



HLT GLOBAL BERHAD

Registration No: [201501038003 (1163324-H)]
(Incorporated in Malaysia)

Year 2022

Quarterly Announcement

For the Fourth Quarter Ended 31 December 2022

HLT GLOBAL BERHAD

Registration No: [201501038003 (1163324-H)]
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	Note	--- Individual Quarter ---		--- Cumulative Quarter ---	
		Unaudited Current year quarter 31.12.2022 RM'000	Unaudited Preceding year quarter 31.12.2021 RM'000	Unaudited Current year- to-date 31.12.2022 RM'000	Audited Preceding year- to-date 31.12.2021 RM'000
Revenue	A9	11,105	30,016	75,670	270,314
Cost of sales		(13,845)	(25,266)	(79,190)	(195,664)
Gross (loss)/profit		(2,740)	4,750	(3,520)	74,650
Other operating income		-	1,706	3,572	5,175
Selling and distribution expenses		(48)	(473)	(558)	(7,861)
Administrative and other expenses		(37,514)	(25,274)	(54,362)	(38,309)
Finance costs		(1)	-	(6)	(69)
(Loss)/Profit before taxation		(40,303)	(19,291)	(54,874)	33,586
Income tax credit/(expense)	B4	2,445	(1,672)	256	(14,796)
(Loss)/Profit after taxation		(37,858)	(20,963)	(54,618)	18,790
Other comprehensive income		-	-	-	-
Total comprehensive (expense)/income for the financial period		(37,858)	(20,963)	(54,618)	18,790
(Loss)/Profit after taxation attributable to:					
- Owners of the Company		(37,840)	(21,028)	(54,546)	8,892
- Non-controlling interests		(18)	65	(72)	9,898
		(37,858)	(20,963)	(54,618)	18,790
Total comprehensive (expense)/income attributable to:					
- Owners of the Company		(37,840)	(21,028)	(54,546)	8,892
- Non-controlling interests		(18)	65	(72)	9,898
		(37,858)	(20,963)	(54,618)	18,790
(Loss)/Earnings per share (sen):					
- Basic	B12	(5.23)	(3.41)	(7.40)	1.30
- Diluted	B12	(5.23)	(3.10)	(7.40)	1.17

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 2021 and the accompanying explanatory notes attached to this interim financial report.

HLT GLOBAL BERHAD

Registration No: [201501038003 (1163324-H)]
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022⁽¹⁾

	Note	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		51,481	48,561
Right-of-use assets		54,076	54,457
Goodwill		-	2,785
		<u>105,557</u>	<u>105,803</u>
CURRENT ASSETS			
Inventories		31,941	57,678
Trade receivables	B5	18,306	14,279
Other receivables, deposits and prepayments		14,896	8,832
Contract assets		880	4,016
Amount owing by related parties		-	32
Short-term investments		4,023	10,536
Fixed deposits with a licensed bank		37,800	1,539
Current tax assets		5,368	-
Cash and bank balances		10,304	22,517
		<u>123,518</u>	<u>119,429</u>
TOTAL ASSETS		<u>229,075</u>	<u>225,232</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		207,162	188,730
Merger deficit		(22,033)	(22,033)
Employee share option reserve		10,442	9,304
Accumulated losses		(71,470)	(17,053)
Equity attributable to owners of the Company		<u>124,101</u>	<u>158,948</u>
Non-controlling interests		489	561
TOTAL EQUITY		<u>124,590</u>	<u>159,509</u>
NON-CURRENT LIABILITIES			
Term loan	B9	371	539
Deferred tax liabilities		3,864	3,885
		<u>4,235</u>	<u>4,424</u>
CURRENT LIABILITIES			
Trade payables		22,492	25,760
Other payables and accruals		16,415	20,995
Contract liabilities		56,352	8,569
Amount owing to a related party		4,853	4,712
Term loan	B9	138	124
Current tax liabilities		-	1,139
		<u>100,250</u>	<u>61,299</u>
TOTAL LIABILITIES		<u>104,485</u>	<u>65,723</u>
TOTAL EQUITY AND LIABILITIES		<u>229,075</u>	<u>225,232</u>
Net assets per share (RM)		<u>0.16</u>	<u>0.22</u>

