



HLT GLOBAL BERHAD

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

Year 2023

Quarterly Announcement

For the Fourth Quarter Ended 31 December 2023

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 2023⁽¹⁾

	Note	--- Individual Quarter ---		--- Cumulative Quarter ---	
		Unaudited Current year quarter 31.12.2023 RM'000	Unaudited Preceding year quarter 31.12.2022 RM'000	Unaudited Current year- to-date 31.12.2023 RM'000	Audited Preceding year- to-date 31.12.2022 RM'000
Revenue	A9	17,844	11,105	61,732	75,670
Cost of sales		(23,177)	(13,845)	(70,925)	(79,190)
Gross loss		(5,333)	(2,740)	(9,193)	(3,520)
Other operating income		-	-	4,173	3,572
Selling and distribution expenses		(138)	(48)	(433)	(558)
Administrative and other expenses		(29,523)	(37,514)	(36,315)	(53,201)
Finance costs		-	(1)	(5)	(6)
Loss before taxation		(34,994)	(40,303)	(41,773)	(53,713)
Income tax (expense)/credit	B4	(703)	2,445	(1,965)	180
Loss after taxation		(35,697)	(37,858)	(43,738)	(53,533)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the financial period		(35,697)	(37,858)	(43,738)	(53,533)
Loss after taxation attributable to:					
- Owners of the Company		(35,680)	(37,840)	(43,661)	(53,461)
- Non-controlling interests		(17)	(18)	(77)	(72)
		(35,697)	(37,858)	(43,738)	(53,533)
Total comprehensive expense attributable to:					
- Owners of the Company		(35,680)	(37,840)	(43,661)	(53,461)
- Non-controlling interests		(17)	(18)	(77)	(72)
		(35,697)	(37,858)	(43,738)	(53,533)
Loss per share (sen):					
- Basic	B12	(4.63)	(5.23)	(5.63)	(7.26)
- Diluted	B12	(4.63)	(5.23)	(5.63)	(7.10)

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 2022 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 2023⁽¹⁾

	Note	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		34,597	52,954
Right-of-use assets		53,331	54,076
		<u>87,928</u>	<u>107,030</u>
CURRENT ASSETS			
Inventories		30,377	31,941
Trade receivables	B5	18,222	17,995
Other receivables, deposits and prepayments		5,666	14,872
Contract assets		-	880
Short-term investments		2,131	4,023
Current tax assets		6,352	5,368
Fixed Deposits with a licensed bank		26,054	37,800
Cash and bank balances		3,277	10,304
		<u>92,079</u>	<u>123,183</u>
TOTAL ASSETS		<u>180,007</u>	<u>230,213</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		88,274	207,162
Merger deficit		(22,033)	(22,033)
Employee share option reserve		10,278	10,352
Retained profits/(Accumulated losses)		6,781	(70,295)
		<u>83,300</u>	<u>125,186</u>
Equity attributable to owners of the Company		83,300	125,186
Non-controlling interests		412	489
TOTAL EQUITY		<u>83,712</u>	<u>125,675</u>
NON-CURRENT LIABILITIES			
Term loan	B8	205	371
Deferred tax liabilities		4,286	3,940
		<u>4,491</u>	<u>4,311</u>
CURRENT LIABILITIES			
Trade payables		30,325	22,469
Other payables and accruals		19,974	21,120
Contract liabilities		41,173	56,352
Amount owing to a related party		185	148
Term loan	B8	147	138
		<u>91,804</u>	<u>100,227</u>
TOTAL LIABILITIES		<u>96,295</u>	<u>104,538</u>
TOTAL EQUITY AND LIABILITIES		<u>180,007</u>	<u>230,213</u>
Net assets per share (RM)		<u>0.11</u>	<u>0.16</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 2022 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 2023⁽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 2023	207,162	(22,033)	10,352	(70,295)	125,186	489	125,675
Loss after taxation/Total comprehensive expenses for the financial period	-	-	-	(43,661)	(43,661)	(77)	(43,738)
Contributions by and distribution to owners of the Company:							
Capital reduction	(120,000)	-	-	120,000	-	-	-
Issuance of ordinary shares pursuant to: - Warrants exercised	1,112	-	-	-	1,112	-	1,112
Share options lapsed	-	-	(737)	737	-	-	-
Share options to employees	-	-	663	-	663	-	663
Total transactions with owners	(118,888)	-	(74)	120,737	1,775	-	1,775
Balance at 31 December 2023	88,274	(22,033)	10,278	6,781	83,300	412	83,712

