

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

Minutes of the 33rd Annual General Meeting (“33rd AGM”) of Hextar Global Berhad (“the Company”) held virtually from Hextar Global Berhad’s Corporate Office, Level 3, No. 64, Jalan Bayu Laut 4/KS09, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan, Malaysia as the Broadcast Venue on Monday, 20 May 2024 at 10.00 a.m.

Present : **Directors**
Dato’ Sri Dr Erwan Bin Dato’ Haji Mohd Tahir
 (“Dato’ Sri Dr. Erwan” or “Chairman”)
Lee Chooi Keng (“Madam Lee”)
Yeoh Chin Hoe
Liew Jee Min @ Chong Jee Min
Rayburn Azhar Bin Ali (“Mr Rayburn”)

Absent with : Dato’ Ong Soon Ho
Apologies

In Attendance : **Management Team**
Phan Nee Chin (“Chief Financial Officer”)

Representatives from Tricor Corporate Services Sdn Bhd
Candy Ong Wai Leng (“Company Secretary”)
Joey Ooi Tze Yee
Tiyu Wan Ni

Representatives from Crowe Malaysia PLT (“External Auditors”)
Michael Ong
Xavier Ngan Eng Hau

Proxies,
Corporate : As per the attendance list
Representatives
& Shareholders

1.0 CHAIRMAN

Dato’ Sri Dr. Erwan presided as Chairman of the meeting.

2.0 WELCOMING ADDRESS

The Chairman thanked and welcomed the shareholders, proxies, and authorised representatives for participating remotely from various locations through live streaming to the 33rd AGM.

The Chairman then proceeded to introduce the members of the Board, the Chief Financial Officer and the Company Secretary who were physically present at the broadcast venue while the External Auditors attended the meeting via video conferencing. The Chairman informed that Dato’ Ong Soon Ho had sent his apologies for not being able to attend the meeting.

3.0 QUORUM

The Chairman confirmed that the requisite quorum was present and called the Meeting to order.

The Chairman informed that pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements, all resolutions set out in the notice of the AGM would be voted by poll, which was conducted electronically via the remote participation and voting (“RPV”) facility provided by Tricor Investor & Issuing House Services Sdn Bhd, and would be verified by Asia Securities Sdn Berhad, who had been appointed as the independent scrutineers.

Shareholders were informed that the voting on the resolutions could be done any time throughout the meeting until the closure of the voting session.

Tricor Investor & Issuing House Sdn Bhd was invited to explain the remote voting procedure to be done through the RPV facility.

4.0 NOTICE

The notice convening the AGM as set out in the Company’s 2023 Annual Report was taken as read.

5.0 **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The shareholders were informed that the Audited Financial Statements (“AFS”) for the financial year ended 31 December 2023 were tabled pursuant to Section 340(1) of the Companies Act 2016 (“the Act”). The Chairman informed that the AFS had been sent to all the shareholders together with the Company’s 2023 Annual Report and it was also available on the Company’s website. The AFS were for discussion only and were not required to be put to vote for shareholders’ approval.

6.0 **ORDINARY RESOLUTION 1 RE-ELECTION OF MADAM LEE CHOOI KENG AS A DIRECTOR**

The meeting proceeded with the second agenda item on the re-election of Madam Lee Chooi Keng, who was retiring in accordance with Clause 127 of the Company’s Constitution and had indicated her willingness to be re-elected as a Director of the Company.

7.0 **ORDINARY RESOLUTION 2 RE-ELECTION OF MR LIEW JEE MIN @ CHONG JEE MIN AS A DIRECTOR**

The next agenda item was the re-election of Mr Liew Jee Min @ Chong Jee Min, who was retiring in accordance with Clause 127 of the Company’s Constitution and had indicated his willingness to be re-elected as a Director of the Company.

8.0 ORDINARY RESOLUTION 3
DIRECTOR'S FEES FOR DATO' SRI DR ERWAN BIN DATO' HAJI MOHD TAHIR
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

The meeting proceeded with the next item of the agenda, which was to approve the payment of Director's fees of RM78,000.00 to Dato' Sri Dr Erwan Bin Haji Mohd Tahir for the financial year ending 31 December 2024.

