



HLT GLOBAL BERHAD

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

Year 2024

Quarterly Announcement

For the Third Quarter Ended 30 September 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾

	Note	--- Individual Quarter ---		--- Cumulative Quarter ---	
		Unaudited Current year quarter 30.09.2024 RM'000	Unaudited Preceding year quarter 30.09.2023 RM'000	Unaudited Current year- to-date 30.09.2024 RM'000	Unaudited Preceding year- to-date 30.09.2023 RM'000
Revenue	A9	11,031	12,459	36,356	43,888
Cost of sales		(10,100)	(16,021)	(38,647)	(47,748)
Gross profit/(loss)		931	(3,562)	(2,291)	(3,860)
Other operating income		3,701	678	4,989	4,269
Selling and distribution expenses		(352)	(94)	(876)	(295)
Administrative and other expenses		(4,068)	(1,859)	(8,331)	(6,888)
Finance costs		(1)	-	(1)	(5)
Profit/(loss) before taxation		211	(4,837)	(6,510)	(6,779)
Income tax expense	B4	(18)	286	(479)	(1,262)
Profit/(loss) after taxation		193	(4,551)	(6,989)	(8,041)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense) for the financial period		193	(4,551)	(6,989)	(8,041)
Profit/(loss) after taxation attributable to:					
- Owners of the Company		193	(4,535)	(6,957)	(7,981)
- Non-controlling interests		-	(16)	(32)	(60)
		193	(4,551)	(6,989)	(8,041)
Total comprehensive income/(expense) attributable to:					
- Owners of the Company		193	(4,535)	(6,957)	(7,981)
- Non-controlling interests		-	(16)	(32)	(60)
		193	(4,551)	(6,989)	(8,041)
Earnings/(loss) per share (sen):					
- Basic	B11	0.02	(0.59)	(0.87)	(1.03)
- Diluted	B11	0.02	(0.59)	(0.87)	(1.03)

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)]
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024⁽¹⁾

	Note	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		36,871	34,920
Right-of-use assets		52,772	53,331
		<u>89,643</u>	<u>88,251</u>
CURRENT ASSETS			
Inventories		29,636	30,377
Trade receivables	B5	9,930	18,222
Other receivables, deposits and prepayments		5,237	5,666
Amount owing by a related party		126	-
Short-term investments		1,881	2,131
Current tax assets		6,156	6,352
Fixed deposits with licensed banks		10,383	26,054
Cash and bank balances		3,896	3,277
		<u>67,245</u>	<u>92,079</u>
TOTAL ASSETS		<u>156,888</u>	<u>180,330</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		99,688	88,274
Merger deficit		(22,033)	(22,033)
Employee share option reserve		9,894	10,278
Retained profits		2,569	9,231
Equity attributable to owners of the Company		<u>90,118</u>	<u>85,750</u>
Non-controlling interests		-	412
TOTAL EQUITY		<u>90,118</u>	<u>86,162</u>
NON-CURRENT LIABILITIES			
Term loan	B8	80	205
Deferred tax liabilities		2,142	2,159
		<u>2,222</u>	<u>2,364</u>
CURRENT LIABILITIES			
Trade payables		18,868	27,576
Other payables and accruals		10,398	22,723
Contract liabilities		34,947	41,173
Amount owing to related parties		183	185
Term loan	B8	152	147
		<u>64,548</u>	<u>91,804</u>
TOTAL LIABILITIES		<u>66,770</u>	<u>94,168</u>
TOTAL EQUITY AND LIABILITIES		<u>156,888</u>	<u>180,330</u>
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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽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	Retained Profits RM'000	Attributable to Owners of the Company 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	-	-	-	(6,957)	(6,957)	(32)	(6,989)
Contributions by and distribution to owners of the Company:							
- Issuance of ordinary shares pursuant to:							
- Acquisition of non-controlling interest	469	-	-	(89)	380	(380)	-
- Settlement of subsidiaries' creditors	10,945	-	-	-	10,945	-	10,945
- Share options lapsed	-	-	(384)	384	-	-	-
Total transactions with owners	11,414	-	(384)	295	11,325	(380)	10,945
Balance at 30 September 2024	99,688	(22,033)	9,894	2,569	90,118	-	90,118

