amount recovered from the total outstanding amount owing from related parties which exceeded the credit terms of **RM1,208,156** as at 31 December 2023 up to LPD was **RM956,934**.

There were no late payment charges imposed by the Group on the above outstanding balances as it was trade in nature. The Management is constantly monitoring and following up with the debtors on the outstanding amount.

The Board of Directors is of the opinion that there will be no recoverability issue as the related parties has proven to be credit-worthy debtors.

#### 2.5 Deviation from Mandate

The actual value of RRPTs did not exceed the estimated value as approved under the previous Shareholders' mandate granted to the Company at the last AGM.

*[The rest of this page has been intentionally left blank]*

### **3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE TO THE HEXTAR GROUP**

#### **3.1 Rationale**

The Proposed Shareholders' Mandate will enable the Hextar Group to enter into Recurrent Related Party Transactions that are in the ordinary course of business, revenue or trading in nature and necessary for the Hextar Group's day-to-day operations ("these transactions" or "RRPTs"). These RRPTs are likely to occur with some degree of frequency and arise at any time and from time to time and may be constrained by the time-sensitive nature. It may also be impracticable to seek shareholders' approval on a case by case basis before entering into such Recurrent Related Party Transactions. The obtaining of the Proposed Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential Recurrent Related Party Transactions arise; thereby reducing substantially administrative time and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Hextar Group or adversely affecting the business opportunities available to the Group. The Board is, therefore seeking a mandate pursuant to Paragraph 10.09 of the Listing Requirements for the Recurrent Related Party Transactions described in Section 2.3.3 above with the class of Related Parties specified in Section 2.3.1 above to allow the Hextar Group to enter into such Recurrent Related Party Transactions made on an arm's length basis and on normal commercial terms that are not more favourable to the related party than those generally available to the public and which are not prejudicial to the interests of the minority shareholders.

#### **3.2 Benefits**

The goods and services provided by the Related Parties are price competitive and all transactions between the Hextar Group and the Related Parties are carried out on an arm's length and commercial basis. Although the Hextar Group also sources similar products and services from third parties, the Hextar Group would like to seek approval for the RRPTs described in Section 2.3.3 as the close co-operation between the Hextar Group and the Related Parties will have mutual benefits and are expected to contribute to operation efficiency of the business of the Hextar Group.

### **4. REVIEW PROCEDURES AND GUIDELINE FOR THE RECURRENT RELATED PARTY TRANSACTIONS**

#### **4.1 Procedures and Guidelines**

The Group has established a related party transaction policy and procedures, to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the transacting parties than those generally available to the public and are not to the detriment of the minority shareholders:

- a) A list of Related Parties is established and circulated annually to the head of finance, who shall monitor and ensure that all RRPTs to be entered into by the Group are reported and forwarded to the Audit Committee.
- b) Proper records are maintained at the Group to capture all RRPTs so that all RRPTs entered pursuant to the mandate will be adequately discussed.
- c) Any Director who has an interest (direct or indirect) in any RRPT, such Director (or his alternate, where applicable) shall abstain from deliberation and voting on any decision to be taken by the Board in respect of such RRPT, if any.

- d) Any member of the Audit Committee who is interested in any RRPT shall abstain from deliberation and voting on any decision to be taken by the Audit Committee with respect to such transaction.
- e) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or/and from the Related Parties are fair and reasonable and comparable to those offered to or/and from the public for the same or substantially similar type of products/services and/or quantities.
- f) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), Management will ensure that the RRPT will only be entered into with the Related Party(ies) after taking into account the pricing, level of services, quality of products and other related factors to ensure that the RRPT is not detrimental to the interest of the Hextar Group. There is no specific threshold for approval of RRPT within the Hextar Group.
- g) The Hextar Group shall put in place adequate procedures and processes for monitoring, tracking and identifying Recurrent Related Party Transaction in a timely and orderly manner, and the adequacy and appropriateness of procedures and processes are reviewed on annual basis or whenever the need arises.
- h) The Audit Committee shall review the guidelines and procedures and are satisfied that the guidelines and procedures are adequate to ensure that the RRPTs are/will be:
  - (i) on terms not more favourable to a Related Party than those generally available to and/or from the public;
  - (ii) not to the detriment of the minority shareholders; and
  - (iii) at an arm's length basis and on normal commercial terms having taken into account, inter-alia, pricing, quality of the products and services, track records, experience and financial position of the supplier or vendor, speed of delivery, quality of aftersales support service and maintenance and etc.