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 2021 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	← Non-Distributable →			Distributable		Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Employee Share Option Reserve RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000		
Balance at 1 January 2022	188,730	(22,033)	9,304	(17,053)	158,948	561	159,509
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	(54,546)	(54,546)	(72)	(54,618)
Contributions by and distribution to owners of the Company:							
Issuance of ordinary shares pursuant to:							
- Private Placement	11,745	-	-	-	11,745	-	11,745
- Private Placement expenses	-	-	-	(59)	(59)	-	(59)
- Warrants exercised	6,687	-	-	-	6,687	-	6,687
Share options lapsed	-	-	(188)	188	-	-	-
Share options to employees	-	-	1,326	-	1,326	-	1,326
Total transactions with owners	18,432	-	1,138	129	19,699	-	19,699
Balance at 31 December 2022	207,162	(22,033)	10,442	(71,470)	124,101	489	124,590

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022 ⁽¹⁾

	← Non-Distributable →			Distributable			
	Share Capital RM'000	Merger Deficit RM'000	Employee Share Option Reserve RM'000	Retained Profits/ (Accumulated Losses) RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1 January 2021	98,318	(22,033)	7,730	17,145	101,160	35,879	137,039
Profit after taxation/Total comprehensive income for the financial year	-	-	-	8,892	8,892	9,898	18,790
Contributions by and distribution to owners of the Company:							
Issuance of ordinary shares pursuant to:							
- Acquisition of a subsidiary	90,000	-	-	(44,184)	45,816	(45,816)	-
- Share issuance expenses	-	-	-	(270)	(270)	-	(270)
- ESOS exercised	298	-	(129)	-	169	-	169
- Warrants exercised	114	-	-	-	114	-	114
Acquisition of a subsidiary	-	-	-	-	-	600	600
Share options lapsed	-	-	(1,364)	1,364	-	-	-
Share options to employees	-	-	3,067	-	3,067	-	3,067
Total transactions with owners	90,412	-	1,574	(43,090)	48,896	(45,216)	3,680
Balance at 31 December 2021	188,730	(22,033)	9,304	(17,053)	158,948	561	159,509

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 2021 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	Unaudited Current year-to-date 31.12.2022 RM'000	Audited Preceding year-to-date 31.12.2021 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(54,874)	33,586
Adjustments for: -		
Depreciation of property, plant and equipment	5,970	6,715
Depreciation of right-of-use assets	740	483
Property, plant and equipment written off	3	*
Impairment loss on goodwill	2,785	-
Impairment loss on trade receivables	1,780	3,006
Impairment loss on property, plant and equipment	21,605	-
Interest expense	6	69
Inventories written down	16,982	20,485
Share options to employees	1,326	3,067
Unrealised (gain)/loss on foreign exchange	(2,458)	107
Dividend income	(44)	(865)
Fair value gain on short-term investments	(44)	(6)
Gain on disposal of plant and equipment	(95)	(120)
Interest income	(556)	(94)
Operating (loss)/profit before working capital changes	(6,874)	66,433
Decrease/(Increase) in inventories	8,755	(50,641)
(Increase)/Decrease in trade and other receivables	(12,063)	17,265
Decrease in trade and other payables	(7,652)	(18,973)
Net Increase/(decrease) in contract liabilities	50,918	(13,897)
Net increase in amount owing to related parties	173	813
CASH FROM OPERATIONS	33,257	1,000
Income tax paid	(6,592)	(18,980)
Income tax refunded	320	-
Interest received	524	56
Interest paid	(6)	(69)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	27,503	(17,993)
CASH FLOWS FOR INVESTING ACTIVITIES		
Subscription of shares in a subsidiary by non-controlling interests	-	600
Dividends received	88	870
Share issuance expense	-	(270)
Purchase of property, plant and equipment	(30,497)	(27,925)
Purchase of right-of-use assets	(360)	(38,255)
Proceeds from disposal of property, plant and equipment	95	152
NET CASH FOR INVESTING ACTIVITIES	(30,674)	(64,828)

*Represent RM2

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022 ⁽¹⁾ (CONT'D)

	Unaudited Current year-to-date 31.12.2022 RM'000	Audited Preceding year-to-date 31.12.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	18,372	283
Repayment of term loan	(153)	(150)
NET CASH FROM FINANCING ACTIVITIES	<u>18,219</u>	<u>133</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,048	(82,688)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	2,456	9
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>33,053</u>	<u>115,732</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u><u>50,557</u></u>	<u><u>33,053</u></u>
Cash and cash equivalents comprise the following:		
- Fixed deposit with a licensed bank	37,800	1,539
- Cash and bank balances	10,304	22,517
- Money market funds	4,023	10,536
	<u>52,127</u>	<u>34,592</u>
Less: Fixed deposit with tenure of more than 3 months	(1,570)	(1,539)
	<u><u>50,557</u></u>	<u><u>33,053</u></u>

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 2021 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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 subsidiaries (“**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 2021 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in accounting policies

During the financial year ended 31 December 2022, 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)

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020

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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

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

There was no material unusual item 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 was no material change in estimates in the current financial quarter under review.