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽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	-	-	-	(7,981)	(7,981)	(60)	(8,041)
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 to employees	-	-	663	-	663	-	663
Total transactions with owners	(118,888)	-	663	120,000	1,775	-	1,775
Balance at 30 September 2023	88,274	(22,033)	11,015	41,724	118,980	429	119,409

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾

	Unaudited Current year-to-date 30.09.2024 RM'000	Unaudited Preceding year-to-date 30.09.2023 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(6,510)	(6,779)
Adjustments for: -		
Depreciation of property, plant and equipment	369	459
Depreciation of right-of-use assets	559	559
Interest expense	1	5
Share options to employees	-	663
Unrealised loss/(gain) on foreign exchange	1,927	(2,165)
Dividend income	(3)	(44)
Fair value gain on equity instruments issued	(3,059)	-
Fair value gain on short-term investment	(46)	(48)
Interest income	(757)	(1,271)
Reversal of impairment loss on a trade receivable	-	(408)
	<hr/>	<hr/>
Operating loss before working capital changes	(7,519)	(9,029)
Decrease/(Increase) in inventories	741	(190)
Decrease in trade and other receivables	8,203	15,242
Decrease in contract assets	-	880
Increase in amount owing by related parties	(126)	-
Decrease in trade and other payables	(6,464)	(1,356)
Decrease in contract liabilities	(6,226)	(14,111)
Decrease in amount owing to related parties	(2)	(11)
	<hr/>	<hr/>
CASH FOR OPERATIONS	(11,393)	(8,575)
Income tax paid	(299)	(2,347)
Income tax refunded	-	43
Interest received	725	1,243
Interest paid	(1)	(5)
	<hr/>	<hr/>
NET CASH FOR OPERATING ACTIVITIES	(10,968)	(9,641)
	<hr/>	<hr/>
CASH FLOWS FOR INVESTING ACTIVITIES		
Dividend received	3	91
Purchase of property, plant and equipment	(2,321)	(5,264)
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NET CASH FOR INVESTING ACTIVITIES	(2,318)	(5,173)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

	Unaudited Current year-to-date 30.09.2024 RM'000	Unaudited Preceding year-to-date 30.09.2023 RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Net proceeds from issuance of ordinary shares	-	1,113
Repayment of term loans	(119)	(119)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(119)	994
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,405)	(13,820)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(1,929)	1,739
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	29,852	50,557
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	14,518	38,476
Cash and cash equivalents comprise the following:		
- Fixed deposit with licensed banks	10,383	31,168
- Short-term investments	1,881	4,114
- Cash and bank balances	3,896	4,793
	16,160	40,075
Less: Fixed deposit with tenure of more than 3 months	(1,642)	(1,599)
	14,518	38,476

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 9-month period ended 30 September 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:-

MFRSs (Including The Consequential Amendments)	Effective Date
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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 9-month period ended 30 September 2024, the Company has issued new ordinary shares as follows:-

	Issue Price	No. of Shares
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:-