#### **4.2 Threshold of Authority**

The guidelines for the relevant approving authority practiced by the Hextar Group in relation to the Recurrent Related Party Transactions are as follows:-

- (i) Transactions below RM2,000,000 each in value, will be reviewed and approved by the senior executive(s) (not being a person connected to the Related Party) designated by the Audit Committee from time to time for such purpose and tabled for review by the Audit Committee on a quarterly basis; and
- (ii) Transactions equal to or exceeding RM2,000,000 each in value will be reviewed and approved by the Audit Committee and Executive Director (not being the Related Party or a person connected to Related Party).

*[The rest of this page has been intentionally left blank]*

### **4.3 Abstain from Voting**

Further, where any Director has an interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from voting on the RRPT concerned. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting on any RRPT relating to any decisions to be taken by the Audit Committee with respect to such RRPT.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed New and Renewal of Shareholders' Mandate, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, shall abstain from voting or deliberating or approving the resolutions in respect of the Recurrent Related Party Transactions.

An interested Director or interested Major Shareholder must also ensure that persons connected with him abstain from voting or deliberating or approving the resolutions in respect of the Recurrent Related Party Transactions. Interested Director shall also abstain from deliberating or voting at board meetings in respect of the Recurrent Related Party Transactions in which they are interested.

### **4.4 Disclosure**

In accordance with the Listing Requirements, disclosure will be made in the Annual Report 2023 of the breakdown of the aggregate value of the RRPTs conducted during the financial year pursuant to the mandate given by the shareholders based on the following information:-

- (a) type of transaction made; and
- (b) name of the related parties involved in each type of the RRPTs made and their relationships with the Company and/or any of its subsidiaries.

## **5. STATEMENT BY AUDIT COMMITTEE**

The overall responsibility of determining whether the methods or procedures for reviewing all RRPTs are appropriate, rests with the Audit Committee. Review and ascertainment of whether the methods or procedures established to monitor Recurrent Related Party.

Should the Audit Committee determine that the methods or procedures stated in Section 4.1 are inadequate to ensure that:-

- (i) the RRPTs will be conducted at an arm's length basis and on normal commercial terms;
- (ii) such transactions are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (iii) the Company will obtain a fresh Shareholders' Mandate based on the new methods or procedures.

The Audit Committee shall also have the discretion to request for the limits to be imposed or for the additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has reviewed the methods or procedures as specified in Section 4.1 and is of the opinion that they are sufficient to ensure that the RRPTs are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

In conclusion, the Hextar Group has in place adequate procedures and processes to monitor, track, and identify the RRPTs in a timely and orderly manner.

## **6. CONDITION FOR THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is subject to the approval to be obtained from the shareholders of the Company at the forthcoming AGM to be convened.

## **7. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate, if obtained at the forthcoming AGM, will not have any effect on the earnings per share, gearing and net assets per share at the Group level, issued and paid-up share capital, substantial shareholding and dividend rate of the Company.

## **8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

The interested Director, namely Dato' Ong Soon Ho, has abstained and will continue to abstain from the board's deliberation and voting, in respect of his direct and indirect shareholdings in Hextar, on the ordinary resolution approving the Proposed Shareholders' Mandate.

The interested Major Shareholders and persons connected to them, namely HHSB, Dato' Ong Soon Ho, Datin Teoh, Dato' Eddie Ong, Teh Li King and David Yaory, have abstained and will continue to abstain from the deliberation and voting in respect of their direct and indirect shareholdings in Hextar on the ordinary resolution approving the Proposed Shareholders' Mandate.

The above interested Director and/or Major Shareholders have undertaken to ensure that the persons connected to them shall abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolutions, deliberating or approving the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders and persons connected to them have any interests, direct or indirect, in the Proposed Shareholders' Mandate.

## **9. DIRECTORS' RECOMMENDATION**

The Board, with the exception of Dato' Ong Soon Ho, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the shareholders of the Group.

