



HLT GLOBAL BERHAD

(Company No: 1163324-H)
(Incorporated in Malaysia)

Year 2017

Quarterly Announcement

For the Third Quarter Ended 30 September 2017

HLT GLOBAL BERHAD

(Company No: 1163324-H)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017⁽¹⁾

	Note	--- Individual Quarter ---		--- Cumulative Quarter ---	
		Unaudited Current year quarter 30.09.2017 RM'000	Unaudited Preceding year quarter 30.09.2016 RM'000	Unaudited Current year- to-date 30.09.2017 RM'000	Unaudited Preceding year- to-date 30.09.2016 RM'000
Revenue	A9	8,832	17,914	35,722	60,647
Cost of sales		(10,521)	(15,389)	(34,524)	(51,884)
Gross (loss)/profit		(1,689)	2,525	1,198	8,763
Other operating income		94	48	257	1,948
Selling and distribution expenses		(69)	(68)	(181)	(180)
Administrative and other expenses		(849)	(852)	(3,287)	(2,819)
Finance costs		-	-	(3)	(4)
(Loss)/Profit before taxation		(2,513)	1,653	(2,016)	7,708
Income tax expense	B4	-	(8)	(9)	(63)
(Loss)/Profit after taxation		(2,513)	1,645	(2,025)	7,645
Other comprehensive income		-	-	-	-
Total comprehensive (expenses)/income for the financial period		(2,513)	1,645	(2,025)	7,645
(Loss)/Profit after taxation attributable to:					
- Owners of the Company		(2,513)	1,645	(2,025)	7,645
Total comprehensive (expenses)/income attributable to:					
- Owners of the Company		(2,513)	1,645	(2,025)	7,645
(Loss)/Earning per share (sen):					
- Basic ⁽²⁾	B12	(0.95)	411	(0.77)	1,911
- Diluted ⁽³⁾	B12	(0.95)	411	(0.77)	1,911

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share for the individual quarter 30 September 2016 and cumulative quarter 30 September 2016 is calculated based on the combined share capital of 400,100 ordinary shares in issue as at 30 September 2016.
- (3) Diluted loss per share of the Company for the individual quarter 30 September 2017 and cumulative quarter 30 September 2017 is equivalent to the basic loss per share as the share option had an anti-dilutive effect on the basic loss per share and the Company has no other dilutive potential ordinary shares in issue at the end of the reporting period.

HLT GLOBAL BERHAD

(Company No: 1163324-H)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017⁽¹⁾

	Note	Unaudited As at 30.09.2017 RM'000	Audited As at 31.12.2016 RM'000
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment		5,513	5,867
CURRENT ASSETS			
Inventories		6,242	4,057
Amount owing by contract customers		25,321	31,242
Trade receivables	B5	22,347	16,897
Other receivables, deposits and prepayment		2,309	1,543
Tax recoverable		87	178
Fixed deposits with licensed banks		10,116	5,364
Cash and bank balances		2,531	834
		68,953	60,115
TOTAL ASSETS		74,466	65,982
EQUITY AND LIABILITIES			
EQUITY			
Share capital		26,392	22,433
Share premium		13,177	-
Merger deficit		(22,033)	(22,033)
Share option reserve		357	357
Retained profits		30,093	34,768
TOTAL EQUITY		47,986	35,525
NON-CURRENT LIABILITY			
Term loan	B9	1,182	1,295
CURRENT LIABILITIES			
Amount owing to contract customers		4,617	3,653
Trade payables		16,797	22,730
Other payables and accruals		3,804	2,702
Term loan	B9	80	77
		25,298	29,162
TOTAL LIABILITIES		26,480	30,457
TOTAL EQUITY AND LIABILITIES		74,466	65,982
Net assets per share (RM)		0.18	0.16

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

HLT GLOBAL BERHAD

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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017⁽¹⁾

Note	← Non-Distributable →			Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Retained Profits RM'000	
Balance at 1 January 2017	22,433	-	(22,033)	357	34,768	35,525
Loss after taxation/Total comprehensive expenses for the financial period	-	-	-	-	(2,025)	(2,025)
Contributions by and distribution to owners of the Company:						
- Issuance of shares	3,959	13,857	-	-	-	17,816
- Share issuance expenses ⁽²⁾	-	(680)	-	-	-	(680)
- Dividends	B11	-	-	-	(2,650)	(2,650)
Total transactions with owners	3,959	13,177	-	-	(2,650)	14,486
Balance at 30 September 2017	26,392	13,177	(22,033)	357	30,093	47,986
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	26,392	13,177	(22,033)	357	36,509	36,909

Note:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.
- (2) Share issuance expenses of approximately RM0.680 million for the issuance of new HLT Global shares were written-off against the share premium account under Section 60 of the Companies Act, 1965.

