



# **HLT GLOBAL BERHAD**

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

Year 2024

Quarterly Announcement

For the Second Quarter Ended 30 June 2024

# 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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup>

	Note	--- Individual Quarter ---		--- Cumulative Quarter ---	
		Unaudited Current year quarter 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Unaudited Current year- to-date 30.06.2024 RM'000	Unaudited Preceding year- to-date 30.06.2023 RM'000
Revenue	A9	11,270	22,557	25,325	31,429
Cost of sales		(13,557)	(22,027)	(28,547)	(31,727)
Gross (loss)/profit		(2,287)	530	(3,222)	(298)
Other operating income		310	2,921	1,288	3,591
Selling and distribution expenses		(282)	(131)	(524)	(201)
Administrative and other expenses		(2,293)	(2,660)	(4,263)	(5,029)
Finance costs		-	(5)	-	(5)
(Loss)/profit before taxation		(4,552)	655	(6,721)	(1,942)
Income tax expense	B4	(66)	(1,195)	(461)	(1,548)
Loss after taxation		(4,618)	(540)	(7,182)	(3,490)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the financial period		(4,618)	(540)	(7,182)	(3,490)
Loss after taxation attributable to:					
- Owners of the Company		(4,606)	(516)	(7,150)	(3,446)
- Non-controlling interests		(12)	(24)	(32)	(44)
		(4,618)	(540)	(7,182)	(3,490)
Total comprehensive expense attributable to:					
- Owners of the Company		(4,606)	(516)	(7,150)	(3,446)
- Non-controlling interests		(12)	(24)	(32)	(44)
		(4,618)	(540)	(7,182)	(3,490)
Loss per share (sen):					
- Basic	B11	(0.58)	(0.07)	(0.91)	(0.44)
- Diluted	B11	(0.58)	(0.07)	(0.91)	(0.44)

### 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 2023 and the accompanying explanatory notes attached to this interim financial report.

# HLT GLOBAL BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024<sup>(1)</sup>

	Note	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		36,361	34,920
Right-of-use assets		52,958	53,331
		<u>89,319</u>	<u>88,251</u>
<b>CURRENT ASSETS</b>			
Inventories		28,954	30,377
Trade receivables	B5	10,798	18,222
Other receivables, deposits and prepayments		6,219	5,666
Amount owing by a related party		145	-
Short-term investments		1,865	2,131
Current tax assets		6,179	6,352
Fixed deposits with licensed banks		11,971	26,054
Cash and bank balances		8,664	3,277
		<u>74,795</u>	<u>92,079</u>
<b>TOTAL ASSETS</b>		<b><u>164,114</u></b>	<b><u>180,330</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		102,878	88,274
Merger deficit		(22,033)	(22,033)
Employee share option reserve		10,278	10,278
Retained profits		1,861	9,231
		<u>92,984</u>	<u>85,750</u>
Equity attributable to owners of the Company		92,984	85,750
Non-controlling interests		-	412
<b>TOTAL EQUITY</b>		<b><u>92,984</u></b>	<b><u>86,162</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Term loan	B8	121	205
Deferred tax liabilities		2,148	2,159
		<u>2,269</u>	<u>2,364</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		19,827	27,576
Other payables and accruals		10,407	22,723
Contract liabilities		38,264	41,173
Amount owing to related parties		213	185
Term loan	B8	150	147
		<u>68,861</u>	<u>91,804</u>
<b>TOTAL LIABILITIES</b>		<b><u>71,130</u></b>	<b><u>94,168</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>164,114</u></b>	<b><u>180,330</u></b>
Net assets per share (RM)		<u>0.11</u>	<u>0.11</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 2023 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 CHANGES IN EQUITY FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup>