9.0 ORDINARY RESOLUTION 4
DIRECTOR'S FEES FOR MR YEOH CHIN HOE FOR THE FINANCIAL YEAR
ENDING 31 DECEMBER 2024

The Chairman proceeded with the next item on the agenda, which was to approve the payment of Director's fees of RM66,000.00 to Mr Yeoh Chin Hoe for the financial year ending 31 December 2024.

10.0 ORDINARY RESOLUTION 5
DIRECTOR'S FEES FOR DATO' ONG SOON HO FOR THE FINANCIAL YEAR
ENDING 31 DECEMBER 2024

The next item on the agenda was to approve the payment of Director's fees of RM60,000.00 to Dato' Ong Soon Ho for the financial year ending 31 December 2024.

11.0 ORDINARY RESOLUTION 6
DIRECTOR'S FEES FOR MR LIEW JEE MIN @ CHONG JEE MIN FOR THE
FINANCIAL YEAR ENDING 31 DECEMBER 2024

The Chairman proceeded with the next agenda item on the approval of the payment of Director's fees of RM60,000.00 to Mr Liew Jee Min @ Chong Jee Min for the financial year ending 31 December 2024.

12.0 ORDINARY RESOLUTION 7
ADDITIONAL DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31
DECEMBER 2024

The AGM continued with the next item on the agenda pertaining to the payment of additional Directors' fees of up to RM120,000.00 for the financial year ending 31 December 2024.

13.0 ORDINARY RESOLUTION 8
DIRECTORS' BENEFITS OF UP TO RM100,000.00 FROM 20 MAY 2024 UNTIL THE
NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The meeting proceeded with the next item on the agenda pertaining to the payment of Directors' benefits of up to RM100,000.00 from 20 May 2024 until the next Annual General Meeting of the Company in 2025.

14.0 ORDINARY RESOLUTION 9
RE-APPOINTMENT OF AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX
THEIR REMUNERATION

The AGM moved to the next agenda item on the re-appointment of Messrs Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. Messrs. Crowe Malaysia PLT agreed to continue office for the ensuing financial year.

15.0 ORDINARY RESOLUTION 10
PROPOSED RENEWAL OF AUTHORITY TO ISSUE AND ALLOT SHARES
PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The meeting then continued to the next item of the agenda pertaining to the mandate to be given to the Board to issue and allot new shares pursuant to Sections 75 and 76 of the Companies Act, 2016. The Chairman informed that the full text of the proposed resolution was set out in the Notice of AGM dated 18 April 2024 and was taken as read.

The intent of the resolution was to provide flexibility to the Company to issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company, without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The mandate shall be valid until the next AGM, unless revoked or varied by resolution passed by the shareholders of the Company in a general meeting.

16.0 ORDINARY RESOLUTION 11
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The meeting proceeded to discuss the next agenda item to approve the proposed renewal of authority for share buy-back. The Chairman informed that the details of the share buy-back exercise were stated in the Circular to Shareholders dated 18 April 2024 accompanying the Company's Annual Report for the financial year ended 31 December 2023.

17.0 ORDINARY RESOLUTION 12
PROPOSED RENEWAL AND NEW SHAREHOLDERS' MANDATES FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING
NATURE ("RRPT")

The Chairman proceeded to the last item on the agenda in relation to the proposed renewal and new shareholders' mandates for RRPT as set out under Section 2.3.3 of the Circular to Shareholders dated 18 April 2024.

The Chairman advised that the details of the RRPT were stated in the Circular to Shareholders dated 18 April 2024 accompanying with the Company's Annual Report for the financial year ended 31 December 2023.

18.0 ANY OTHER BUSINESS

The Chairman informed that there was no notice received to transact any other business at the Company's AGM.

19.0 QUESTION AND ANSWER SESSION

The Chairman, assisted by Mr Rayburn Azhar Bin Ali, responded to all questions received from the Minority Shareholders Watch Group. The questions and answers provided were listed in 'Annexure 1' attached to the Minutes of the AGM.

Madam Lee Chooi Keng then continued to address the questions received from the shareholders via the online query box. The questions raised and responses were listed in the 'Annexure 2' attached to the Minutes of the AGM.

20.0 VOTING

The meeting proceeded to vote on the items of the agenda. Upon completion of the casting votes by the shareholders and proxyholders, the meeting was adjourned to allow the scrutineers to verify the votes casted.