The Board, with the exception of Dato' Ong Soon Ho, who has abstained from making a recommendation on the Proposed Shareholders' Mandate, recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## 10. AGM

The ordinary resolution in relation to the Proposed Shareholders' Mandate has been included in the Notice of the 33<sup>rd</sup> AGM of the Company.

The 33<sup>rd</sup> AGM will be conducted virtually through live streaming from the broadcast venue at Hextar Global Berhad's Corporate Office, Level 3, No. 64, Jalan Bayu Laut 4/KS09, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan, Malaysia and via TIIH Online website at <https://tiah.online> (Domain Registration No. MYNIC:D1A282781) on Monday, 20 May 2024 at 10.00 a.m. for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholders' Mandate.

If you decide to appoint proxy(ies) or corporate representative(s) or attorney(s) to attend, participate, speak and vote on your behalf at the AGM are requested to complete, sign and return the original Proxy Form as soon as possible so as to arrive at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur **not later than 48 hours** before the time fixed for convening the AGM, or by electronic lodgement via TIIH Online at <https://tiah.online> on or before the time and the date indicated should you be unable to attend the AGM. The lodging of the Proxy Form will not preclude you from attending and voting remotely at the AGM should you subsequently decide to do so.

## 11. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I which forms an integral part of this Circular, for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**HEXTAR GLOBAL BERHAD**

**YEOH CHIN HOE**  
Chairman of the Audit Committee

*[The rest of this page has been intentionally left blank]*

**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board of Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION**

The Board of Directors of the Company has confirmed that the Company and/or its subsidiaries are not presently engaged in any material litigation, material claim and arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the Company and/or its subsidiaries.

**3. MATERIAL CONTRACTS**

Except as disclosed below, neither Hextar nor its subsidiaries have entered into any contracts (*not being contracts entered into in the ordinary course of business*) within the two (2) years immediately preceding the date of this Circular.

- a) On 28 March 2022, Hextar entered into a Share Sale Agreement (“SSA”) with Hextar International Group Sdn Bhd (“HIGSB”) for the acquisition of 109,900 ordinary shares, representing 99.91% equity interest in PTASR for a total purchase consideration of RM10.2 million to be satisfied wholly in cash.

The acquisition of PTASR was completed on 20 May 2022 upon the fulfilment of all obligations pursuant to the SSA with HIGSB.

- b) Hextar had, on 23 May 2022, entered into a SSA with HKSB for the acquisition of 100 ordinary shares, representing 100% of the equity interest in Hextar Kimia (Australia), for a total purchase price of RM14.3 million to be satisfied wholly in cash.

The said acquisition was completed on 22 July 2022 upon the fulfilment of all obligations pursuant to the SSA with HKSB.

- c) On 10 June 2022, Hextar Chemicals, an indirect wholly-owned subsidiary of Hextar, awarded a contract to Pekat Solar Sdn Bhd to design, supply, install, testing and commissioning of 185.3kWp Grid Connected Photovoltaic system at the site location of Lot 5, Jln Perigi Nenas 7/3, Tmn Perindustrian Pulau Indah, Kg Perigi Nenas Pulau Indah, 42900 Pelabuhan Klang, Selangor for a contract sum of RM728,312.

- d) Hextar Chemicals, an indirect wholly-owned subsidiary of Hextar, had on 12 July 2022, entered into a conditional Sale and Purchase Agreement (“SPA”) with Pacific Trustees Berhad (“Pacific Trustee”), the trustee of KIP Real Estate Investment Trust for the proposed disposal of 2 adjoining parcels of leasehold industrial lands located in Mukim Klang, District of Klang, together with the buildings erected thereon (“Klang Properties”) for a cash consideration of RM27.0 million (“Proposed Disposal”).

In conjunction with the Proposed Disposal, Hextar Chemicals has signed in escrow a Lease Agreement with Pacific Trustees to lease the Klang Properties for 15 years. The aforesaid lease will commence upon the completion of the Proposed Disposal.

The Proposed Disposal was completed on 14 December 2022 following the full settlement of the Disposal Consideration by Pacific Trustees in accordance with the terms and conditions of the SPA.

- e) On 15 May 2023, Hextar entered into a SSA with HHSB for the acquisition of 5,000,000 ordinary shares, representing 100% equity interest in HICSB for a total purchase consideration of RM10.0 million satisfied fully in cash.

