



HLT GLOBAL BERHAD

(Company No: 1163324-H)
(Incorporated in Malaysia under the Companies Act, 1965)

Year 2016
Quarterly Announcement
For the Third Quarter Ended 30 September 2016

HLT GLOBAL BERHAD

(Company No: 1163324-H)

(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016⁽¹⁾

	Note	--- Individual Quarter ---		--- Cumulative Quarter ---	
		Unaudited Current year quarter 30.9.2016 RM'000	Unaudited Preceding year quarter 30.9.2015 ⁽²⁾ RM'000	Unaudited Current year- to-date 30.9.2016 RM'000	Unaudited Preceding year- to-date 30.9.2015 ⁽²⁾ RM'000
Revenue	A9	17,914	N/A	60,647	N/A
Cost of sales		(15,389)	N/A	(51,884)	N/A
Gross profit		2,525	N/A	8,763	N/A
Other operating income		48	N/A	1,948	N/A
Selling and distribution expenses		(68)	N/A	(180)	N/A
Administrative and other expenses		(852)	N/A	(2,819)	N/A
Finance costs		-	N/A	(4)	N/A
Profit before taxation		1,653	N/A	7,708	N/A
Income tax expense	B4	(8)	N/A	(63)	N/A
Profit after taxation		1,645	N/A	7,645	N/A
Other comprehensive income		-	N/A	-	N/A
Total comprehensive income for the financial period		1,645	N/A	7,645	N/A
Profit after taxation attributable to:					
- Owners of the Company		1,645	N/A	7,645	N/A
Total comprehensive income attributable to:					
- Owners of the Company		1,645	N/A	7,645	N/A
Earnings per share:					
- Basic (RM) ⁽³⁾	B11	4.11	N/A	19.11	N/A
- Diluted (RM) ⁽⁴⁾	B11	4.11	N/A	19.11	N/A

Notes:-

- (1) The basis of preparation of the Unaudited Combined Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 20 December 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding year quarter / year-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share is calculated based on the combined share capital of 400,100 ordinary shares in issue as at 30 September 2016.
- (4) Diluted earnings per share of the Company for the individual quarter 30 September 2016 and cumulative quarter 30 September 2016 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

N/A – Not applicable

* **For illustration purposes**, basic earnings per share for the individual quarter 30 September 2016 and cumulative quarter 30 September 2016 assuming a total of 263,921,000 shares in issue after the Public Issue (as defined in Note A11) is 0.62 sen and 2.90 sen respectively.

HLT GLOBAL BERHAD

(Company No: 1163324-H)

(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016⁽¹⁾

	Note	Unaudited As at 30.9.2016 RM'000	Audited As at 31.12.2015 RM'000
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment		5,931	6,375
CURRENT ASSETS			
Inventories		3,340	2,616
Amount owing by contract customers		27,221	23,429
Trade receivables		14,797	8,182
Other receivables, deposits and prepayment		2,817	1,542
Tax recoverable		178	164
Fixed deposits with licensed banks		5,324	6,198
Cash and bank balances		5,464	3,905
		59,141	46,036
TOTAL ASSETS		65,072	52,411
EQUITY AND LIABILITIES			
EQUITY			
Share capital ⁽²⁾		400	400
Retained profits		36,509	28,864
TOTAL EQUITY		36,909	29,264
NON-CURRENT LIABILITY			
Term loan	B8	1,323	1,434
CURRENT LIABILITIES			
Amount owing to contract customers		4,920	4
Trade payables		20,556	19,917
Other payables and accruals		1,287	1,718
Term loan	B8	77	74
		26,840	21,713
TOTAL LIABILITIES		28,163	23,147
TOTAL EQUITY AND LIABILITIES		65,072	52,411
Net assets per share (RM)		92.27	73.16

Notes:-

- (1) The basis of preparation of the Unaudited Combined Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 20 December 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) The number of shares in issue comprise of 400,000 ordinary shares issued in HL Advance and 100 ordinary shares issued in HLT Global as at 30 September 2016.