21.0 DECLARATION OF THE POLL RESULTS

The Chairman reconvened the meeting and announced the poll results as follows:

Resolutions	Vote For		Vote Against		Results
	No of Units	%	No of Units	%	
Ordinary Resolution 1	2,449,036,205	99.9692	753,500	0.0308	Carried
Ordinary Resolution 2	2,451,932,538	99.9117	2,167,087	0.0883	Carried
Ordinary Resolution 3	2,454,082,965	99.9993	16,660	0.0007	Carried
Ordinary Resolution 4	2,454,082,964	99.9993	16,661	0.0007	Carried
Ordinary Resolution 5	2,454,082,965	99.9993	16,660	0.0007	Carried
Ordinary Resolution 6	2,454,082,963	99.9993	16,662	0.0007	Carried
Ordinary Resolution 7	2,454,082,569	99.9993	17,056	0.0007	Carried
Ordinary Resolution 8	2,454,082,603	99.9993	17,022	0.0007	Carried
Ordinary Resolution 9	2,454,086,385	99.9995	13,240	0.0005	Carried
Ordinary Resolution 10	2,454,084,283	99.9994	15,342	0.0006	Carried
Ordinary Resolution 11	2,454,084,375	99.9994	15,394	0.0006	Carried
Ordinary Resolution 12	29,393,442	99.9480	15,280	0.0520	Carried

Based on the poll results, the Chairman declared that all matters as tabled under the agenda of the Meeting were carried.

It was **RESOLVED** as follows:

21.1 **ORDINARY RESOLUTION 1
RE-ELECTION OF MADAM LEE CHOOI KENG AS A DIRECTOR**

“**THAT** Madam Lee Chooi Keng, the Director retiring in accordance with Clause 127 of the Company’s Constitution and being eligible, be and is hereby re-elected as a Director of the Company.”

21.2 **ORDINARY RESOLUTION 2
RE-ELECTION OF MR LIEW JEE MIN @ CHONG JEE MIN AS A DIRECTOR**

“**THAT** Mr Liew Jee Min @ Chong Jee Min, the Director retiring in accordance with Clause 127 of the Company’s Constitution and being eligible, be and is hereby re-elected as a Director of the Company.”

21.3 **ORDINARY RESOLUTION 3
DIRECTOR’S FEES FOR DATO’ SRI DR ERWAN BIN DATO’ HAJI MOHD TAHIR FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

“**THAT** the payment of Director’s fees of RM78,000.00 to Dato’ Sri Dr Erwan Bin Dato’ Haji Mohd Tahir for the financial year ending 31 December 2024 be and is hereby approved.”

21.4 **ORDINARY RESOLUTION 4
DIRECTOR’S FEES FOR MR YEOH CHIN HOE FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

“**THAT** the payment of Director’s fees of RM66,000.00 to Mr Yeoh Chin Hoe for the financial year ending 31 December 2024 be and is hereby approved.”

21.5 **ORDINARY RESOLUTION 5
DIRECTOR’S FEES FOR DATO’ ONG SOON HO FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

“**THAT** the payment of Director’s fees of RM60,000.00 to Dato’ Ong Soon Ho for the financial year ending 31 December 2024 be and is hereby approved.”

21.6 **ORDINARY RESOLUTION 6
DIRECTOR’S FEES FOR MR LIEW JEE MIN @ CHONG JEE MIN FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

“**THAT** the payment of Director’s fees of RM60,000.00 to Mr Liew Jee Min @ Chong Jee Min for the financial year ending 31 December 2024 be and is hereby approved.”

21.7 ORDINARY RESOLUTION 7
ADDITIONAL DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

“THAT the payment of additional Directors’ fees of up to RM120,000.00 for the financial year ending 31 December 2024 be and is hereby approved.”

21.8 ORDINARY RESOLUTION 8
DIRECTORS' BENEFITS OF UP TO RM100,000.00 FROM 20 MAY 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

“THAT the payment of Directors’ benefits of up to RM100,000.00 from 20 May 2024 until the next Annual General Meeting of the Company be and is hereby approved.”

21.9 ORDINARY RESOLUTION 9
RE-APPOINTMENT OF CROWE MALAYSIA PLT AS AUDITORS OF THE COMPANY

“THAT Messrs Crowe Malaysia PLT, having indicated their willingness to continue in office, be and are hereby re-appointed as Auditors of the Company for the ensuing year and the Directors be authorised to fix their remuneration.”

21.10 ORDINARY RESOLUTION 10
PROPOSED RENEWAL OF AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company (“Proposed Mandate”).