The said acquisition was completed on 22 June 2023 upon the fulfilment of all obligations pursuant to SSA with HHSB.

- f) Hextar and its wholly owned subsidiary namely Halex (M), had on 15 May 2023 entered into SSAs with Vinayaka Capital Sdn Bhd for the disposal of:-

- (i) 50,000 ordinary shares by Halex (M), representing 100% equity interest in Halex Marketing Sdn Bhd ("HxMkt"); and
- (ii) 1,953,081 ordinary shares by Hextar, representing 100% equity interest in Halex Woolton (M) Sdn Bhd ("HxW");

for a total consideration of RM3,500,001 satisfied fully by cash. The disposal of HxMkt and HxW was completed on 6 June 2023 upon the fulfilment of all obligations pursuant to the SSAs.

- g) HFSB, a 51% owned subsidiary of Hextar, had on 3 July 2023 entered into a SSA with PHG Ever Fresh Group Sdn Bhd for:

- (i) the acquisition of 2,500,000 ordinary shares in PEFFM, representing 100% equity interest in PEFFM;
- (ii) the acquisition of 1,000,000 ordinary shares in PEFFTK, representing 100% equity interest in PEFFTK;
- (iii) the acquisition of 2,000,000 ordinary shares in PW&R, representing 100% equity interest in PW&R; and
- (iv) the acquisition of 1,320,000 ordinary shares in PEFP, representing 55% equity interest in PEFP;

for a total purchase consideration of RM84,000,000 to be satisfied wholly in cash. The said acquisitions were completed on 26 October 2023 upon the fulfillment of all obligations pursuant to the SSA.

- h) On 27 October 2023, HKSB, a 49%-owned subsidiary of Hextar, entered into a SSA with Propel Global Berhad, Rancak Nikmat Sdn Bhd and Wiramas Baiduri Sdn Bhd for the acquisition of 1,008,000 ordinary shares, representing 100% equity interest in Hextar Secadyme Sdn Bhd (formerly known as Propel Chemicals Sdn Bhd) for a total consideration of RM16,500,000 satisfied fully in cash.

The said acquisition was completed on 3 November 2023 upon the fulfillment of all obligations pursuant to the SSA.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, during normal business hours from the date of this Circular up to and including the date of the forthcoming AGM:-

- (a) the Constitution of the Company; and
- (b) the audited financial statements of the Hextar Group for the past two (2) years; for the financial years ended 31 December 2022 and 31 December 2023 respectively.

**PART B**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY BACK**



**HEXTAR GLOBAL BERHAD**  
Registration No: 199001014551 (206220-U)  
(Incorporated in Malaysia)

## **SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY**

### **1. INTRODUCTION**

At the last AGM held on 12 June 2023, the Company had obtained a mandate from its shareholder to purchase up to 10% of the total issued and paid-up share capital of the Company. The said approval will lapse at the conclusion of the forthcoming 33<sup>rd</sup> AGM of the Company unless a renewal of the mandate is obtained.

The Company had on 2 April 2024 announced its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority ("Proposed Renewal") at the forthcoming 33<sup>rd</sup> AGM.

The purpose of this statement is to provide you with the details of the Proposed Renewal and to seek your approval for the ordinary resolution pertaining thereto which is set out in the 2023 Annual Report of the Company.

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL.**

### **2. PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE**

At the last AGM held on 12 June 2023, the Company had obtained shareholders' approval to purchase up to 10% of the total issued and paid-up share capital of the Company.

As at LPD, the Company had purchased a total of 63,195,300 Shares which were retained as Treasure Shares. The current issued and paid-up share capital of the Company is RM637,972,088 comprising 3,939,261,852 Shares.