* For illustration purposes, net assets per share as at 30 September 2016 and 31 December 2015 assuming a total of 263,921,000 shares in issue after the Public Issue (as defined in Note A11) is RM0.14 and RM0.11 respectively.

HLT GLOBAL BERHAD

(Company No: 1163324-H)

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UNAUDITED COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016⁽¹⁾

	Share Capital RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1 January 2016	400	28,864	29,264
Profit after taxation/Total comprehensive income for the financial period	-	7,645	7,645
Balance at 30 September 2016	400	36,509	36,909

Note:-

- (1) *The basis of preparation of the Unaudited Combined Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 20 December 2016 and the accompany explanatory notes attached to this interim financial report.*

HLT GLOBAL BERHAD

(Company No: 1163324-H)

(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016⁽¹⁾

	Current year-to-date 30.9.2016 RM'000	Preceding year-to-date 30.9.2015⁽²⁾ RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	7,708	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	591	N/A
Interest expense	4	N/A
Interest income	(142)	N/A
Unrealised gain on foreign exchange	(1,800)	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	6,361	N/A
Increase in inventories	(724)	N/A
Increase in amount owing by/(to) contract customers	1,124	N/A
Increase in trade and other receivables	(7,860)	N/A
Increase in trade and other payables	459	N/A
	<hr/>	<hr/>
CASH FOR OPERATIONS	(640)	N/A
Interest paid	(4)	N/A
Interest received	142	N/A
Income tax paid	(77)	N/A
	<hr/>	<hr/>
NET CASH FOR OPERATING ACTIVITIES	(579)	N/A
	<hr/>	<hr/>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(147)	N/A
Placement of deposits pledged	(126)	N/A
	<hr/>	<hr/>
NET CASH FOR INVESTING ACTIVITIES	(273)	N/A
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CASH FLOWS FOR FINANCING ACTIVITY		
Repayment of term loan	(108)	N/A
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITY	(108)	N/A
	<hr/>	<hr/>
NET DECREASE OF CASH AND CASH EQUIVALENTS	(960)	N/A
	<hr/>	<hr/>
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	1,519	N/A
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	4,905	N/A
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	5,464	N/A
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HLT GLOBAL BERHAD

(Company No: 1163324-H)

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UNAUDITED COMBINED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016⁽¹⁾ (CONT'D)

	Current year-to-date 30.9.2016 RM'000	Preceding year-to-date 30.9.2015 ⁽²⁾ RM'000
Cash and cash equivalents comprise the following:		
- Cash and bank balances	5,464	N/A
- Fixed deposits with a licensed bank	5,324	N/A
	10,788	N/A
Less: Deposits pledged to a licensed bank	(5,324)	N/A
	5,464	N/A

Notes:-

- (1) *The basis of preparation of the Unaudited Combined Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 20 December 2016 and the accompany explanatory notes attached to this interim financial report.*
- (2) *This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year-to-date available as no interim financial report was prepared for the comparative financial period concerned.*

N/A – Not applicable

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of HLT Global Berhad (“**HLT Global**” or “**the Company**”) and its subsidiary (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of MFRS 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”), paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the first interim financial report on the combined results for the third (3rd) quarter ended 30 September 2016 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 20 December 2016 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in accounting policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Company dated 20 December 2016, except for the following as they are not yet effective for the Company’s financial period commencing from 1 January 2016:

MFRSs (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

A3. Auditors’ Report of preceding annual financial statements

The preceding year’s audited financial statements of the Group were not subject to any qualification.

A4. Seasonal or cyclical factors

The Group’s operations were not significantly affected by any seasonal or cyclical factor during the current financial quarter under review.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A6. Material changes in estimates

There were no material changes in estimates in the current financial quarter under review.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year-to-date under review.

A8. Dividends paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

(a) Business Segments

The Group operates predominantly in one business segment. Accordingly, the information by business segment is not presented.