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023 ⁽¹⁾

	← Non-Distributable →			Distributable	Attributable to Owners of the Company RM'000	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			
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	-	-	-	(53,461)	(53,461)	(72)	(53,533)
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	-	-	(278)	278	-	-	-
Share options to employees	-	-	1,326	-	1,326	-	1,326
Total transactions with owners	18,432	-	1,048	219	19,699	-	19,699
Balance at 31 December 2022	207,162	(22,033)	10,352	(70,295)	125,186	489	125,675

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 2022 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 2023⁽¹⁾

	Unaudited Current year-to-date 31.12.2023 RM'000	Audited Preceding year-to-date 31.12.2022 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Loss before taxation	(41,773)	(53,713)
Adjustments for: -		
Depreciation of property, plant and equipment	660	5,970
Depreciation of right-of-use assets	746	740
Property, plant and equipment written off	-	3
Impairment loss on goodwill	-	2,785
Impairment loss on other receivables	313	-
Impairment loss on trade receivables	78	2,091
Impairment loss on property, plant, and equipment	25,857	20,132
Interest expense	5	6
Inventories written down	976	16,982
Share options to employees	663	1,326
Unrealised gain on foreign exchange	(1,181)	(2,458)
Dividend income	(45)	(44)
Fair value gain on short-term investments	(62)	(44)
Gain on disposal of plant and equipment	-	(95)
Interest income	(1,680)	(562)
Reversal of Impairment loss on trade receivables	(408)	-
Operating loss before working capital changes	(15,851)	(6,881)
Decrease in inventories	588	8,755
Decrease/(Increase) in trade and other receivables	9,105	(12,063)
Decrease in amount owing by related parties	-	32
Increase in amount owing to related parties	37	111
Increase/(Decrease) in trade and other payables	6,748	(7,652)
(Decrease)/Increase in contract liabilities	(15,178)	47,782
Decrease in contract assets	880	3,135
CASH (FOR)/FROM OPERATIONS	(13,671)	33,219
Income tax paid	(2,647)	(6,592)
Income tax refunded	43	320
Interest received	1,641	531
Interest paid	(5)	(6)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(14,639)	27,472
CASH FLOWS FOR INVESTING ACTIVITIES		
Dividends received	107	88
Purchase of property, plant and equipment	(8,160)	(30,497)
Purchase of right-of-use assets	-	(360)
Proceeds from disposal of property, plant and equipment	-	95
NET CASH FOR INVESTING ACTIVITIES	(8,053)	(30,674)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023 ⁽¹⁾ (CONT'D)

	Unaudited Current year-to-date 31.12.2023 RM'000	Audited Preceding year-to-date 31.12.2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	1,112	18,373
Repayment of term loan	(158)	(153)
Advances from related parties	-	30
NET CASH FROM FINANCING ACTIVITIES	954	18,250
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(21,738)	15,048
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	1,033	2,456
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	50,557	33,053
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	29,852	50,557
Cash and cash equivalents comprise the following:		
- Fixed deposit with a licensed bank	26,054	37,800
- Cash and bank balances	3,277	10,304
- Money market funds	2,131	4,023
	31,462	52,127
Less: Fixed deposit with tenure of more than 3 months	(1,610)	(1,570)
	29,852	50,557

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 2022 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 2023

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 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in accounting policies

During the financial year ended 31 December 2023, 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)

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
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 2023

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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year ended 31 December 2023, other than the following:

- (a) Increased its issued share capital from RM207,161,816 to RM208,274,306 by way of issuance of 5,562,450 new ordinary shares from exercise of warrants at an exercise price of RM0.20 which amounted to RM1,112,490.
- (b) Decreased its issued share capital from RM208,274,306 to RM88,274,306 by way of reduction of RM120,000,000 of the issued share capital pursuant to Section 116 of The Companies Act 2016 effective 7 September 2023.