THAT such approval on the Proposed Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or

- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete, and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed Mandate.”

21.11 ORDINARY RESOLUTION 11 PROPOSED RENEWAL OF AUHTORITY FOR SHARE BUY-BACK

“**THAT** subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- i. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting (“AGM”) of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

- 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 ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

21.12 ORDINARY RESOLUTION 12
PROPOSED RENEWAL AND NEW SHAREHOLDERS' MANDATES FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

"THAT subject to Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3.3 of the Circular to the Shareholders dated 18 April 2024 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms' length basis and not detrimental to the interest of the minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which 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 the earlier;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate."

22.0 CLOSURE OF MEETING

After the poll results were released and announced and there being no other business, the Meeting ended at 11.12 a.m. with a vote of thanks to the Chairman.

CONFIRMED AS A CORRECT RECORD

CHAIRMAN

Date:

HEXTAR GLOBAL BERHAD

Registration No. 199001014551 (206220-U)

33RD ANNUAL GENERAL MEETING

MONDAY, 20 MAY 2024

Minority Shareholders Watch Group

Q & A

Operational and Financial Matters

Question 1,

The Group has an established research and development ("R&D") team to register pesticides both locally and globally. (Page 17 of Annual Report 2023 "AR2023")

(a) How much was spent establishing the R&D team?

Answer

Our in-house research and development ("R&D") team, consisting of 20 Malaysian citizens, has been established for more than 10 years which includes highly educated and experienced scientists with very strong technical knowledge of the field. There are more than half of the company's employees engaged in research and technical functions possess degrees in scientific or technical fields, including 2 PhDs, 1 master's degree and 13 bachelor's degree all of which requires an annual recurring operating costs of approximately RM3.7 million (2022: RM3.5 million) in order to maintain the capabilities and reliability of the R&D team.

Operational and Financial Matters (Cont'd)

Question 1,

(b) How has the study performed by the R&D team contributed to the Group financially?
Please quantify such contribution, where possible.

Answer

We are the only Good Laboratory Practice (“GLP”) certified Lab in the industry that performs quality control testing and generates our own data for registration. With such capability, we are able to export to more than 30 overseas countries, including United States (“US”), United Kingdom (“UK”), Australia, Thailand, Singapore and others.

With our own in-house research and development team, we have more than 374 in-house chemical formulations in our portfolio of registered products. This provides Hextar Group with an edge in terms of product innovation as well as access to a strong and robust database of toxicology and trials data.

Operational and Financial Matters (Cont'd)

Question 2,

“Following the acquisition of PHG Group, the Group is now collaborating with durian farmers to develop agrochemicals for use in durian plantations. PHG Group has access to over 3,000 farmers, facilitating this strategic initiative.” (Page 18 of AR2023)

(a) Please elaborate on what initiative has been undertaken pursuant to the collaboration with durian farmers.

Answer

The R&D team is currently working with the farmers on several research projects, for example drone surveillance analysis and field trial testing. The outcome of the research could be used for the label expansion of our existing agrochemical products and also for the development of new products and solutions in future.

Operational and Financial Matters (Cont'd)

Question 2,

(b) What is the current status of the development of the said agrochemicals?

Answer

We have started to benefit from the selling of Hextar's brand of agrochemicals and fertilizers to the durian farmers since the end of FY2023 whereby the volume increased is satisfactory, as the sales of agrochemicals and fertilizers up to April'24 were approximately RM821,820.

Operational and Financial Matters (Cont'd)

Question 2,

(c) How much has been spent on this collaboration?

Answer

We have not incurred any significant expenses thus far as our collaboration has been on providing technical advice and guidance to the durian farmers relating to the product use of the agrochemicals and fertilizers. Sale of agrochemicals are carried out by our existing subsidiary, namely PHG Wholesale & Retail Sdn Bhd.

Operational and Financial Matters (Cont'd)

Question 3,

“The fruits segment currently supplies more than 3,000 tonnes of durians annually to countries like China, Indonesia, Singapore, the United States of America, Australia and New Zealand.” (Page 18 of AR2023)

(a) As of 31 March 2024, how many mature durian trees are there in the Group’s durian plantation?

Answer

The acquisition of PHG Group last year came with a 55% equity interest in durian plantation, approximately 25 acres of durian farm. However, this durian plantation will not be the focus of our durian business as we would rather procure large quantities of durians from various durian farmers and the surrounding plantations at very competitive prices to cater for a wider market of durian trading and export business.