The Company proposes to seek approval from its shareholders at the forthcoming AGM for the Proposed Renewal. The Proposed Renewal shall be effective upon the passing of the ordinary resolution to be tabled at the forthcoming 33<sup>rd</sup> AGM of the Company and will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the ordinary resolution for the Proposed Renewal is passed, at which time it shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

### **3. RATIONALE**

The Proposed Renewal, if carried out, will enable the Company to purchase its own shares when appropriate and at prices that are viewed as favourable by the Board. The Proposed Renewal is expected to benefit the Company and its shareholders as follows:-

- (i) The Proposed Renewal will allow the Company to utilise its financial resources not immediately required for use to purchase its own Shares from Bursa Securities. Depending on the funding cost for the purchase of its own Shares, the Proposed Renewal may strengthen the earnings per share of the Company's shares and if so, it is expected to benefit the shareholders of the Company;
- (ii) The Proposed Renewal is expected to reduce any unwarranted volatility of the Company's shares and assist to stabilize the supply, demand and price of the shares in the open market, thereby supporting the fundamental values of its shares;
- (iii) If the purchased shares are held as treasury shares, such shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves. The treasury shares may also be distributed as share dividends to shareholders as a reward to the shareholders of the Company;
- (iv) If the Board resolves to cancel the purchased shares, the earnings per share of the Group is expected to be enhanced as a result of the reduction in the issued and paid-up share capital of the Company, thereby enabling long term and genuine investors to enjoy any potential corresponding increase in the value of their investments in the Company.

### **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL**

#### **4.1 Potential advantages**

The potential advantages of the Proposed Renewal to the Company and its shareholders, if exercised, are as follows:-

- (i) allows the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- (ii) allows the Company to take preventive measures against speculation, particularly when its shares are undervalued which would in turn stabilise the market price and hence, enhance investors' confidence.
- (iii) other advantages of the Proposed Renewal are also outlined in Section 3 on the "Rationale for the Proposed Renewal".

#### **4.2 Potential disadvantages**

The potential disadvantages of the Proposed Renewal to the Company and its shareholders are as follows:-

- (i) the Proposed Renewal will reduce the financial resources of the Group and may result in the Company foregoing other investment opportunities that may emerge in the future or, at the least, deprive the Company and the Group of interest income that can be derived from the funds utilised for the Proposed Renewal;
- (ii) the Proposed Renewal can only be made out of retained profits of the Company and may result in the reduction of financial resources available for distribution to shareholders in the immediate future. However, the financial resources of the Group may increase if the treasury shares held are resold at prices higher than their purchase prices; and

- (iii) in the event that the Proposed Renewal is funded by bank borrowings, the Company's net cash flow may decline to the extent of the interest cost associated with such borrowings.

Nevertheless, the Board is of the view that the Proposed Renewal is not expected to have any potential material disadvantage to the Group or its shareholders as any share buy-back exercise will be undertaken only after in-depth consideration of the financial resources of the Group and of the resultant impact on its shareholders.

The Directors in exercising any decision on the Proposed Renewal will be mindful of the interest of the Company and its shareholders.

## 5. FUNDING

The Proposed Renewal will be funded by internally generated funds of the Company and/or borrowings. The amount of borrowings will depend on the financial resources available at the time of purchase(s). In the event that the Proposed Renewal is to be financed by borrowings, the Company will ensure its capability of repaying such borrowings and that such repayment will not have a material effect on its cash flow.

The actual number of the Company's shares to be purchased and the timing of any purchase, together with the treatment of the shares purchased would depend, *inter alia*, on the prevailing market conditions, the availability of the Company's retained profits as well as its cash and funding position.

The maximum amount of funds to be allocated for the Proposed Renewal shall not exceed the retained profits of the Company. Based on the Company's audited financial statements for the financial period ended 31 December 2023, the Company's retained profits stands at RM137,802,090.

## 6. FINANCIAL EFFECTS TO THE PROPOSED SHARE BUY-BACK

### 6.1 Share Capital

The effect of the Proposed Renewal on the number of shares of the Company will depend on whether the shares purchased are cancelled or retained as Treasury Shares.

For illustrative purposes only, the effect of the Proposed Renewal based on the movement of the number of shares of the Company as at LPD and assuming the shares so purchased are cancelled, is illustrated below:-

	<i>No. of Shares</i>
Existing number of shares	3,939,261,852
Assuming shares purchased under the Proposed Renewal and cancelled	(393,926,185)
<b>Resultant number of shares</b>	<b>3,545,335,667</b>

On the other hand, if the purchased shares are retained as Treasury Shares, resold, or distributed to the Company's shareholders, the Proposed Renewal will have no effect on the number of shares of the Company nor will it have any effect on the issued and paid-up share capital of the Company.