A7. Debt and equity securities

During the financial year ended 31 December 2022, the Company has issued new ordinary shares as follows:-

	Issue Price	No. of Shares
Private Placement	RM0.405	29,000,000
Exercise of Warrants	RM0.200	33,432,450

Subsequent to the end of the financial year, the Company issued additional 5,562,450 new ordinary shares of RM0.20 each pursuant to the exercise of Warrants.

The exercise rights of the Warrant have expired and become null and void on 27 December 2022.

The Warrant have been removed from the official list of Bursa Malaysia Securities Berhad on 28 December 2022.

Other than as disclosed above, there was 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 is originated into three (3) main reportable segments as follows:-

No	Business segments	Principal activities
1.	Glove-dipping lines	: manufacture of glove-dipping machines, fabrication works on metal and stainless steel products and carry out all supporting services associated therewith
2.	Rubber Gloves	: manufacturing and trading of rubber gloves
3.	Corporate	: provision of corporate services to the entities within the Group

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

A9. Segmental information (Cont’d)

(a) Business Segments (Cont’d)

	Glove- Dipping Lines RM’000	Rubber Gloves RM’000	Corporate RM’000	Consolidation adjustments RM’000	Consolidated RM’000
Current year-to-date 31.12.2022					
External Revenue	62,134	13,536	-	-	75,670
Inter-segment Revenue	3,188	-	-	(3,188)	-
	<u>65,322</u>	<u>13,536</u>	<u>-</u>	<u>(3,188)</u>	<u>75,670</u>
Segment result					
Profit/(Loss) from operation	6,164	(62,679)	(1,815)	(2,705)	(61,035)
Depreciation	837	5,961	-	(87)	6,711
Finance costs	6	-	-	-	6
Interest income	(517)	(38)	(1)	-	(556)
Profit/(Loss) before taxation	<u>6,490</u>	<u>(56,756)</u>	<u>(1,816)</u>	<u>(2,792)</u>	<u>(54,874)</u>
Tax credit					256
Loss after taxation					<u>(54,618)</u>
Attributable to:					
Owners of the Company					(54,546)
Non-controlling interest					(72)
Loss for the financial year					<u>(54,618)</u>
Segment assets	<u>118,683</u>	<u>110,528</u>	<u>189,797</u>	<u>(189,933)</u>	<u>229,075</u>
Segment liabilities	<u>95,240</u>	<u>73,929</u>	<u>1,378</u>	<u>(66,062)</u>	<u>104,485</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

A9. Segmental information (Cont'd)

(a) Business Segments (Cont'd)

	Glove- Dipping Lines RM'000	Rubber Gloves RM'000	Corporate RM'000	Consolidation adjustments RM'000	Consolidated RM'000
Current year-to-date 31.12.2021					
External Revenue	103,914	166,400	-	-	270,314
Inter-segment Revenue	12,273	-	-	(12,273)	-
	116,187	166,400	-	(12,273)	270,314
Segment result					
Profit/(Loss) from operation	12,048	20,104	(12,333)	6,587	26,406
Depreciation	610	6,576	-	12	7,198
Finance costs	69	-	-	-	69
Interest income	(33)	(54)	-	-	(87)
Profit/(Loss) before taxation	12,694	26,626	(12,333)	6,599	33,586
Tax expense					(14,796)
Profit after taxation					18,790
Attributable to:					
Owners of the Company					8,892
Non-controlling interest					9,898
Profit for the financial year					18,790
Segment assets	84,864	136,066	170,918	(169,401)	222,447
Goodwill	-	-	-	2,785	2,785
Segment liabilities	66,672	44,183	382	(45,514)	65,723

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

A9. Segmental information (Cont’d)

(b) Geographical Information

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 31.12.2022 RM’000	Unaudited Preceding year quarter 31.12.2021 RM’000	Unaudited Current year-to- date 31.12.2022 RM’000	Audited Preceding year-to- date 31.12.2021 RM’000
Domestic	4,759	10,753	32,850	91,220
Overseas	6,346	19,263	42,820	179,094
	11,105	30,016	75,670	270,314

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 was no other material event 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 was no material change 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