(b) Geographical Information

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 30.9.2016 RM'000	Unaudited Preceding year quarter 30.9.2015 ⁽¹⁾ RM'000	Unaudited Current year-to- date 30.9.2016 RM'000	Unaudited Preceding year-to- date 30.9.2015 ⁽¹⁾ RM'000
Malaysia	13,366	N/A	45,098	N/A
Thailand	4,465	N/A	15,215	N/A
Indonesia	83	N/A	334	N/A
	17,914	N/A	60,647	N/A

Notes:

(1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year quarter / year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

A10. Valuation of property, plant and equipment

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A11. Material events subsequent to the end of the current financial quarter

Save as disclosed below, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

- (a) Pursuant to the sale and purchase agreement dated 28 December 2015, the Company has acquired HL Advance Technologies (M) Sdn Bhd (“**HL Advance**”) and the acquisition was completed on 20 October 2016. The details of the acquisition are as follows:-

<u>Name of company</u>	<u>Equity</u>	<u>Consideration (RM)</u>	<u>No. of HLT Global shares issued</u>
HL Advance	100%	22,432,990	224,329,900

- (b) On 2 December 2016, the Company’s employee share option scheme (“**ESOS**”) came into effect (“**Effective Date**”). The ESOS, which shall be in force for a period of 5 years from its Effective Date, entails the issuance of up to 10% of the Company’s issued and paid-up share capital (excluding treasury shares) at any one time during the tenure of the ESOS, subject to the terms and conditions of the by-laws governing the ESOS.
- (c) On 20 December 2016, HLT Global issued its Prospectus and undertook the following Listing Scheme:
- (i) a public issue of 39,591,000 new ordinary shares of RM0.10 each (“**Public Issue Shares**”) at an issue price of RM0.45 per Public Issue Share (“**IPO Price**”) allocated in the following manner (“**Public Issue**”):
- 13,199,000 Public Issue Shares made available for application by the Malaysian Public; and
 - 26,392,000 Public Issue Shares made available for application by Bumiputra investors approved by the Ministry of International Trade and Industry via private placement.
- (ii) an offer for sale of 34,309,000 ordinary shares of RM0.10 each (“**Offer Shares**”) at an offer price of RM0.45 per Offer Share allocated in the following manner (“**Offer for Sale**”):
- 2,000,000 Offer Shares made available for application by the eligible directors and employees of HLT Global and its subsidiary; and
 - 32,309,000 Offer Shares made available for application by selected investors via private placement.

Upon completion of the Public Issue and Offer for Sale, the Company is expected to be admitted to the Official List of Bursa Securities on 10 January 2017 and the Company’s entire enlarged issued and paid-up share capital of RM26,392,100 comprising 263,921,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORT

A13. Contingent assets and contingent liabilities

The contingent liability of the Group comprise of the following:-

	Unaudited As at 30.9.2016 RM'000	Audited As at 31.12.2015 RM'000
Bank guarantees given to a third party in relation to contract performance	-	2,542

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

A14. Capital commitments

There were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter under review.

A15. Related party transactions

During the current financial quarter, the Group has not entered into any related party transactions.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

For the current financial quarter under review, the Group recorded revenue of RM17.914 million. The Group's revenue was mainly derived from design, fabrication, installation, testing and commissioning of glove-dipping lines ("**Sale of New Lines**"). Local market continued to contribute significant portion of revenue amounting to RM13.366 million or 74.61% of the Group's total revenue.

The Group registered a profit before taxation of RM1.653 million for the current financial quarter under review.

There are no comparative figures for the preceding year corresponding quarter's results as this is the first interim financial report being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B2. Comparison with immediate preceding quarter's results

There are no comparative figures for the preceding quarter's results as this is the first interim financial report being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B3. Commentary on prospects

As disclosed in the Prospectus of the Company dated 20 December 2016, the Group has put in place a series of future plans to strengthen its position in the glove-dipping line industry in Malaysia, so as to capture market opportunities as follows:

- (i) Expansion of production capacity;
- (ii) Continue to seek market opportunities and strengthen its market presence;
- (iii) Increase product offering; and
- (iv) Setting up a dedicated R&D team.

Barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the Group's prospects for the financial year ending 31 December 2016 will remain favourable.