*[The rest of this page has been intentionally left blank]*

While the purchased shares remain as Treasury Shares the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of Section 127 of the Act, the provisions of any law or requirements of the Constitution of the Company or the Listing Requirements on substantial shareholding, takeovers, notices, the requisition of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## **6.2 Earnings and EPS**

The effects of the Proposed Renewal on the earnings and EPS of the Company will depend, *inter-alia*, on the number of purchased shares, the purchase price and the effective funding cost of the purchase. The reduced number of the Company's shares applicable in computing the EPS subsequent to the purchase will generally have a positive impact, all else being equal, on the EPS of the Company.

## **6.3 NA**

The effect of the share buy-backs on the NA per share of the Company is dependent on the purchase price(s) of the shares bought, the number of shares purchased, the effective funding cost, if any and the subsequent treatment of the shares so purchased. The NA of the Company will reduce if the shares bought back are cancelled. The NA per share of the Company will reduce if the purchase price exceeds the NA per share and the NA per share of the Company will increase if the purchase price is less than the NA per share at the time of purchase. In the event the shares bought back and held as treasury shares are subsequently resold, the NA of the Company will increase or reduce depending on whether a gain or loss is realized upon the resale. The quantum of the increase or reduction in NA will depend on the actual disposal price, the number of shares purchased, the amount of retained treasury shares which are resold.

## **6.4 Working Capital**

The purchase of shares, as and when carried out, will reduce the working capital of the Company, the quantum of which will depend on the purchase price(s) of the shares bought back, the number of shares purchased and the effective funding cost to the Company.

## **6.5 Dividends**

The Proposed Renewal is not expected to have any impact on dividend payments. The declaration of dividends will be determined by the Board after taking into consideration the performance of the Company, the cash flow and capital commitments of the Company. The buy-back of shares may reduce the distributable reserves available for dividends. However, the Board may distribute future dividends in the form of shares which have been bought back and retained as treasury shares.

*[The rest of this page has been intentionally left blank]*

## 6.6 Shareholdings

Based on the Register of Substantial Shareholder and the Register of Directors' Shareholdings respectively as at LPD and assuming that the Proposed Renewal is implemented up to the maximum of 10% of the issued and paid-up share capital and that the purchased shares are from shareholders other than the Directors and substantial shareholders of the Company, the effect of the Proposed Renewal on the shareholding of the Directors and substantial shareholders of the Company are set out follows:-

### i. Substantial shareholders' shareholdings

The effects of the Proposed Renewal on the substantial shareholders' shareholdings of the Company are set out below:-

Name	Shareholdings as at the LPD				After Proposed Renewal <sup>[1]</sup>			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
HHSB	2,082,466,103	53.73	-	-	2,082,466,103	58.74	-	-
Dato' Ong Soon Ho	-	-	2,434,160,903 <sup>[2][3]</sup>	62.80	-	-	2,434,160,903 <sup>[2][3]</sup>	68.66
Dato' Eddie Ong	351,694,800	9.07	2,082,466,103 <sup>[2]</sup>	53.73	351,694,800	9.92	2,082,466,103 <sup>[2]</sup>	58.74

**Notes:-**

[1] Assuming up to 10% of the issued and paid-up share capital is purchased from shareholders other than the substantial shareholders of Hextar and all such shares purchased are cancelled.

[2] Deemed interested pursuant to Section 8 of the Act by virtue of his shareholdings in HHSB.

[3] Indirect Interested pursuant to Section 59(11)(c) of the Act by virtue of the interest held through his child, Dato' Eddie Ong.

[The rest of this page has been intentionally left blank]

## ii. Directors' shareholdings

The effects of the Proposed Renewal on the Directors' shareholdings of the Company are set out below:-

Director	Shareholdings as at the LPD				After Proposed Renewal <sup>[1]</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Sri Dr. Erwan bin Dato' Hj Mohd Tahir	-	-	-	-	-	-	-	-
Dato' Ong Soon Ho	-	-	2,434,160,903 <sup>[2][3]</sup>	62.80	-	-	2,434,160,903 <sup>[2][3]</sup>	68.66
Yeoh Chin Hoe	-	-	-	-	-	-	-	-
Lee Chooi Keng	4,309,920	0.11	-	-	4,309,920	0.12	-	-
Liew Jee Min @ Chong Jee Min	-	-	-	-	-	-	-	-
Rayburn Azhar bin Ali	-	-	-	-	-	-	-	-

**Notes:-**

[1] Assuming up to 10% of the issued and paid-up share capital is purchased from shareholders other than the substantial shareholders of Hextar and all such shares purchased are cancelled.