A13. Contingent assets and contingent liabilities

The Group has no contingent asset as at the date of this report. Contingent liability of the Group was as follows:-

	Unaudited As at 31.12.2022 RM’000	Audited As at 31.12.2021 RM’000
Bank guarantee extended by subsidiaries to third parties	1,343	5,606

A14. Capital commitments

The capital commitment in respect of property, plant and equipment as at the end of the current financial quarter as follows:-

	Unaudited As at 31.12.2022 RM’000	Audited As at 31.12.2021 RM’000
Purchase of property, plant and equipment	10,633	17,452

A15. Related party transactions

The Group’s transactions with companies in which our directors or substantial shareholders have an interest in for the current quarter ended 31 December 2022 were as follows:-

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 31.12.2022 RM’000	Unaudited Preceding year quarter 31.12.2021 RM’000	Unaudited Current year-to- date 31.12.2022 RM’000	Audited Preceding year-to- date 31.12.2021 RM’000
Sales of rubber gloves	-	-	-	(1,275)
Sales of glove-dipping machines	-	-	-	(1,072)
Purchase of wood pellets	271	66	646	2,880
Legal and advisory fee	9	9	39	36
Secretarial Services	28	-	33	-

At the Annual General Meeting held on 30 May 2022 (“AGM”), shareholders of the Company had approved the proposed renewal of existing shareholder’s mandate and new shareholders’ mandate for recurrent related party transactions of a revenue and/or trading nature from the date of AGM up to the date of next AGM.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

Financial review for current quarter:

	--- Individual Quarter ---				--- Cumulative Quarter ---			
	Unaudited Current year quarter 31.12.2022 RM'000	Unaudited Preceding year quarter 31.12.2021 RM'000	Changes		Unaudited Current year-to-date 31.12.2022 RM'000	Audited Preceding year- to-date 31.12.2021 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	11,105	30,016	(18,911)	(63.00)	75,670	270,314	(194,644)	(72.01)
Gross (loss)/profit	(2,740)	4,750	(7,490)	(157.68)	(3,520)	74,650	(78,170)	(104.72)
(Loss)/Profit before taxation	(40,303)	(19,291)	(21,012)	108.92	(54,874)	33,586	(88,460)	(263.38)
(Loss)/Profit after taxation	(37,858)	(20,963)	(16,895)	80.59	(54,618)	18,790	(73,408)	(390.68)
Revenue								
Glove-Dipping Lines	9,195	21,374	(12,179)	(56.98)	62,134	103,914	(41,780)	(40.21)
Rubber Gloves	1,910	8,642	(6,732)	(77.90)	13,536	166,400	(152,864)	(91.87)
Corporate	-	-	-	-	-	-	-	-
	11,105	30,016	(18,911)	(63.00)	75,670	270,314	(194,644)	(72.01)
Gross (loss)/profit								
Glove-Dipping Lines	(16)	4,496	(4,512)	(100.36)	10,528	18,324	(7,796)	(42.55)
Rubber Gloves	(2,724)	254	(2,978)	(1,172.44)	(14,048)	56,326	(70,374)	(124.94)
Corporate	-	-	-	-	-	-	-	-
	(2,740)	4,750	(7,490)	(157.68)	(3,520)	74,650	(78,170)	(104.72)
(Loss)/Profit before taxation								
Glove-Dipping Lines	(3,810)	1,219	(5,029)	(412.55)	6,274	10,760	(4,486)	(41.69)
Rubber Gloves	(33,287)	(20,101)	(13,186)	65.60	(56,562)	26,707	(83,269)	(311.79)
Corporate	(3,206)	(409)	(2,797)	683.86	(4,586)	(3,881)	(705)	18.17
	(40,303)	(19,291)	(21,012)	108.92	(54,874)	33,586	(88,460)	(263.38)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance (Cont'd)

For the current financial quarter under review, the Group recorded revenue of RM11.105 million, decrease of 63.00% as compared to RM30.016 million in the preceding year quarter. The decrease in revenue was attributable to the decline in revenue from both rubber gloves segment and glove dipping line segment as compared to corresponding year quarter.

The Group recorded revenue of RM75.670 million for the financial year ended 31 December 2022 ("FYE 2022"), decrease of 72.01% as compared to previous financial year ended 31 December 2021 ("FYE 2021"). The decrease of RM194.644 million in revenue was mainly attributable to the decrease in revenue from both glove-dipping lines and rubber gloves segments.