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 2023

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 31.12.2023					
External Revenue	52,647	9,085	-	-	61,732
Inter-segment Revenue	1,312	-	-	(1,312)	-
	<u>53,959</u>	<u>9,085</u>	<u>-</u>	<u>(1,312)</u>	<u>61,732</u>
Segment result					
Profit/(Loss) from operation	6,709	(46,804)	(1,298)	(111)	(41,504)
Depreciation	877	438	-	91	1,406
Finance costs	5	-	-	-	5
Interest income	(1,631)	(48)	(1)	-	(1,680)
Profit/(Loss) before taxation	<u>5,960</u>	<u>(46,414)</u>	<u>(1,299)</u>	<u>(20)</u>	<u>(41,773)</u>
Tax expense					(1,965)
Loss after taxation					<u>(43,738)</u>
Attributable to:					
Owners of the Company					(43,661)
Non-controlling interest					(77)
Loss for the financial year					<u>(43,738)</u>
Segment assets	<u>92,680</u>	<u>84,611</u>	<u>119,829</u>	<u>(117,113)</u>	<u>180,007</u>
Segment liabilities	<u>64,896</u>	<u>94,821</u>	<u>264</u>	<u>(63,686)</u>	<u>96,295</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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	6,171	(62,990)	(71,145)	68,097	(59,867)
Depreciation	836	5,961	-	(87)	6,710
Finance costs	6	-	-	-	6
Interest income	(523)	(38)	(1)	-	(562)
Profit/(Loss) before taxation	<u>6,490</u>	<u>(57,067)</u>	<u>(71,146)</u>	<u>68,010</u>	<u>(53,713)</u>
Tax credit					180
Loss after taxation					<u>(53,533)</u>
Attributable to:					
Owners of the Company					(53,461)
Non-controlling interest					(72)
Loss for the financial year					<u>(53,533)</u>
Segment assets	<u>118,659</u>	<u>110,217</u>	<u>120,466</u>	<u>(119,129)</u>	<u>230,213</u>
Segment liabilities	<u>95,216</u>	<u>74,005</u>	<u>1,378</u>	<u>(66,061)</u>	<u>104,538</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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 31.12.2023 RM’000	Unaudited Preceding year quarter 31.12.2022 RM’000	Unaudited Current year-to- date 31.12.2023 RM’000	Audited Preceding year-to- date 31.12.2022 RM’000
Domestic	2,255	4,759	10,969	32,850
Overseas	15,589	6,346	50,763	42,820
	17,844	11,105	61,732	75,670

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 2023

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 31.12.2023 RM’000	Audited As at 31.12.2022 RM’000
Bank guarantee extended by subsidiaries to third parties	940	1,343

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 31.12.2023 RM’000	Audited As at 31.12.2022 RM’000
Purchase of property, plant and equipment	10,502	10,633

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 2023 were as follows:-

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 31.12.2023 RM’000	Unaudited Preceding year quarter 31.12.2022 RM’000	Unaudited Current year-to- date 31.12.2023 RM’000	Audited Preceding year-to- date 31.12.2022 RM’000
Purchase of wood pellets	-	271	-	646
Legal and advisory fee	4	9	21	39
Secretarial Services	15	28	74	33
Sales commission	13	-	68	-

At the Annual General Meeting held on 12 June 2023 (“AGM”), shareholders of the Company had approved the proposed renewal of existing shareholder’s 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 2023