HLT GLOBAL BERHAD

(Company No: 1163324-H)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017⁽¹⁾

	Current year-to-date 30.09.2017 RM'000	Preceding year-to-date 30.09.2016 ⁽²⁾ RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(2,016)	7,708
Adjustments for:-		
Depreciation of property, plant and equipment	432	591
Interest expense	3	4
Listing expenses	295	-
Unrealised loss/(gain) on foreign exchange	102	(1,800)
Interest income	(252)	(142)
	<hr/>	<hr/>
Operating profit before working capital changes	(1,436)	6,361
Increase in inventories	(2,185)	(724)
Net decrease in amount owing by contract customers	6,885	1,124
Increase in trade and other receivables	(6,295)	(7,860)
(Decrease)/Increase in trade and other payables	(6,718)	459
	<hr/>	<hr/>
CASH FOR OPERATIONS	(9,749)	(640)
Income tax paid	(57)	(77)
Income tax refunded	138	-
Interest received	252	142
Interest paid	(3)	(4)
	<hr/>	<hr/>
NET CASH FOR OPERATING ACTIVITIES	(9,419)	(579)
	<hr/>	<hr/>
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Purchase of equipment	(78)	(147)
Withdrawal of deposits pledged to licensed bank	5,364	(126)
	<hr/>	<hr/>
NET CASH FROM/(FOR) INVESTING ACTIVITIES	5,286	(273)
	<hr/>	<hr/>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Proceeds from issuance of shares	17,816	-
Payment of listing expenses	(1,767)	-
Repayment of term loan	(110)	(108)
	<hr/>	<hr/>
NET CASH FROM/(FOR) FINANCING ACTIVITIES	15,939	(108)
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,806	(960)
	<hr/>	<hr/>
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	7	1,519
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	834	4,905
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	12,647	5,464
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017⁽¹⁾ (CONT'D)

	Current year-to-date 30.06.2017 RM'000	Preceding year-to-date 30.06.2016 RM'000
Cash and cash equivalents comprise the following:		
- Cash and bank balances	2,531	5,464
- Fixed deposits with a licensed bank	10,116	5,324
	<hr/> 12,647	<hr/> 10,788
Less: Deposits pledged to a licensed bank	-	(5,324)
	<hr/> 12,647	<hr/> 5,464

Notes:-

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.*

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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 Malaysia Securities Berhad (“**Bursa Securities**”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in accounting policies

During the 9-month period ended 30 September 2017, the Group has adopted the following new accounting standards and/ or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets and Unrealised Losses

Annual improvements to MFRS Standards 2014 – 2016 Cycles:

- Amendments to MFRS 12: Clarification of the Scope of Standard

The adoption of the above accounting standards and/ or interpretations (including the consequential amendments, if any) did not have any material impact on this interim financial report.

The Group has not applied in advance the following accounting standards and/ or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for this interim financial report:-

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
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
Amendments to MFRS 10 and MFRS 128: 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 140 – Transfers of Investment Property	1 January 2018

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

A2. Changes in accounting policies (Cont'd)

MFRSs (Including The Consequential Amendments)	Effective Date
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Annual Improvements to MFRS Standards 2014 – 2016 Cycles:

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
 - Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value
- 1 January 2018

* *Entities that meet the specific criteria in MFRS 4.20B may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on this interim financial report upon its initial application except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group anticipates that the application of MFRS 16 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 16 until the Group performs a detailed review.

The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application. However, additional disclosure notes on the statements of cash flows may be required.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

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.

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 during the current financial quarter 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 30.09.2017 RM’000	Unaudited Preceding year quarter 30.09.2016 RM’000	Unaudited Current year-to- date 30.09.2017 RM’000	Unaudited Preceding year-to- date 30.09.2016 RM’000
Malaysia	6,727	13,366	26,349	45,098
Thailand	-	4,465	2,082	15,215
Indonesia	-	83	458	334
Vietnam	2,105	-	6,833	-
	8,832	17,914	35,722	60,647

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

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.

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

Save as disclosed in Note B7, 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.

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.