	← Non-Distributable →			Distributable			Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Employee Share Option Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	
Balance at 1 January 2024	88,274	(22,033)	10,278	9,231	85,750	412	86,162
Loss after taxation/Total comprehensive expenses for the financial period	-	-	-	(7,150)	(7,150)	(32)	(7,182)
Contributions by and distribution to owners of the Company:							
- Issuance of ordinary shares pursuant to:							
- Acquisition of non-controlling interests	600	-	-	(220)	380	(380)	-
- Settlement of subsidiaries' creditors	14,004	-	-	-	14,004	-	14,004
Total transactions with owners	14,604	-	-	(220)	14,384	(380)	14,004
Balance at 30 June 2024	102,878	(22,033)	10,278	1,861	92,984	-	92,984

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup>

	← 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 2023	207,162	(22,033)	10,352	(70,295)	125,186	489	125,675
Loss after taxation/Total comprehensive expenses for the financial period	-	-	-	(3,446)	(3,446)	(44)	(3,490)
Contributions by and distribution to owners of the Company:							
- Issuance of ordinary shares pursuant to:							
- Warrants exercised	1,112	-	-	-	1,112	-	1,112
- Share options to employees	-	-	663	-	663	-	663
Total transactions with owners	1,112	-	663	-	1,775	-	1,775
Balance at 30 June 2023	208,274	(22,033)	11,015	(73,741)	123,515	445	123,960

**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 2023 and the accompanying explanatory notes attached to this interim financial report.

# HLT GLOBAL BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup>

	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Loss before taxation	(6,721)	(1,942)
Adjustments for: -		
Depreciation of property, plant and equipment	245	295
Depreciation of right-of-use assets	373	373
Interest expense	-	5
Share options to employees	-	663
Unrealised loss/(gain) on foreign exchange	333	(2,072)
Dividend income	(2)	(29)
Fair value gain on short-term investment	(32)	(32)
Interest income	(608)	(826)
Reversal of impairment loss on a trade receivable	-	(408)
	<hr/>	<hr/>
Operating loss before working capital changes	(6,412)	(3,973)
Decrease in inventories	1,423	1,516
Decrease in trade and other receivables	6,921	9,403
Increase in amount owing by a related party	(145)	-
Increase in amount owing to related parties	28	4
Decrease in trade and other payables	(6,278)	(4,333)
Decrease in contract liabilities	(2,909)	(11,102)
Decrease in contract assets	-	658
	<hr/>	<hr/>
CASH FOR OPERATIONS	(7,372)	(7,827)
Income tax paid	(299)	(2,119)
Interest received	586	808
Interest paid	-	(5)
	<hr/>	<hr/>
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(7,085)</b>	<b>(9,143)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Dividend received	2	61
Purchase of property, plant and equipment	(1,686)	(4,419)
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<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(1,684)</b>	<b>(4,358)</b>

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup> (CONT'D)

	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 RM'000
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of ordinary shares	-	1,113
Repayment of term loans	(79)	(79)
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<b>(79)</b>	<b>1,034</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,848)</b>	<b>(12,467)</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>	<b>(135)</b>	<b>1,934</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>29,852</b>	<b>50,557</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>20,869</b>	<b>40,024</b>
Cash and cash equivalents comprise the following:		
- Fixed deposit with licensed banks	11,971	32,901
- Short-term investments	1,865	4,083
- Cash and bank balances	8,664	4,629
	22,500	41,613
Less: Fixed deposit with tenure of more than 3 months	(1,631)	(1,589)
	20,869	40,024

### 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 2023 and the accompanying explanatory notes attached to this interim financial report.*

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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 2023 and the accompanying explanatory notes attached to this interim financial report.

**A2. Changes in accounting policies**

During the 6-month period ended 30 June 2024, 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 16: Lease Liability in a Sale and Leaseback  
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current  
Amendments to MFRS 101: Non-current Liabilities with Covenants  
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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:-

<b>MFRSs (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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 6-month period ended 30 June 2024, the Company has issued new ordinary shares as follows:-

	<b>Issue Price</b>	<b>No. of Shares</b>
Acquisition of Triple Care Gloves Sdn. Bhd. (“TCG”)	RM0.2303	2,605,297
Settlement of existing shareholders’ advances for TCG	RM0.2303	33,000,434
Settlement of identified creditors owing by the Group	RM0,2303	27,806,062