The Group recorded gross loss of RM2.740 million with a gross loss margin of 24.67% as compared to gross profit of RM4.750 million with gross profit margin of 15.82% in the preceding year quarter. The gross loss was attributable to the losses from both glove-dipping lines and rubber glove segment. For rubber glove segment, it is in tandem with the decrease in sales volume and lower average selling price of gloves. For glove-dipping lines segment it was due to higher labour and material cost incurred for the current financial quarter under review. For FYE 2022, the Group recorded gross loss of RM3.520 million with gross loss margin of 4.65% as compared to gross profit of RM74.650 million with gross profit margin of 27.62% for FYE 2021.

The Group recorded a loss before taxation of RM40.303 million as compared to a loss before taxation of RM19.291 million in the preceding year quarter. The Group incurred RM37.563 million in operating expenses, an increase of RM13.522 million compared to preceding year quarter. The decrease of RM0.425 million in selling and distribution expenses were mainly due to decrease in sales commissions paid and costs for carriage outwards for selling of the rubber gloves in tandem to the lower sales volume in this quarter. Whereas the increase of RM12.240 million of administrative and other expenses were mainly due to impairment of property, plant and equipment in current quarter. For FYE 2022, the Group recorded a loss before taxation of RM54.874 million as compared to profit before taxation of RM33.586 million in FYE 2021.

Glove-Dipping Lines

The glove-dipping lines segment recorded revenue of RM9.195 million, a decrease of 56.98% as compared to RM21.374 million in the preceding year quarter. For the FYE 2022, the glove-dipping lines segment recorded revenue of RM62.134 million, a decrease of 40.21% as compared to RM103.914 million. The revenue mainly contributed from design, fabrication, installation, testing and commissioning of glove-dipping lines segment ("Sale of New Lines") backed by revenue contribution of RM62.450 million from outstanding orders brought forward from previous financial year. Currently, three orders are in progress which comprised of a local order and two foreign orders. Foreign market contributes significant portion of revenue amounting to RM34.416 million or 55.39% of the glove-dipping lines segment's total revenue.

The glove-dipping lines segment recorded a gross loss of RM0.016 million with a gross loss margin of 0.17% as compared to a gross profit of RM4.496 million with gross profit margin of 21.03% in the preceding year quarter. For FYE 2022, the glove-dipping lines segment recorded gross profit of RM10.528 million with gross loss margin of 16.94% as compared to gross profit of RM18.324 million with gross profit margin of 17.63%.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

B1. Review of performance (Cont'd)

The glove-dipping lines segment recorded a loss before taxation of RM3.810 million as compared to a profit before taxation of RM1.219 million in the preceding year quarter and lower profit before taxation of RM6.274 million as compared to a profit before taxation of RM10.760 million in the FYE 2022.

Rubber Gloves

HL Rubber Industries Sdn Bhd ("HLRI") is principally engaged in the business of manufacturing and trading of rubber gloves. The rubber gloves segment registered a lower revenue of RM1.910 million, recording a decrease of 77.90% as compared to RM8.642 million in the preceding year quarter. For the FYE 2022, the rubber gloves segment recorded revenue of RM13.536 million, a decrease of 91.87% as compared to RM166.400 million in the FYE 2021. Export sales contributed 62.09% of the total revenue of rubber gloves segment. The export market mainly consists of United States of America, Singapore, Taiwan, Netherlands, Australia, and Saudi Arabia.

The rubber gloves segment recorded a gross loss of RM2.724 million with a gross loss margin of 142.62% as compared to a gross profit of RM0.254 million with gross profit margin of 2.94% in the preceding year quarter. For FYE 2022, the rubber gloves segment recorded gross loss of RM14.048 million with gross loss margin of 103.78% as compared to gross profit of RM56.326 million with gross profit margin of 33.85%. The performance of the rubber gloves segment was affected by the slowdown in demand as well as the normalising of average selling price. Furthermore, the increase of minimum wage in Malaysia under the Minimum Wages Order 2022 which came into effect 1 May 2022 and lower plant utilisation rate drive up the production cost.

The rubber gloves segment recorded loss before taxation of RM33.287 million as compared to a loss before taxation of RM20.101 million in the preceding year quarter. For FYE 2022, the rubber gloves segment recorded loss before taxation of RM56.562 million as compared to profit before taxation of RM26.707 million in the FYE 2021. The loss before taxation was mainly due to inventories written down of RM8.378 million to net realisable value and impairment of property, plant and equipment of RM21.605 million in current quarter.