A13. Contingent assets and contingent liabilities

The Group has no contingent assets and contingent liabilities 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 2017

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

Financial review for current quarter and financial year-to-date:

	Individual Quarter				Cumulative Quarter			
	Unaudited	Unaudited	Changes		Unaudited	Unaudited	Changes	
	Current	Preceding	Amount	%	Current	Preceding	Amount	%
	year	year			year-	year-		
quarter	quarter	to-date	to-date	to-date	to-date	to-date	to-date	
	30.09.2017	30.09.2016			30.09.2017	30.09.2016		
	RM'000	RM'000			RM'000	RM'000		
Revenue	8,832	17,914	(9,082)	(50.70)	35,722	60,647	(24,925)	(41.10)
Gross (loss)/profit	(1,689)	2,525	(4,214)	(166.89)	1,198	8,763	(7,565)	(86.33)
(Loss)/Profit before taxation	(2,513)	1,653	(4,166)	(252.03)	(2,016)	7,708	(9,724)	(126.15)
(Loss)/Profit after taxation	(2,513)	1,645	(4,158)	(252.77)	(2,025)	7,645	(9,670)	(126.49)

For the current financial quarter under review, the Group recorded revenue of RM8.832 million, a decrease of 50.70% as compared to RM17.914 million in the preceding year quarter. The Group recorded revenue of RM35.722 million for the financial period ended 30 September 2017 ("FPE 2017"), a decrease of 41.10% as compared to previous financial period ended 30 September 2016 (FPE 2016"). The decrease in revenue was mainly attributable to decrease in revenue in design, fabrication, installation, testing and commissioning of glove-dipping lines segment ("**Sale of New Lines**"). Most of the outstanding orders brought forward from previous year have been completed in the first and second quarter of the year. Currently, three of the five orders secured are in progress (comprised of two local orders and one foreign order) while the other two secured orders have yet to commence work. Local market continued to contribute significant portion of revenue amounting to RM6.727 million or 76.17% of the Group's total revenue.

The Group recorded gross loss of RM1.689 million with a gross loss margin of 19.12% as compared to gross profit of RM2.525 million with gross profit margin of 14.10% in the preceding year quarter. For FPE 2017, the Group recorded gross profit of RM1.198 million with a gross profit margin of 3.35% as compared to gross profit of RM8.763 million with gross profit margin of 14.45%. The gross loss in current quarter and significant decrease in gross profit for FPE 2017 was mainly attributable to cost overrun of one of the major foreign order due to technical issue in which the management has invested more time and manpower to resolve the issue in order to handover the project to customer on time.

While the operating expenses are consistent as compared to preceding year quarter, the Group recorded a loss before taxation of RM2.513 million as compared to a profit before taxation of RM1.645 million. For FPE 2017, the Group recorded loss before taxation of RM2.016 million as compared to a profit before taxation of RM7.708 million.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

B2. Comparison with immediate preceding quarter's results

	Unaudited Current Quarter 30.09.2017 RM'000	Unaudited Preceding Quarter 30.06.2017 RM'000	Changes	
			Amount	%
Revenue	8,832	17,332	(8,500)	(49.04)
(Loss)/Profit before taxation	(2,513)	694	(3,207)	(462.10)

The Group's revenue for the current financial quarter has decreased by RM8.500 million or 49.04% to RM8.832 million as compared to RM17.332 million in the preceding financial quarter. The decrease in revenue was mainly attributable to decrease in revenue from Sale of New Lines.

The revenue from Sale of New Lines was mainly contributed by 3 customers, made up of a combination of two local orders and one foreign order. Lower revenue recorded from Sale of New Lines is mainly due to the two new orders secured in previous quarter is estimated to commence work in next quarter.

The Group recorded loss before taxation of RM2.513 million as compared to a profit before taxation of RM0.694 million in the preceding financial quarter 30 June 2017.

B3. Commentary on prospects

The 2017 market conditions are expected to remain challenging due to uncertainty in business environment. Nevertheless, the Group will continue to execute its business strategies and has put in place a series of future plans to strengthen its position in the glove-dipping line industry in Malaysia as well as the overseas market.

The cost overrun in one of the major foreign order was a solely isolated case where the technical issue involved further research to be done, more time and manpower needed to complete the project on time. Despite the cost overrun, the Group manage to achieve a gross profit margin of 3.35% for the FPE 2017 due to other orders still able to contribute profit to the Group. Therefore, the Management remain positive to the prospects of the Group as well as the glove-dipping line industry.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

B4. Income tax expense

	Unaudited Current year quarter 30.09.2017 RM'000	Unaudited Current year-to-date 30.09.2017 RM'000
Income tax expense	-	9

The Group is not subject to tax as it qualifies for the Pioneer Status incentive under the Promotion of Investment Act 1986. The Group will enjoy full exemption from income tax on its statutory income from pioneer activities for an extended period of 5 years, from 4 November 2014 to 3 November 2019.