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 31.12.2023	Unaudited Preceding year quarter 31.12.2022	Changes		Unaudited Current year-to-date 31.12.2023	Audited Preceding year- to-date 31.12.2022	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	17,844	11,105	6,739	60.68	61,732	75,670	(13,938)	(18.42)
Gross Loss	(5,333)	(2,740)	(2,593)	94.64	(9,193)	(3,520)	(5,673)	161.16
Loss before taxation	(34,994)	(40,303)	5,309	(13.17)	(41,773)	(53,713)	11,940	(22.23)
Loss after taxation	(35,697)	(37,858)	2,161	(5.71)	(43,738)	(53,533)	9,795	(18.30)
Revenue								
Glove-Dipping Lines	14,013	9,195	4,818	52.40	52,647	62,134	(9,487)	(15.27)
Rubber Gloves	3,831	1,910	1,921	100.58	9,085	13,536	(4,451)	(32.88)
Corporate	-	-	-	-	-	-	-	-
	17,844	11,105	6,739	60.68	61,732	75,670	(13,938)	(18.42)
Gross Profit/(loss)								
Glove-Dipping Lines	2,070	(16)	2,086	(13,037.50)	7,298	10,588	(3,290)	(31.07)
Rubber Gloves	(7,403)	(2,724)	(4,679)	171.77	(16,491)	(14,108)	(2,383)	16.89
Corporate	-	-	-	-	-	-	-	-
	(5,333)	(2,740)	(2,593)	94.64	(9,193)	(3,520)	(5,673)	161.16
(Loss)/Profit before taxation								
Glove-Dipping Lines	512	(3,810)	4,322	(113.44)	5,430	6,334	(904)	(14.27)
Rubber Gloves	(35,375)	(33,287)	(2,088)	6.27	(45,934)	(55,461)	9,527	(17.18)
Corporate	(131)	(3,206)	3,075	(95.91)	(1,269)	(4,586)	3,317	(72.33)
	(34,994)	(40,303)	5,309	(13.17)	(41,773)	(53,713)	11,940	(22.23)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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 RM17.844 million, increase of 60.68% as compared to RM11.105 million in the preceding year quarter. The increase in revenue was attributable to the increase in revenue from both rubber gloves segment and glove-dipping line segment as compared to corresponding year quarter.

The Group recorded revenue of RM61.732 million for the financial year ended 31 December 2023 ("FYE 2023"), decrease of 18.42% as compared to previous financial year ended 31 December 2022 ("FYE 2022"). The decrease of RM13.938 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 RM5.333 million with a gross loss margin of 29.89% as compared to gross loss of RM2.740 million with a gross loss margin of 24.67% in the preceding year quarter. For FYE 2023, the Group recorded gross loss of RM9.193 million with gross loss margin of 14.89% as compared to gross loss of RM3.520 million with gross loss margin of 4.65% for FYE 2022.

The Group recorded a loss before taxation of RM34.994 million as compared to a loss before taxation of RM40.303 million in the preceding year quarter. Operating expenses amounted RM29.661 million, showing a decrease of RM7.902 million compared to preceding year quarter. This reduction is primarily attributed to lower administrative and other expenses, driven partly by the decrease in inventories written down to net realisable value which was partially offset by an increase in impairment of property, plant and equipment in rubber glove segment. For FYE 2023, the Group recorded a loss before taxation of RM41.773 million as compared to loss before taxation of RM53.713 million in FYE 2022.

Glove-Dipping Lines

The glove-dipping lines segment reported revenue of RM14.013 million, marking a substantial increase of 52.40% compared to RM9.195 million in the preceding year quarter. However, for the FYE 2023, the segment experienced a decrease in revenue to RM52.647 million, a decline of 15.27% compared to RM62.134 million. The revenue was primarily contributed by the design, fabrication, installation, testing, and commissioning of glove-dipping lines segment ("Sale of New Lines"), supported by revenue contributions of RM51.422 million from outstanding orders carried forward from the previous financial year. Presently, the segment is actively working on fulfilling two foreign orders, highlighting the significant contribution of foreign markets, which accounted for RM45.339 million or 86.12% of the glove-dipping lines segment's total revenue.

Despite the revenue fluctuations, the glove-dipping lines segment achieved a gross profit of RM2.070 million, with a gross profit margin of 14.77%, compared to a gross loss of RM0.016 million and a gross loss margin of 0.17% in the preceding year quarter. For FYE 2023, the segment recorded a gross profit of RM7.298 million, with a gross profit margin of 13.86%, down from a gross profit of RM10.588 million and a gross profit margin of 17.04% in the previous year.