Corporate

Corporate segment represents the investment holding company. No revenue was contributed by the investment holding company.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

B2. Comparison with immediate preceding quarter's results

	Unaudited Current Quarter 31.12.2022 RM'000	Unaudited Preceding Quarter 30.09.2022 RM'000	Changes	
			RM'000	%
Revenue	11,105	16,884	(5,779)	(34.23)
Loss before taxation	(40,303)	(11,927)	(28,376)	237.91
Revenue				
Glove-Dipping Lines	9,195	14,676	(5,481)	(37.35)
Rubber Gloves	1,910	2,208	(298)	(13.50)
Corporate	-	-	-	-
	<u>11,105</u>	<u>16,884</u>	<u>(5,779)</u>	<u>(34.23)</u>
(Loss)/Profit before taxation				
Glove-Dipping Lines	(3,810)	2,627	(6,437)	(245.03)
Rubber Gloves	(33,287)	(14,120)	(19,167)	135.74
Corporate	(3,206)	(434)	(2,772)	638.71
	<u>(40,303)</u>	<u>(11,927)</u>	<u>(28,376)</u>	<u>237.91</u>

The Group's revenue for the current quarter has decreased by RM5.779 million or 34.23% to RM11.105 million as compared to RM16.884 million in the preceding quarter. The decrease in revenue was attributable to lower revenue generated from rubber gloves segments and glove-dipping lines segment.

Meanwhile, the loss before taxation increased by 237.91% to RM40.303 million as compare to RM11.927 million in the preceding quarter. The loss before taxation for glove-dipping lines segment was attributable to lower revenue and decrease in unrealised gain on forex exchange. The loss before taxation for rubber glove segment was due to inventories written down of RM8.378 million to net realisable value and impairment of property, plant and equipment of RM21.605 million in current quarter.

B3. Commentary on prospects

The rubber glove industry is experiencing the effects of normalisation after delivering exceptionally high earnings over the past two years due to surge in demand for gloves and higher average selling price during the pandemic. The overcapacity from aggressive expansions as well as buyers' excessive stockpiling during the pandemic has led to market supply-demand imbalances and the ongoing intensified market competition.

In view of the increasing challenging business outlook, the group is cautiously optimistic about the prospect for the industry given the expected continued post-pandemic growth in rubber gloves demand over the long-term period. As projected by Malaysian Rubber Glove Manufacturers Association ("MARGMA"), the gloves demand will resume its 10% growth per annum given the various growth drivers, for instance rising hygiene awareness, ageing population and recovery in non-Covid-19 related demand.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

B4. Income tax expense

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 31.12.2022 RM'000	Unaudited Preceding year quarter 31.12.2021 RM'000	Unaudited Current year-to- date 31.12.2022 RM'000	Audited Preceding year-to- date 31.12.2021 RM'000
Current tax				
- Current financial period/year	(205)	1,368	2,000	14,868
- (Over)/underprovision	(2,234)	38	(2,234)	38
	(2,439)	1,406	(234)	14,906
Deferred taxation				
- origination and reversal of temporary differences	(6)	400	(22)	24
- Overprovision	-	(134)	-	(134)
	(6)	266	(22)	(110)
	(2,445)	1,672	(256)	14,796

B5. Trade receivables

	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
Trade receivables	41,642	35,835
Allowance for impairment losses	(23,336)	(21,556)
	<u>18,306</u>	<u>14,279</u>
Allowance for impairment losses: -		
At 1 January	(21,556)	(18,546)
Addition during the financial year	(1,780)	(3,005)
Exchange rate differences	-	(5)
At 31 December	<u>(23,336)</u>	<u>(21,556)</u>

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

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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

B7. Status of corporate proposal

Save as disclosed below, there was no corporate proposal announced or outstanding as at the date of this report.

Private Placement

On 27 January 2023, the Board of Director announced that the approval from Bursa Securities for the extension of time up to 28 January 2023 to complete the implementation of the Private Placement will lapse after 27 January 2023. Thus far, the Company has placed out 29,000,000 Placement Shares at an issue price of RM0.405 per Placement Share in one (1) tranche under the Private Placement. Nevertheless, the Company was not able to place out the remaining Placement Shares under the Private Placement and hence, the Private Placement is deemed completed on 27 January 2023.

B8. Utilisation of proceeds from the Private Placement

The Company had undertaken a private placement exercise pursuant to the 20% of the total number of issued share of HLT Global ("Private Placement"). On 16 February 2022, the Company had placed out 29,000,000 new ordinary shares which raised total proceeds of RM11.745 million.