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 four (3) main reportable segments as follows:-

<b>No</b>	<b>Business segments</b>	<b>Principal activities</b>
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

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

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
<b>Current year-to-date 30.06.2024</b>					
External Revenue	14,485	10,840	-	-	25,325
Inter-segment Revenue	406	-	-	(406)	-
	<u>14,891</u>	<u>10,840</u>	<u>-</u>	<u>(406)</u>	<u>25,325</u>
<b>Segment result</b>					
Profit/(Loss) from operation	854	(6,955)	(515)	(115)	(6,731)
Depreciation	395	177	-	46	618
Interest income	(581)	(27)	-	-	(608)
Profit/(Loss) before taxation	<u>668</u>	<u>(6,805)</u>	<u>(515)</u>	<u>(69)</u>	<u>(6,721)</u>
Tax expense					(461)
Loss after taxation					<u>(7,182)</u>
Attributable to:					
Owners of the Company					(7,150)
Non-controlling interest					(32)
Loss for the financial period					<u>(7,182)</u>
Segment assets	<u>81,810</u>	<u>89,033</u>	<u>109,302</u>	<u>(116,031)</u>	<u>164,114</u>
Segment liabilities	<u>53,830</u>	<u>103,920</u>	<u>9,758</u>	<u>(96,378)</u>	<u>71,130</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

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
<b>Current year-to-date 30.06.2023</b>					
External Revenue	28,499	2,930	-	-	31,429
Inter-segment Revenue	467	-	-	(467)	-
	<u>28,966</u>	<u>2,930</u>	<u>-</u>	<u>(467)</u>	<u>31,429</u>
<b>Segment result</b>					
Profit/(Loss) from operation	4,751	(5,364)	(1,050)	(126)	(1,789)
Depreciation	434	189	-	45	668
Finance costs	5	-	-	-	5
Interest income	(798)	(28)	-	-	(826)
Profit/(Loss) before taxation	<u>4,392</u>	<u>(5,203)</u>	<u>(1,050)</u>	<u>(81)</u>	<u>(1,942)</u>
Tax expense					<u>(1,548)</u>
Loss after taxation					<u><u>(3,490)</u></u>
Attributable to:					
Owners of the Company					(3,446)
Non-controlling interest					<u>(44)</u>
Loss for the financial period					<u><u>(3,490)</u></u>
Segment assets	<u>102,780</u>	<u>104,775</u>	<u>120,214</u>	<u>(114,210)</u>	<u>213,559</u>
Segment liabilities	<u>76,146</u>	<u>73,765</u>	<u>401</u>	<u>(60,713)</u>	<u>89,599</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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 30.06.2024 RM’000	Unaudited Preceding year quarter 30.06.2023 RM’000	Unaudited Current year-to- date 30.06.2024 RM’000	Unaudited Preceding year-to- date 30.06.2023 RM’000
Domestic	4,510	1,351	8,458	6,982
Overseas	6,760	21,206	16,867	24,447
	11,270	22,557	25,325	31,429

**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**

There was no material event subsequent to the end of the current financial quarter under review.

**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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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:-

	<b>Unaudited As at 30.06.2024 RM’000</b>	<b>Audited As at 31.12.2023 RM’000</b>
Bank guarantee extended by subsidiaries to third parties	<u>920</u>	<u>940</u>

**A14. Capital commitments**

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

	<b>Unaudited As at 30.06.2024 RM’000</b>	<b>Audited As at 31.12.2023 RM’000</b>
Purchase of property, plant and equipment	<u>10,529</u>	<u>10,502</u>

**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 30 June 2024 were as follows:-

	---Individual Quarter---		---Cumulative Quarter---	
	<b>Unaudited Current year quarter 30.06.2024 RM’000</b>	<b>Unaudited Preceding year quarter 30.06.2023 RM’000</b>	<b>Unaudited Current year-to- date 30.06.2024 RM’000</b>	<b>Unaudited Preceding year-to- date 30.06.2023 RM’000</b>
Sales of rubber gloves	(146)	-	(146)	-
Legal and advisory fee	4	4	9	12
Secretarial Services	37	27	53	42
Sales Commission	11	47	19	47