The glove-dipping lines segment achieved a profit before taxation of RM0.512 million, marking a notable improvement compared to the loss before taxation of RM3.810 million in the preceding year quarter. However, profit before taxation of RM5.430 million is lower compared to the profit before taxation of RM6.334 million recorded in FYE 2022.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

B1. Review of performance (Cont'd)

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 higher revenue of RM3.831 million, recording an

increase of 100.58% as compared to RM1.910 million in the preceding year quarter. For the FYE 2023, the rubber gloves segment recorded revenue of RM9.085 million, a decrease of 32.88% as compared to RM13.536 million in the FYE 2022. Export sales contributed 45.78% of the total revenue of rubber gloves segment. The export market mainly consists of United States of America, Singapore, Taiwan, China, Denmark and Japan.

The rubber gloves segment recorded a gross loss of RM7.403 million with a gross loss margin of 193.24% as compared to a gross loss of RM2.724 million with a gross loss margin of 142.62% in the preceding year quarter. For FYE 2023, the rubber gloves segment recorded gross loss of RM16.491 million with gross loss margin of 181.52% as compared to gross loss of RM14.108 million with gross loss margin of 104.23%. The performance of the rubber gloves segment was affected by the slowdown in demand as well as the normalising of average selling price.

The rubber gloves segment recorded loss before taxation of RM35.375 million as compared to a loss before taxation of RM33.287 million in the preceding year quarter. For FYE 2023, the rubber gloves segment recorded loss before taxation of RM45.934 million as compared loss before taxation of RM55.461 million in the FYE 2022.

Corporate

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

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

B2. Comparison with immediate preceding quarter's results

	Unaudited Current Quarter 31.12.2023 RM'000	Unaudited Preceding Quarter 30.09.2023 RM'000	Changes	
			RM'000	%
Revenue	17,844	12,459	5,385	43.22
Loss before taxation	(34,994)	(4,837)	(30,157)	623.46
Revenue				
Glove-Dipping Lines	14,013	10,135	3,878	38.26
Rubber Gloves	3,831	2,324	1,507	64.85
Corporate	-	-	-	-
	<u>17,844</u>	<u>12,459</u>	<u>5,385</u>	<u>43.22</u>
(Loss)/Profit before taxation				
Glove-Dipping Lines	512	623	(111)	(17.82)
Rubber Gloves	(35,375)	(5,360)	(30,015)	559.98
Corporate	(131)	(100)	(31)	(31.00)
	<u>(34,994)</u>	<u>(4,837)</u>	<u>(30,157)</u>	<u>623.46</u>

The Group's revenue for the current quarter has increased by RM5.385 million or 43.22% to RM17.844 million as compared to RM12.459 million in the preceding quarter. The increase in revenue was attributable to higher revenue generated from both rubber gloves segments and glove-dipping lines segment.

Meanwhile, the loss before taxation increased by 623.46% to RM34.994 million as compared to RM4.837 million in the preceding quarter. The increase in loss before taxation mainly attributable to impairment loss on property, plant and equipment and inventories written down from rubber gloves segment.

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 2023

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 31.12.2023 RM'000	Unaudited Preceding year quarter 31.12.2022 RM'000	Unaudited Current year-to- date 31.12.2023 RM'000	Audited Preceding year-to- date 31.12.2022 RM'000
Current tax				
- Current financial period/year	700	(205)	1,900	2,000
- Overprovision	-	(2,234)	(280)	(2,234)
	700	(2,439)	1,620	(234)
Deferred taxation				
- origination and reversal of temporary differences	3	(6)	416	82
- Overprovision	-	-	(71)	(28)
	3	(6)	345	54
	703	(2,445)	1,965	(180)

B5. Trade receivables

	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
Trade receivables	41,539	41,642
Allowance for impairment losses	(23,317)	(23,647)
	18,222	17,995
Allowance for impairment losses: -		
At 1 January	(23,647)	(21,556)
Addition during the financial year	(78)	(2,091)
Reversal during the financial year	408	-
At 31 December	(23,317)	(23,647)

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 2023

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.