Operational and Financial Matters (Cont'd)

Question 3,

(b) How many tonnes of the durian supplied to the market above were produced in the Group's durian plantation?

Answer

As mentioned in 3 (a) above, durian plantation is not our business focus.

Operational and Financial Matters (Cont'd)

Question 3,

(c) Please provide a breakdown of the tonnage of durian supplied to countries like China, Indonesia, etc. For example,

	Tonnes of durian supplied
Country	
China	
Indonesia	
Singapore	
United States of America	
Australia	

Answer

Please refer to table provided below:

Country	Tonnes of durian supplied	
	2022	2023
China	1,430	1,251
Indonesia	-	484
Singapore	1,052	1,417
United States of America	138	51
Australia	12	-
New Zealand	4	-
TOTAL	2,636	3,203

Operational and Financial Matters (Cont'd)

Question 4,

During FY 2023, the Group's short-term bank borrowings increased by RM143.7 million and were used to finance payments to suppliers, additional working capital, and PHG Group's acquisition. (Page 23 of AR2023)

How does the Group balance meeting its financing needs and managing its gearing ratio?

Answer

Although we do not have any internal financial policies in place, we still aim to reduce our gearing ratio. As our businesses are not capital-intensive, borrowings taken in the past were mainly used for working capital and to fund previous acquisitions. There are currently no acquisitions contemplated by us. Therefore, we do not foresee any further material increase in our debt levels.

Corporate Governance Matters

Question 1,

The Company continues to depart from Practice 5.2 of the Malaysian Code on Corporate Governance (“MCCG”), which states that at least half of the board should comprise independent directors. For large companies, the board comprises a majority of independent directors.

As a large company, only three of Hextar Global's six directors are currently independent. In explaining the departure, Hextar Global mentioned that the Company is searching for a suitable independent director, taking into consideration gender, experience and the current Board skills matrix, to strengthen the board composition as a whole.

Furthermore, it was mentioned in the Corporate Governance Report for FY 2022 that the Company shall comply with Practice 5.2 of MCCG within three years.

How many candidates for the position of independent directors have been interviewed to date? What was the main reason that these candidates were not offered the position?

Answer

We take note of the compliance with Practice 5.2 of the MCCG and accordingly, we disclosed in our Corporate Governance Report for FY 2023 that the Company will ensure compliance with the said Practice within two years i.e in 2025. As such, we will proceed to finalise the candidate selection in the second half of the year and have the position in place before the deadline in FY 2025.

Corporate Governance Matters (Cont'd)

Question 2,

Practice 5.9 of the MCCG stipulates that 30% of the Board should comprise women. As of FY 2023, only one woman director was on the Board.

Furthermore, it was mentioned in the Corporate Governance Report for FY 2021 that the Company shall comply with Practice 5.9 of MCCG within three years.

It seems that the Company needs three years to appoint a director to comply with the best practices stipulated in MCCG.

What challenges does the Company face in appointing a woman director? How does the Company intend to overcome these challenges?

Answer

We take note of the compliance with Practice 5.9 of the MCCG and accordingly, we disclosed in our Corporate Governance Report for FY 2023 that the Company will ensure compliance with the said Practice within one year. While many other Public Listed Companies are also appointing for female directors who are available in the job market, we do not see this as a challenge. Rather we want to find the best candidates to pair and join forces with our existing Board members to contribute to the overall effectiveness of the Board. We plan to initiate the interview process in the second half of the year and have the positions filled before the start of FY 2025.

Sustainability Matters

Question 1,

“Guided by the UN Sustainable Development Goals (SDGs), we actively contribute to our communities, promote inclusivity, and protect our planet. We are taking decisive action on climate change, setting ambitious goals to achieve carbon neutrality by 2030 and net zero emissions by 2050, which aligns with Malaysia’s national targets.” (Page 18 of AR2023)

Regarding climate change and in line with the national targets, what are the Group’s major KPIs and targets for 2023? What has been achieved to date?

Answer

The only target set for now that is relevant to net zero emission is to generate at least 10% electricity at manufacturing facilities from renewable energy source by 2030. As of 31 December 2023, we successfully generated 211,307 kWh from our Solar PV installations at Pulau Indah factory, equivalent to 8.38% electricity at manufacturing facility from renewable energy.