At the Annual General Meeting held on 30 May 2024 (“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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

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 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Changes		Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year- to-date 30.06.2023 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	11,270	22,557	(11,287)	(50.04)	25,325	31,429	(6,104)	(19.42)
Gross (loss)/profit	(2,287)	530	(2,817)	(531.51)	(3,222)	(298)	(2,924)	981.21
(Loss)/Profit before taxation	(4,552)	655	(5,207)	(794.96)	(6,721)	(1,942)	(4,779)	246.09
(Loss)/Profit after taxation	(4,618)	(540)	(4,078)	755.19	(7,182)	(3,490)	(3,692)	105.79
<b>Revenue</b>								
Glove-Dipping Lines	5,630	21,870	(16,240)	(74.26)	14,485	28,499	(14,014)	(49.17)
Rubber Gloves	5,640	687	4,953	720.96	10,840	2,930	7,910	269.97
Corporate	-	-	-	-	-	-	-	-
	11,270	22,557	(11,287)	(50.04)	25,325	31,429	(6,104)	(19.42)
<b>Gross profit/(loss)</b>								
Glove-Dipping Lines	543	2,943	(2,400)	(81.55)	1,962	4,050	(2,088)	(51.56)
Rubber Gloves	(2,830)	(2,413)	(417)	17.28	(5,184)	(4,348)	(836)	19.23
Corporate	-	-	-	-	-	-	-	-
	(2,287)	530	(2,817)	(531.51)	(3,222)	(298)	(2,924)	981.21
<b>(Loss)/Profit before taxation</b>								
Glove-Dipping Lines	(543)	4,004	(4,547)	(113.56)	568	4,294	(3,726)	(86.77)
Rubber Gloves	(3,661)	(2,737)	(924)	33.76	(6,789)	(5,200)	(1,589)	30.56
Corporate	(348)	(612)	264	(43.14)	(500)	(1,036)	536	(51.74)
	(4,552)	655	(5,207)	(794.96)	(6,721)	(1,942)	(4,779)	246.09

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024**

**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 a revenue of RM11.270 million, reflecting a decrease of 50.04% compared to RM22.557 million in the preceding year quarter. This decline was primarily due to lower revenue generated from glove-dipping lines segment. However, this was partially offset by higher revenue generated from rubber gloves segment.

For the financial period ended 30 June 2024 ("FPE 2024"), the Group recorded revenue of RM25.325 million, representing a 19.42% decrease compared to RM31.429 million in the previous financial period ended 30 June 2023 ("FPE 2023"). The RM6.104 million decline was mainly driven by lower revenue from glove-dipping lines segments.

The Group recorded a gross loss of RM2.287 million with a gross loss margin of 20.29% compared to a gross profit of RM0.530 million with gross profit margin of 2.35% in the preceding year quarter. However, for FPE 2024, the Group incurred a gross loss of RM3.222 million with gross loss margin of 12.72% as compared to gross loss of RM0.298 million with gross loss margin of 0.95% for FPE 2023. The decline in performance was primarily due to lower profits generated from glove-dipping lines segments which were insufficient to offset the gross loss in the rubber gloves segment.

The Group recorded RM0.31 million in other operating income, a significant decrease of RM2.611 million compared to the preceding year quarter. This decline is primarily due to lower unrealised gains on foreign exchange and reduced fixed deposit income. Additionally, there was a slight decrease of RM0.221 million in other operating expenses compared to the preceding year quarter.

Glove-Dipping Lines

The glove-dipping lines segment recorded revenue of RM5.630 million, a significant decrease of 74.26% compared to RM21.870 million in the preceding year quarter. For the FPE 2024, the glove-dipping lines segment generated revenue of RM14.485 million, down by 49.17% from RM28.499 million. This revenue was primarily driven by the design, fabrication, installation, testing and commissioning of glove-dipping lines segment ("Sale of New Lines"), supported by RM8.763 million in revenue from outstanding orders brought forward from previous financial year. Currently, two foreign orders are in progress, with the export market contributing 95.56% of the glove-dipping lines segment's total revenue.