On 3 January 2024, the Board of Directors of the Company announced that the Company had entered into:

- i. a shares sale agreement with Snicom Sdn Bhd, CWK & Mount Sing Sdn Bhd, Alcor Corporation (M) Sdn Bhd and Lordtech Specialty Sdn Bhd (collectively, the "**Vendors**") for the proposed acquisition of 600,000 ordinary shares in Triple Care Gloves Sdn Bhd ("**Triple Care**"), representing the remaining 20% equity interest in Triple Care not owned by HLT Global, for a total purchase consideration of RM0.6 million to be fully satisfied via the issuance of 2,605,297 new ordinary shares in HLT Global at an issue price of RM0.2303 each ("**Proposed Acquisition**");
- ii. 4 separate shareholders' advances capitalisation agreements with Triple Care and the Vendors for the proposed settlement by HLT Global of all existing shareholders' advances from the Vendors to Triple Care totalling RM7.6 million via the issuance of 33,000,434 new Shares at an issue price of RM0.2303 each ("**Proposed Capitalisation of Shareholders' Advances**"); and
- iii. 4 separate settlement agreements with Hasil Aneka Sdn Bhd, Unbros Construction Sdn Bhd, Brazer Engineering Sdn Bhd, and Hallmark Porcelain Sdn Bhd (collectively, the "**Identified Creditors**") for the proposed settlement by HLT of the identified amount owing by the HLT group of companies to the Identified Creditors totalling RM6.4 million via the issuance of 27,806,062 new Shares at an issue price of RM0.2303 each ("**Proposed Settlement of Identified Creditors**").

(The Proposed Acquisition, Proposed Capitalisation of Shareholders' Advances and Proposed Settlement of Identified Creditors shall hereinafter be collectively referred to as the "**Proposal**")

On 11 January 2024, the Board of Directors of the Company announced that the listing application in relation to the Proposals has been submitted to Bursa Securities.

B8. Group borrowings and debt securities

Total Group's borrowings as at 31 December 2023 are as follows:-

	Unaudited	Audited
	As at	As at
	31.12.2023	31.12.2022
	RM'000	RM'000
Term loan:		
Current	147	138
Non-current	205	371
	352	509
	352	509

The term loans are secured and denominated in Ringgit Malaysia.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

B9. Material litigation

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

1. **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 the 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 and counterclaim against the Plaintiff and WRP Specialty Products Sdn Bhd (“WRP Specialty”). HLA has amongst others, counterclaimed against the Plaintiff and WRP Specialty the indemnity for the stamp duty and ancillary expenses relating to the settlement agreement and in the event the settlement agreement is held to be null and void, the sum of RM10,080,444.57 against the Plaintiff and RM6,354,577.14 against WRP Specialty. HLA’s counterclaim against the Plaintiff and WRP Specialty was subsequently withdrawn.

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.

The matter was fixed for trial on 9 January 2023, 10 January 2023, 11 January 2023, 12 January 2023, 1 March 2023, 2 March 2023, 30 March 2023, and 22 September 2023 together with Suit 103 below.

On 18 October 2023, the High Court of Malaya at Kuala Lumpur dismissed the Plaintiff’s claim against HLA with costs of RM100,000 to be paid to HLA. The Plaintiff has not filed any appeal against the High Court’s decision, and the deadline for filing an appeal has lapsed.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

B9. Material litigation (cont'd)

1. **Court of Appeal Appeal No.: W-02(NCC)(W)-1894-11/2023 ("Appeal 1894")**
[Kuala Lumpur High Court Civil Suit No.: WA-22NCC-103-03/2022 ("Suit 103")]:
HL Advance Technologies (M) Sdn. Bhd. v WRP Asia Pacific Sdn. Bhd., WRP Specialty Products Sdn. Bhd., Sng Beng Hock Michael, Loong Mei Yin and Abinash Majhi

On 15 March 2022, HL Advance Technologies (M) Sdn. Bhd. ("HLA") has filed a Writ Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur ("the Court") against the following parties:-

- 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").