B5. Trade receivables

The ageing analysis of the Group's trade receivables as at 30 September 2017 is as follows:

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Amount RM'000
Not past due	13,278	-	13,278
Past due:			
- less than 3 months	6,688	-	6,688
- 3 to 6 months	-	-	-
- more than 6 months	2,120	-	2,120
- more than 1 year	261	-	261
	<u>22,347</u>	<u>-</u>	<u>22,347</u>

The Group's normal trade credit terms range from 30 to 90 days.

The Group believes that no impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

B6. 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.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

B7. Status of corporate proposals

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

On 25 September 2017, the Board of Directors announced that the Company is proposing to undertake the:-

- (i) proposed bonus issue of up to 132,960,500 bonus shares on the basis of one bonus share for every two existing HLT shares held on the entitlement date to be determined later; and
- (ii) proposed bonus issue of up to 199,440,750 warrants on the basis of three warrants for every four existing HLT shares held on the entitlement date to be determined later.

(Collectively referred to as the "Proposals")

On 24 October 2017, Bursa Securities has vide its letter resolved to approve the followings:-

- (i) listing of and quotation for up to 312,960,500 bonus shares on the ACE Market of Bursa Securities;
- (ii) admission to the Official List and the listing of and quotation for up to 199,440,750 warrants on the ACE Market of Bursa Securities; and
- (iii) listing of and quotation for up to 199,440,750 new HLT shares to be issued pursuant to the exercise of warrants on the ACE Market of Bursa Securities.

The Proposals are subject to the approvals and conditions as stated in Section 7 of the circular dated 3 November 2017.

The Company has obtained the approval of the shareholders pertaining to the Proposals at the extraordinary general meeting held on 20 November 2017.

B8. Utilisation of proceeds from the Initial Public Offering ("IPO")

The gross proceeds arising from the Public Issue amounting to RM17.816 million and the status of the utilisation of the proceeds as at the date of this report is as follows:-

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated timeframe for utilisation
(a) Capital expenditure	9,000	-	-	9,000	24 months
(b) R&D expenditure	1,500	-	-	1,500	18 months
(c) Working capital	4,916	4,916	-	-	-
(d) Estimated listing expenses	2,400	2,400	-	-	-
Total	17,816	7,316	-	10,500	

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

B9. Group borrowings and debt securities

Total Group's borrowings as at 30 September 2017 are as follows:-

	Unaudited As at 30.09.2017 RM'000	Audited As at 31.12.2016 RM'000
Term loan:		
Current	80	77
Non-current	1,182	1,295
	1,262	1,372

The term loan is secured and denominated in Ringgit Malaysia.

B10. Material litigation

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

B11. Dividends

On 25 September 2017, the Board has approved the declaration and payment of first interim single-tier dividend of 1.00 sen per ordinary share totalling RM2,650,060 in respect of the financial year ending 31 December 2017. The entitlement date and the payment date of the first interim dividend have been fixed on 1 November 2017 and 30 November 2017 respectively.

B12. Loss per share ("LPS")

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

	Unaudited Current year quarter 30.09.2017	Unaudited Current year-to-date 30.09.2017
Net loss attributable to ordinary equity holders of the Company (RM'000)	(2,513)	(2,025)
Weighted average number of ordinary shares in issue ('000)	263,921	262,471
Basic LPS (sen)	(0.95)	(0.77)
Diluted LPS (sen) ⁽¹⁾	(0.95)	(0.77)

Notes:

(1) Diluted LPS of the Company for the individual quarter 30 September 2017 and cumulative quarter 30 September 2017 is equivalent to the basic LPS as the share option had an anti-dilutive effect on the basic LPS and the Company has no other dilutive potential ordinary shares in issue at the end of the reporting period.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2017

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

B13. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	Unaudited Current year quarter 30.09.2017 RM'000	Unaudited Current year-to-date 30.09.2017 RM'000
Depreciation of property, plant and equipment	146	432
Interest expense	-	3
Listing expenses	-	295
Unrealised (gain)/loss on foreign exchange	(250)	102
Interest income	(90)	(252)
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Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

B14. Disclosure of realised and unrealised profits or losses

The realised and unrealised retained profits of the Group as at 30 September 2017 are analysed as follows:-

	Unaudited As at 30.09.2017 RM'000	Audited As at 31.12.2016 RM'000
Total retained profits of the Group		
- Realised	30,195	34,343
- Unrealised	(102)	425
	<hr/>	<hr/>
	<u>30,093</u>	<u>34,768</u>

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