Sustainability Matters (Cont'd)

Question 2,

While the agrochemical industry is making efforts to mitigate its environmental impacts through initiatives such as the development of more environmentally friendly products and the implementation of sustainable practices, the overall value chain of agrochemical manufacturing and distribution is still largely considered to be unsustainable.

(a) Please provide an updated environmental impact assessment of the Company's agrochemical manufacturing processes and distribution practices.

Answer

We have not appointed any consultant to conduct a proper environmental impact assessment of our manufacturing process and distribution practices thus we are unable to provide the update.

Sustainability Matters (Cont'd)

Question 2,

(b) How does the Company adapt its business model in response to the transition towards greener agricultural practices, reducing the environmental impact of its products?

Answer

The company is adapting the business model through several strategies. First, the company is investing in R&D to develop products that are aligned with sustainable agriculture practices, such as biopesticides. The company is also carrying out educational initiatives to promote responsible and safety use of agrochemicals. The company will continuously promote the opportunities for lower toxicity products and shift the portfolio to meet the increasing demand for sustainable solutions.

We stay informed about relevant regulations related to environmental protection and work proactively to ensure compliance with these regulations and advocate the transition towards greener agricultural practices at the local levels.

By implementing these strategies, our agrochemical company can adapt its business model to align with the growing demand for greener agricultural practices and reduce the environmental impact of its products.

Sustainability Matters (Cont'd)

Question 2,

(c) How does the Company assess the potential impact of regulatory changes and policy initiatives aimed at reducing the usage of agrochemicals and promoting sustainable agriculture?

Answer

The company will assess the issue through multi-faceted approaches. Firstly, the company stays informed about the current and upcoming regulations by monitoring policy changes at local and international levels. Secondly, the company conducts risk assessments to understand how new regulations might affect the products, which includes the potential for bans or restrictions. The company also invests in R&D to develop new products that comply with stricter regulations, including exploring alternative solutions such as biopesticides. By taking these steps, the company can not only comply with regulatory changes, but also contribute to the broader goal of sustainable agriculture.

Sustainability Matters (Cont'd)

Question 3,

The table below sets forth water usage for FY 2023:

Water Source	Withdrawal Volume (m ³)	Usage (%)
Municipal Water	30,146	59.83%
Ground Water	44,908	40.16%
Rainwater (Harvested)	4	0.01%

(Page 55 of AR2023)

(a) Please clarify the computation set out in the table. Does the withdrawal of 30,146m³ of municipal water represent 59.83% of the total usage, while 44,908m³ of groundwater represents only 40.16%?

Answer

The total water withdrawal recorded in FY2023 was as follows:-

Municipal Water represent 30,146 cu.m / 75,058 cu.m = 40.16%

Ground Water represent 44,908 cu.m / 75,058 cu.m = 59.83%

The usage (%) reported was accidentally interchanged between Municipal Water and Ground Water. We will amend accordingly the percentage reported in our Sustainability Statement in FY2024.

Sustainability Matters (Cont'd)

Question 3,

(b) What assessments has the Company conducted regarding the potential impact of groundwater extraction, including any concerns related to depletion and negative impact on local communities?

Answer

The ground water extraction is being carried out at two manufacturing facilities namely from the factory in Bukit Raja, Selangor, Malaysia and the factory in Indonesia. The amount extracted in the Malaysia's facility is 83% of the groundwater extracted while the Indonesia factory account for 17%.

For the factory in Malaysia the company adheres to relevant regulations and standards governing groundwater extraction as per the "Enakmen Lembaga Urus Air Selangor 1999."

We have obtained the necessary yearly licenses for extraction of groundwater and in compliance with extraction limits.

Prior to any yearly renewal, we engaged a consultant to conduct the following study:-

1. Well inspection & static water level recording using electronic audio - visual water level recorder, and
2. Water quality analysis of 53 parameters according to World Health Organization ("WHO") standards for the 3 tubewells which conforms to new Lembaga Urus Air Selangor ("LUAS") requirements.

Sustainability Matters (Cont'd)

Question 3,

Answer (Cont'd)

We are also in compliance to ISO 14001:2015 Environmental Management Systems (“EMS”) and the Environmental Aspect and Impact is addressed.

Similarly in our Indonesia operations there is no regional government company or municipal council to provide fresh water to the area, the only source of water at the factory is from groundwater. The company in Indonesia has the necessary permit from Ministry of Energy and Mineral Resources to extract groundwater.