The glove-dipping lines segment recorded a gross profit of RM0.543 million with a gross profit margin of 9.64% compared to a gross profit of RM2.943 million with a gross profit margin of 13.46% in the preceding year quarter. For FPE 2024, the glove-dipping lines segment recorded gross profit of RM1.962 million with gross profit margin of 13.55% as compared to gross profit of RM4.050 million with gross profit margin of 14.21% in the FPE2023.

The glove-dipping lines segment posted a loss before taxation of RM0.543 million, in contrast to a profit before taxation of RM4.004 million in the preceding year quarter. Additionally, it reported a lower profit before taxation of RM0.568 million for FPE2024 as compared to a profit before taxation of RM4.294 million in the FPE 2023.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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 delivered revenue of RM5.640 million, a remarkable increase of 720.96% as compared to RM0.687 million in the preceding year quarter. For the FPE 2024, the rubber gloves segment recorded revenue of RM10.840 million, increase of 269.97% as compared to RM2.930 million in the FPE 2023. Export sales contributed 24.33% of the total revenue of rubber gloves segment. The export market mainly consists of Taiwan, Japan, Italy and Denmark.

The rubber gloves segment recorded a gross loss of RM2.830 million with a gross loss margin of 50.18% as compared to a gross loss of RM2.413 million with a gross loss margin of 351.24% in the preceding year quarter. For FPE 2024, the rubber gloves segment recorded gross loss of RM5.184 million with gross loss margin of 47.82% as compared to gross loss of RM4.348 million with gross loss margin of 148.40%. The slight increase in gross loss by RM0.417 million indicates a modest decline in the rubber gloves segment's financial performance at the gross profit level. However, the significant reduction in gross loss margin highlights significant improvements in operational efficiency and cost management.

The rubber gloves segment recorded loss before taxation of RM3.661 million as compared to a loss before taxation of RM2.737 million in the preceding year quarter. For FPE 2024, the rubber gloves segment recorded loss before taxation of RM6.789 million as compared to loss before taxation of RM5.200 million in the FPE 2023.

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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

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

**B2. Comparison with immediate preceding quarter's results**

	<b>Unaudited Current Quarter 30.06.2024 RM'000</b>	<b>Unaudited Preceding Quarter 31.03.2024 RM'000</b>	<b>Changes RM'000</b>	<b>%</b>
Revenue	11,270	14,055	(2,785)	(19.82)
Loss before taxation	(4,552)	(2,169)	(2,383)	109.87
<b>Revenue</b>				
Glove-Dipping Lines	5,630	8,855	(3,225)	(36.42)
Rubber Gloves	5,640	5,200	440	8.46
Corporate	-	-	-	-
	11,270	14,055	(2,785)	(19.82)
<b>(Loss)/Profit before taxation</b>				
Glove-Dipping Lines	(543)	1,111	(1,654)	(148.87)
Rubber Gloves	(3,661)	(3,128)	(533)	17.04
Corporate	(348)	(152)	(196)	128.95
	(4,552)	(2,169)	(2,383)	(109.87)

The Group's revenue for the current quarter decreased by RM2.785 million or 19.82% to RM11.270 million compared to RM14.055 million in the preceding quarter. This decline was primarily due to lower revenue generated from glove-dipping lines segment. However, this was partially offset by higher revenue generated from rubber gloves segment. Meanwhile, the loss before taxation increased by RM2.383 million to RM4.552 million as compared to loss before taxation of RM2.169 million in the preceding quarter. The increase in loss before taxation is mainly attributable to lower revenue generated from glove-dipping lines segments.