The proceeds have been fully utilised in the previous financial quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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 31 December 2022 are as follows:-

	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
Term loan:		
Current	138	124
Non-current	371	539
	<u>509</u>	<u>663</u>

The term loans are secured and denominated in Ringgit Malaysia.

B10. Material litigation

Save as disclosed below, there was no material litigation pending as at the date of this announcement.

- Kuala Lumpur High Court Civil Suit No.: WA-22NCC-390-08/2020 ("Suit 390"): WRP Asia Pacific Sdn. Bhd. ("the Plaintiff") v Lee Son Hong ("Dato' Lee") (1st Defendant), Too Sooi Keng ("Too") (2nd Defendant), HL Advance Technologies (M) Sdn. Bhd. ("HLA") (3rd Defendant), Chan Yoke Chun ("Chan") (4th Defendant), Wong Kok Wah ("Wong") (5th Defendant), Lee Soon Khim ("Khim") (6th Defendant) and Cheong Ah Yoke ("Cheong") (7th Defendant)**

On 28 August 2020, HLA, a wholly-owned subsidiary of the Company has been served with a sealed Writ of Summons No. WA-22NCC-390-08/2020 accompanied by a Statement of Claim, both dated 18 August 2020 by WRP Asia Pacific Sdn. Bhd. ("Plaintiff") who alleges, inter alia, that in the course of an internal investigation conducted by the Plaintiff, it was discovered that Dato' Lee, Too, HLA, Chan and/or Wong had conspired to pay a total of RM36,000,000.00 to HLA to the detriment of the Plaintiff.

On 6 October 2020, HLA filed its defence disputing the Plaintiff's claim.

The Plaintiff's Statement of Claim was subsequently amended to include Khim and Cheong as the 6th and 7th Defendants respectively. The Plaintiff's claim sum was also amended to RM 49,954,578.84.

On 30 March 2022, the Court of Appeal struck out the Plaintiff's claim against both Chan and Wong. On 13 April 2022, the Plaintiff made amendments to its Statement of Claim to remove Chan and Wong as parties to the proceedings.

Presently, Suit 390 has been set down for trial from 9 to 12 January 2023 and 1 to 2 March 2023. The High Court has ordered Suit 390 to be tried together with Kuala Lumpur High Court Civil Suit No.: WA-22NCC-103-03/2022 ("**Suit 103**").

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

B10. Material litigation (cont'd)

2. **Kuala Lumpur High Court Civil Suit No.: WA-22NCC-103-03/2022 ("Suit 103"): HL Advance Technologies (M) Sdn. Bhd. ("HLA") v WRP Asia Pacific Sdn. Bhd. ("1st Defendant"), WRP Specialty Products Sdn. Bhd. ("2nd Defendant"), Sng Beng Hock Michael ("3rd Defendant"), Loong Mei Yin ("4th Defendant") and Abinash Majhi ("5th Defendant")**

On 15 March 2022, HLA has filed a Writ Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur against the following parties:-

- (i) WRP Asia Pacific Sdn. Bhd. ("1st Defendant")
- (ii) WRP Specialty Products Sdn. Bhd. ("2nd Defendant")
- (iii) Sng Beng Hock Michael ("3rd Defendant")
- (iv) Loong Mei Yin ("4th Defendant"); and
- (v) Abinash Majhi ("5th Defendant").

The circumstances leading to the filing of the Writ Summons and Statement of Claim by HLA is based on, inter alia, the sum of RM16,435,021.71 ("Outstanding Sums") as at 30 November 2018 due and owing by the 1st and 2nd Defendants to HLA for equipment, goods and services provided by HLA to the 1st and 2nd Defendants and the interests on the Outstanding Sums. HLA contends that HLA was requested by the 1st and 2nd Defendants through their director, to enter into a Settlement Agreement whereby Advanced Healthcare Products Sdn Bhd ("AHP") will effect payment of the Outstanding Sums on behalf of the 1st and 2nd Defendants. AHP was, however subsequently wound-up by the High Court of Malaya at Ipoh and the 1st and 2nd Defendants accordingly remain liable to HLA for the Outstanding Sums. HLA also sought for a declaration that the 3rd, 4th and 5th Defendants are guilty of fraudulent trading under Section 540 of the Companies Act 2016 and for the 3rd, 4th and 5th Defendants to be personally liable for the Outstanding Sums, given among others, the involvement of the 3rd, 4th and 5th Defendants in the business of the 1st and 2nd Defendants, and that the 3rd, 4th and 5th Defendants in having first allowed the said Outstanding Sums to be incurred and/or continuing to deny the liability of the 1st and 2nd Defendants for the said Outstanding Sums. Further, HLA also contends that the 3rd and 4th Defendants are guilty of fraudulent trading under Section 540 of the Companies Act 2016 given among others, the following involvements of the 3rd and 4th Defendants in the 3 business of 1st Defendant, 2nd Defendants, Tael Management Co. (Malaysia) Sdn Bhd and Tael Group which HLA contends, are clearly intended to relegate the rights and interests of the creditors of the 2nd Defendant, including HLA: -