THANK YOU

KEY MATTERS RAISED – 33RD ANNUAL GENERAL MEETING

Pre-meeting question submitted

Q1 : A shareholder asked whether 2024 will be better than 2023 or worse due to new challenges.

A1 : *Madam Lee Chooi Keng (“Madam Lee”) replied that barring unforeseen circumstances, the outlook for 2024 is generally positive due to growing demand for the agrochemicals and specialty chemicals products of the Company. As for the newly acquired durian business, Board of Directors expects the Fruits segment to contribute positively to the Group’s finance. With increasing durian cultivation activities in Malaysia and rising international awareness of Malaysian durian, the demand for Malaysian durian has bright prospects.*

During meeting

Q2 : A shareholder asked why the Board does not conduct Annual General Meeting (“AGM”) in a physical or hybrid form. He also inquired if there are any concerns preventing the Board from meeting shareholders face-to-face, as he believed this way would facilitate better human interaction.

A2 : *Madam Lee replied that the Board will consider conducting future shareholders meeting in physical form and look forward to meeting and engaging with the shareholders in person.*

Q3 : A shareholder asked about the cost spent by the Company for holding this virtual AGM. She asked whether the Board will kindly provide some e-wallet top-ups to shareholders as a token of appreciation for participation in the virtual AGM.

The shareholder requested for a printed copy of the Company’s annual report. Additionally, she inquired when the Company will resume physical AGM and what the future outlook and prospects of the Company are.

A3 : *Madam Lee replied that the Company spent about RM23,000 for this virtual AGM. On the request to provide shareholders with the e-wallet top-ups, Madam Lee responded that according to Administrative Details on Hextar’s website, there was no provision of door gift or food voucher for the AGM since the meeting was conducted on a virtual basis, but Management may consider this suggestion in the future.*

Madam Lee replied that the Company noted the requests made for the printed copy of annual report and the Share Registrar would arrange to send it to the respective shareholders’ registered addresses. Then, Madam Lee responded that the future prospects of the Group can be found on pages 27 and 28 of the Company’s annual report.

- Q4 : A shareholder inquired whether the Company had made any share buy back in the last financial year and if so, he wished to know how many shares were purchased and the average price at which the shares were purchased. He also asked about the Board's plans for the shares held in the treasury.
- A4 : *Madam Lee responded that the Company did not make any share buy back in financial year 2023, but the Company had disposed part of the treasury shares of RM9.2 million and made a capital gain of RM3.9 million during the financial year. Additionally, Madam Lee responded that the Board would consider appropriate treatment for the treasury shares currently held, taking into consideration among other market conditions.*
- Q5 : A shareholder asked whether the Company has experienced any disruption in its raw materials supply chain due to rising geopolitical tensions and if so, he wished to know whether Management can quantify the impact on financial and what measures are being taken to mitigate such impact.
- A5 : *Madam Lee replied that the Company did not encounter any disruption in its raw materials supply chain in the current financial year. However, she noted that raw material prices remain volatile.*
- Q6 : A shareholder mentioned that the Company has formed dedicated R&D team for product development. He asked if the Board of Directors would mind sharing the plan going forward, including how many products or formulations would be developed this year or over the next three years. He also inquired whether the new products would achieve better margin compared to the existing products and requested for further explanations.
- A6 : *Madam Lee responded that this is part of the Company's competitive advantage and the Board of Directors is not at liberty to disclose this.*
- Q7 : A shareholder mentioned that the Company has ventured into biogas business via acquisition of Biogas Engineering in 2020. He asked if the Board of Directors would mind sharing the plan for this division, considering the government's push for the biomass and biogas industry.
- A7 : *Madam Lee replied that the Board of Directors is currently working with the relevant parties and institutions in developing this business division.*
- Q8 : A member from the Minority Shareholders Watch Group asked about the reason behind Dato' Ong Soon Ho's absence during this AGM.
- A8 : *Madam Lee responded that Dato' Ong Soon Ho was invited to attend the presidential inauguration in Taiwan.*

- Q9 : A shareholder inquired about how much capital expenditure (“CapEx”) is allotted for this year and whether it is higher or lower compared to the previous year, as well as the reasons for the difference.
- A9 : *Madam Lee responded that the Company’s businesses are not capital-intensive. Therefore, the CapEx’s requirements are minimal.*