B4. Income tax expense

	Unaudited Current year quarter 30.9.2016 RM'000	Unaudited Current year-to-date 30.9.2016 RM'000
Current tax expense:		
- for the current financial period	8	27
- underprovision in the previous financial year	-	36
	<hr/> 8 <hr/>	<hr/> 63 <hr/>
Effective tax rate (%)	0.48%	0.82%

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B4. Income tax expense (Cont'd)

The effective tax rate for the current financial quarter and financial year-to-date were insignificant mainly due to the Group incurred minimal income tax expenses as the revenue generated by the Group's subsidiary HL Advance under the Sale of New Lines segment and Upgrade and Modification segment, is exempted from income tax by virtue of Pioneer Status.

The higher effective tax rate for the current financial year-to-date was mainly due to underprovision of taxation in the previous financial year.

B5. Variance of actual profit from profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

B6. Status of corporate proposals

Save as disclosed in Note A11, there were no other corporate proposals announced but not completed as at the date of this report.

B7. Utilisation of proceeds from the Initial Public Offering ("IPO")

Based on the IPO Price, the gross proceeds arising from the Public Issue amounting to RM17.816 million is intended to be utilised in the following manner:-

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Estimated timeframe for utilisation
(a) Capital expenditure	9,000	-	-	24 months
(b) R&D expenditure	1,500	-	-	18 months
(c) Working capital	4,916	-	-	6 months
(d) Estimated listing expenses	2,400	-	-	Immediate
Total	17,816	-	-	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 20 December 2016.

As at the date of this report, the IPO is pending completion and hence there was no utilisation of IPO proceeds.

B8. Group borrowings and debt securities

Total Group's borrowings as at 30 September 2016 are as follows:-

	Unaudited As at 30.9.2016 RM'000	Audited As at 31.12.2015 RM'000
Term loan:		
Current	77	74
Non-current	1,323	1,434
	<u>1,400</u>	<u>1,508</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B8. Group borrowings and debt securities (Cont'd)

The term loan is secured and denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigations pending as at the date of this announcement.

B10. Dividends

The Board of Directors does not recommend any dividend for the current financial quarter under review.

B11. Earnings per share ("EPS")

The basic EPS for the current financial quarter and financial year-to-date are computed as follows:

	Unaudited Current year quarter 30.9.2016	Unaudited Current year-to-date 30.9.2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,645	7,645
Number of ordinary shares in issue ('000)	400	400
Basic EPS (RM) ⁽¹⁾	4.11	19.11
Diluted EPS (RM) ⁽²⁾	4.11	19.11

Notes:

(1) *Basic EPS is calculated based on the combined share capital of 400,100 ordinary shares in issue as at 30 September 2016.*

(2) *Diluted EPS of the Company for the individual quarter 30 September 2016 and cumulative quarter 30 September 2016 is equivalent to the basic EPS as the Company does not have convertible options at the end of the reporting period.*

* ***For illustration purposes**, basic earnings per share for the individual quarter 30 September 2016 and cumulative quarter 30 September 2016 assuming a total of 263,921,000 shares in issue after the Public Issue is 0.62 sen and 2.90 sen respectively.*

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B12. Notes to the Combined Statements of Profit or Loss and Other Comprehensive Income

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

	Unaudited Current year quarter 30.9.2016 RM'000	Unaudited Current year-to-date 30.9.2016 RM'000
Depreciation of property, plant and equipment	198	591
Interest expense	-	4
Interest income	(42)	(142)
Unrealised loss/(gain) on foreign exchange	65	(1,800)
	<hr/>	<hr/>

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

B13. Disclosure of realised and unrealised profits or losses

The realised and unrealised retained profits of the Group as at 30 September 2016 are analysed as follows:-

	Unaudited As at 30.9.2016 RM'000	Audited As at 31.12.2015 RM'000
Total retained profits of the Group		
- Realised	34,709	29,073
- Unrealised	1,800	(209)
	<hr/>	<hr/>
	36,509	28,864
	<hr/> <hr/>	<hr/> <hr/>