- (i) Tael Management Co. (Malaysia) Sdn Bhd, the appointed receiver and manager of the property of the 2nd Defendant;
- (ii) Tael Management Co (Malaysia) Sdn Bhd is part of the Tael Group which is a substantial investor in the 1st Defendant;
- (iii) The 3rd and 4th Defendants are co-founders of the Tael Group; and
- (iv) The Notice of Appointment of Receiver of the 2nd Defendant was signed by the 4th Defendant for and on behalf of Tael Management Co (Malaysia) Sdn Bhd pursuant to a purported Debenture dated 3 September 2019.

On 25 July 2022, the 1st, 3rd, 4th and 5th Defendants filed an application ("**Application**") for the following orders:-

1. that the Statement of Claim be struck out;
2. alternative, that the claim against the 1st, 3rd, 4th and 5th Defendants be struck out;
3. consequent to the order made upon prayers 1 and/or 2 above, HLA's action against the 1st, 3rd, 4th and 5th Defendants stand dismissed;
4. such further and/or other orders and/or relief as this Honourable Court deems just and appropriate; and
5. costs.

The Application was heard and dismissed on 4.10.2022, with costs of RM 3,500.00 to be paid by the 1st, 3rd, 4th and 5th Defendants to HLA.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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

B10. Material litigation (cont'd)

2. Kuala Lumpur High Court Civil Suit No.: WA-22NCC-103-03/2022 ("Suit 103"): HL Advance Technologies (M) Sdn. Bhd. ("HLA") v WRP Asia Pacific Sdn. Bhd. ("1st Defendant"), WRP Specialty Products Sdn. Bhd. ("2nd Defendant"), Sng Beng Hock Michael ("3rd Defendant"), Loong Mei Yin ("4th Defendant") and Abinash Majhi ("5th Defendant") (cont'd)

The Court has ordered Suit 103 to be tried together with Kuala Lumpur High Court Civil Suit No.: WA-22NCC-390-08/2020 ("Suit 390") from 9 to 12 January 2023 and 1 to 2 March 2023.

B11. Dividends

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

B12. Loss per share ("LPS")

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

	Unaudited Current year quarter 31.12.2022	Unaudited Current year-to-date 31.12.2022
Loss after taxation attributable to owners of the Company (RM'000)	(37,840)	(54,546)
<u>Basic</u>		
Weighted average number of ordinary shares in issue ('000): -		
Issued ordinary shares on 1 January	707,393	707,393
Effect of new ordinary shares issued pursuant to:		
- Private Placement	-	25,345
- Warrants	15,850	4,043
Weighted average number of ordinary shares for the financial period	723,243	736,781
Basic LPS (sen)	<u>(5.23)</u>	<u>(7.40)</u>
Diluted LPS (sen) ⁽¹⁾	<u>(5.23)</u>	<u>(7.40)</u>

Note:-

- (1) *The effect of potential ordinary shares arising from the conversion of employee share options and warrant are anti-dilutive and accordingly, they have been ignored the calculation of dilutive loss per share. As a result, the diluted loss per ordinary share is the same as basic loss per share.*

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022

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 31.12.2022 RM'000	Unaudited Current year-to-date 31.12.2022 RM'000
Depreciation of property, plant and equipment	1,274	5,970
Depreciation of right-of-use assets	186	740
Property, plant and equipment written off	-	3
Share options expenses	331	1,326
Impairment loss on goodwill	2,785	2,785
Impairment loss on trade receivables	259	1,780
Impairment loss on property, plant and equipment	21,605	21,605
Inventories written down	8,378	16,982
Interest expense	1	6
Realised loss/(gain) on foreign exchange	39	(350)
Unrealised loss/(gain) on foreign exchange	2,505	(2,458)
Gain on disposal of plant and equipment	-	(95)
Fair value gain on short-term investment	(14)	(44)
Interest income	(331)	(556)
Dividend income	(11)	(44)
Rental Income	(1)	(2)

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

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