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 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: -

- Tael Management Co. (Malaysia) Sdn Bhd, the appointed receiver and manager of the property of the 2nd Defendant;
- Tael Management Co (Malaysia) Sdn Bhd is part of the Tael Group which is a substantial investor in the 1st Defendant;
- The 3rd and 4th Defendants are co-founders of the Tael Group; and
- 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:-

- that the Statement of Claim be struck out;
- alternative, that the claim against the 1st, 3rd, 4th and 5th Defendants be struck out;
- 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;
- such further and/or other orders and/or relief as this Honourable Court deems just and appropriate; and
- costs.

The Application was heard and dismissed on 4 October 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 2023

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

B9. Material litigation (cont'd)

2. Court of Appeal Appeal No.: W-02(NCC)(W)-1894-11/2023 ("Appeal 1894")
[Kuala Lumpur High Court Civil Suit No.: WA-22NCC-103-03/2022 ("Suit 103")]:
HL Advance Technologies (M) Sdn. Bhd. v WRP Asia Pacific Sdn. Bhd., WRP Specialty Products Sdn. Bhd., Sng Beng Hock Michael, Loong Mei Yin and Abinash Majhi

The 2nd Defendant, WRP Specialty has counterclaimed against the HLA for the following reliefs:-

- a declaration that this action is an abuse of the Court's process;
- a declaration that the settlement agreement dated 15 May 2019 is valid and enforceable;
- general damages for abuse of the court's process be assessed and paid by the HLA to the 2nd Defendant;
- aggravated damages;
- exemplary damages;
- interests at a rate of 5% per annum from the judgment date; and
- costs to be paid by HLA on an indemnity basis.

The matter was fixed for trial on 9 January 2023, 10 January 2023, 11 January 2023, 12 January 2023, 1 March 2023, 2 March 2023, 30 March 2023, and 22 September 2023 together with Suit 390 above.

On 18 October 2023, the Court dismissed HLA's claim for, among other things, fraudulent trading, with costs of RM100,000 to be paid collectively to the 1st, 3rd, 4th and 5th Defendants and costs of RM50,000 to be paid to the 2nd Defendant.

The 2nd Defendant's counterclaim was dismissed by the Court with costs of RM30,000 to be paid to HLA.

An appeal to the Court of Appeal was filed on 10 November 2023 against the decision of the High Court. The appeal is fixed for case management (e-review) on 20 March 2024.

B10. Dividends

The Board of Directors does not recommend any dividend 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 2023

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

B11. 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 31.12.2023	Unaudited Current year-to-date 31.12.2023
Loss after taxation attributable to owners of the Company (RM'000)	(35,680)	(43,661)
Basic		
Weighted average number of ordinary shares in issue ('000): -		
Issued ordinary shares on 1 January	769,826	769,826
Effect of new ordinary shares issued pursuant to:		
- Warrants	-	5,481
Weighted average number of ordinary shares for the financial period	769,826	775,307
Basic LPS (sen)	<u>(4.63)</u>	<u>(5.63)</u>
Diluted LPS (sen) ⁽¹⁾	<u>(4.63)</u>	<u>(5.63)</u>

Note:-

(1) *The potential conversion of ESOS are anti-dilutive as their exercise price are higher than the average market price of the Company's ordinary shares during the current financial period. Accordingly, the exercise of ESOS has been ignored in the calculation of dilutive loss per share.*

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

B12. 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 31.12.2023 RM'000	Unaudited Current year-to-date 31.12.2023 RM'000
Depreciation of property, plant and equipment	201	660
Depreciation of right-of-use assets	187	746
Share options expenses	-	663
Impairment loss on other receivables	313	313
Impairment loss on trade receivables	78	78
Impairment loss on property, plant and equipment	25,857	25,857
Interest expense	-	5
Inventories written down	976	976
Realised gain on foreign exchange	(438)	(656)
Unrealised loss/(gain) on foreign exchange	984	(1,181)
Reversal of impairment loss on trade receivable	-	(408)
Fair value gain on short-term investments	(14)	(62)
Interest income	(409)	(1,680)
Dividend income	(1)	(45)
	<hr/>	<hr/>

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

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