[2] Deemed interested pursuant to Section 8 of the Act by virtue of his shareholdings in HHSB.

[3] Indirect Interested pursuant to Section 59(1)(c) of the Act by virtue of the interest held through his child, Dato' Eddie Ong.

## 7. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company is 36.90%. The public shareholding spread of the Company would decrease to approximately 31.02% on the assumption that the Company implements the Proposed Renewal in full and the shares purchased are from open market.

In this regard, the Board undertakes to purchase shares only to the extent that the public shareholding spread of the Company shall not fall below 25% of the total issued and paid up share capital of the Company at all times pursuant to the Proposed Renewal, in accordance with Paragraph 12.14 of the Listing Requirements.

## 8. IMPLICATIONS OF THE CODE

The Company does not intend to undertake the Proposed Renewal such that it will trigger any obligation on the substantial shareholders and/or persons acting in concert with them to undertake a mandatory general offer pursuant to the code.

However, in the event an obligation to undertake a mandatory general offer should arise with respect to any parties resulting from the Proposed Renewal, the relevant parties shall make the necessary application to the Securities Commission for a waiver from having to undertake a mandatory general offer pursuant to the Code.

## 9. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholders as a consequence of the Proposed Renewal as set out in Section 6.6 above, none of the Directors, substantial shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal or resale of the treasury shares (if any).

## 10. PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES

The details of the resale of the Company's Treasury Shares in the preceding twelve (12) months up to the LPD, details of which are set out below:-

Date	Number of Treasury Shares sold	Highest Price Paid (RM)	Lowest Price Paid (RM)	Average Price Paid (RM)	Total Amount Received (RM)
24.03.2023	(2,288,800)	2.110	2.050	(2.076)	4,751,654.50
27.03.2023	(3,980,800)	2.090	2.060	(2.074)	8,256,791.67

The Company has not purchased any Hextar Shares as well as transferred or cancelled any Treasury Shares in the preceding twelve (12) months up to the LPD.

As at LPD, the Company had resold 6,269,600 treasury shares for total consideration of RM13,008,446.17 net of transaction costs.

## 11. SHARE PRICES

The monthly highest and lowest prices of the Company's shares as traded on Bursa Securities for the past twelve (12) months from April 2023 to March 2024 are as follows:

	High (RM)	Low (RM)
<b>2023</b>		
April	2.220	0.620
May	0.780	0.625
June	0.920	0.720
July	0.810	0.710
August	0.805	0.725
September	0.790	0.730
October	0.770	0.720
November	0.770	0.720
December	0.780	0.705

	High (RM)	Low (RM)
<b>2024</b>		
January	0.965	0.770
February	0.985	0.825
March	0.865	0.805

(Source: Bursa Malaysia)

The last transacted price of Hextar Shares on 19 March 2024, being the LPD prior to the printing of this Statement was RM0.850.

## 12. APPROVALS REQUIRED

The Proposed Renewal is subject to the approval of the shareholders of the Company at the forthcoming 33<sup>rd</sup> AGM to be convened. Saved for the approval of the shareholders of the Company, there are no other approvals required for the Proposed Renewal.

## 13. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal, is of the opinion that the Proposed Renewal is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Renewal to be tabled at the forthcoming AGM.

## 14. FURTHER INFORMATION

The resolution pertaining to the Proposed Renewal is enclosed in the Notice of the 33<sup>rd</sup> AGM of the Company.

## 15. APPENDIX

### 15.1 Directors' Responsibility Statement

This Statement has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### 15.2 Documents for Inspection

The following documents are available for inspection at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours on Monday to Friday (except public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:-

- (i) The Constitution of the Company; and
- (ii) The audited financial statements of the Company for the past two (2) financial years ended 31 December 2022 and 31 December 2023.

*[The rest of this page has been intentionally left blank]*