**B3. Commentary on prospects**

The rubber glove industry is currently undergoing a period of normalization following a period of exceptional earnings driven by the surge in demand and higher average selling prices during the pandemic. However, the industry now faces challenges stemming from overcapacity resulting from aggressive expansions and excessive stockpiling by buyers.

Despite these challenges, the Group maintains a cautiously optimistic outlook for the industry, considering the expected continued post-pandemic growth in rubber gloves demand over the long term. Gloves remain essential across various sectors such as healthcare, industrial, and food and beverage, with their utility expanding into other industries. As indispensable single-use items, gloves continue to drive consistent demand growth, particularly fueled by heightened hygiene and health consciousness post-pandemic.

Actual glove usage has not waned but has instead surged post-pandemic, further supporting the positive outlook for the industry. Projections by the Malaysian Rubber Glove Manufacturers Association ("MARGMA") indicate that glove demand is expected to achieve annual growth rates of 12% to 15% from 2023 onwards, following a temporary contraction in 2022. These forecasts underscore the resilience and enduring demand for gloves, signaling opportunities for sustained growth in the industry moving forward.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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 30.06.2024 RM'000	Unaudited Preceding year quarter 30.06.2023 RM'000	Unaudited Current year-to- date 30.06.2024 RM'000	Unaudited Preceding year-to- date 30.06.2023 RM'000
Current tax expense	72	1,200	472	1,200
Deferred taxation	(6)	(5)	(11)	348
	66	1,195	461	1,548

**B5. Trade receivables**

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
Trade receivables	34,115	41,539
Allowance for impairment losses	(23,317)	(23,317)
	10,798	18,222
Allowance for impairment losses: -		
At 1 January	(23,317)	(23,647)
Addition during the financial year	-	(78)
Reversal during the financial year	-	408
At 30 June/31 December	(23,317)	(23,317)

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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

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

**B7. Status of corporate proposal**

There was no corporate proposal announced or outstanding as at the date of this report.

**B8. Group borrowings and debt securities**

Total Group's borrowings as at 30 June 2024 are as follows:-

	<b>Unaudited As at 30.06.2024 RM'000</b>	<b>Audited As at 31.12.2023 RM'000</b>
<b>Term loan:</b>		
Current	150	147
Non-current	121	205
	<u>271</u>	<u>352</u>

The term loans are secured and denominated in Ringgit Malaysia.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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. **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.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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 (cont'd)**

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.

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 Kuala Lumpur High Court Suit No.: WA-22NCC-390-08/2020 ("**Suit 390**").

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 whereby the Court of Appeal has given the following directions for the said appeal:-

- (i) the hearing of the appeal is fixed for 24 February 2025 physically, at the Court of Appeal, Palace of Justice;
- (ii) parties to file written submissions by 27 January 2025; and
- (iii) parties to file written submissions in reply by 10 February 2025.

**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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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:

	<b>Unaudited Current year quarter 30.06.2024</b>	<b>Unaudited Current year-to-date 30.06.2024</b>
Loss after taxation attributable to owners of the Company (RM'000)	(4,606)	(7,150)
<b>Basic</b>		
Weighted average number of ordinary shares in issue ( '000): -		
Issued ordinary shares on 1 January	775,388	775,388
Effect of new ordinary shares issued	15,636	7,818
Weighted average number of ordinary shares for the financial period	791,024	783,206
Basic LPS (sen)	(0.58)	(0.91)
Diluted LPS (sen) <sup>(1)</sup>	(0.58)	(0.91)

**Note:-**

- (1) *The potential conversion of ESOS are anti-dilutive as their exercise prices 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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

**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): -

	<b>Unaudited Current year quarter 30.06.2024 RM'000</b>	<b>Unaudited Current year-to-date 30.06.2024 RM'000</b>
Depreciation of property, plant and equipment	123	245
Depreciation of right-of-use assets	187	373
Unrealised loss on foreign exchange	646	333
Dividend income	(1)	(2)
Fair value gain on short-term investment	(16)	(32)
Interest Income	(260)	(608)
Realised gain on foreign exchange	(620)	(906)
Rental income	(6)	(12)

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

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