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

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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
Current year-to-date 30.09.2024					
External Revenue	21,975	14,381	-	-	36,356
Inter-segment Revenue	838	-	-	(838)	-
	<u>22,813</u>	<u>14,381</u>	<u>-</u>	<u>(838)</u>	<u>36,356</u>
Segment result					
Profit/(Loss) from operation	1,742	(10,640)	2,403	(187)	(6,682)
Depreciation	595	265	-	68	928
Finance costs	1	-	-	-	1
Interest income	(720)	(36)	(1)	-	(757)
Profit/(Loss) before taxation	<u>1,618</u>	<u>(10,411)</u>	<u>2,402</u>	<u>(119)</u>	<u>(6,510)</u>
Tax expense					(479)
Loss after taxation					<u>(6,989)</u>
Attributable to:					
Owners of the Company					(6,957)
Non-controlling interest					(32)
Loss for the financial period					<u>(6,989)</u>
Segment assets	<u>78,438</u>	<u>87,166</u>	<u>110,860</u>	<u>(119,576)</u>	<u>156,888</u>
Segment liabilities	<u>49,532</u>	<u>105,661</u>	<u>11,588</u>	<u>(100,011)</u>	<u>66,770</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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
Current year-to-date 30.09.2023					
External Revenue	38,634	5,254	-	-	43,888
Inter-segment Revenue	717	-	-	(717)	-
	<u>39,351</u>	<u>5,254</u>	<u>-</u>	<u>(717)</u>	<u>43,888</u>
Segment result					
Profit/(Loss) from operation	5,616	(10,796)	(1,159)	(192)	(6,531)
Depreciation	655	295	-	68	1,018
Finance costs	5	-	-	-	5
Interest income	(1,232)	(38)	(1)	-	(1,271)
Profit/(Loss) before taxation	<u>5,044</u>	<u>(10,539)</u>	<u>(1,160)</u>	<u>(124)</u>	<u>(6,779)</u>
Tax expense					<u>(1,262)</u>
Loss after taxation					<u>(8,041)</u>
Attributable to:					
Owners of the Company					(7,981)
Non-controlling interest					<u>(60)</u>
Loss for the financial period					<u>(8,041)</u>
Segment assets	<u>96,206</u>	<u>103,499</u>	<u>120,036</u>	<u>(111,044)</u>	<u>208,697</u>
Segment liabilities	<u>68,639</u>	<u>77,826</u>	<u>332</u>	<u>(57,509)</u>	<u>89,288</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 30.09.2024 RM'000	Unaudited Preceding year quarter 30.09.2023 RM'000	Unaudited Current year-to- date 30.09.2024 RM'000	Unaudited Preceding year-to- date 30.09.2023 RM'000
Domestic	1,864	1,732	10,322	8,714
Overseas	9,167	10,727	26,034	35,174
	11,031	12,459	36,356	43,888

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 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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:-

	Unaudited As at 30.09.2024 RM’000	Audited As at 31.12.2023 RM’000
Bank guarantee extended by subsidiaries to third parties	930	940

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 30.09.2024 RM’000	Audited As at 31.12.2023 RM’000
Purchase of property, plant and equipment	10,404	10,502

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 September 2024 were as follows:-

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 30.09.2024 RM’000	Unaudited Preceding year quarter 30.09.2023 RM’000	Unaudited Current year-to- date 30.09.2024 RM’000	Unaudited Preceding year-to- date 30.09.2023 RM’000
Sales of rubber gloves	-	-	(146)	-
Legal and advisory fee	5	5	14	17
Secretarial services	14	17	67	59
Sales commission	9	8	28	55

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 30.09.2024 RM'000	Unaudited Preceding year quarter 30.09.2023 RM'000	Changes		Unaudited Current year-to-date 30.09.2024 RM'000	Unaudited Preceding year-to-date 30.09.2023 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	11,031	12,459	(1,428)	(11.46)	36,356	43,888	(7,532)	(17.16)
Gross profit/(loss)	931	(3,562)	4,493	(126.14)	(2,291)	(3,860)	1,569	(40.65)
Profit/(loss) before taxation	211	(4,837)	5,048	(104.36)	(6,510)	(6,779)	269	(3.97)
Profit/(loss) after taxation	193	(4,551)	4,744	(104.24)	(6,989)	(8,041)	1,052	(13.08)
Revenue								
Glove-Dipping Lines	7,490	10,135	(2,645)	(26.10)	21,975	38,634	(16,659)	(43.12)
Rubber Gloves	3,541	2,324	1,217	52.37	14,381	5,254	9,127	173.72
Corporate	-	-	-	-	-	-	-	-
	11,031	12,459	(1,428)	(11.46)	36,356	43,888	(7,532)	(17.16)
Gross profit/(loss)								
Glove-Dipping Lines	3,281	1,178	2,103	178.52	5,243	5,228	15	0.29
Rubber Gloves	(2,350)	(4,740)	2,390	(50.42)	(7,534)	(9,088)	1,554	(17.10)
Corporate	-	-	-	-	-	-	-	-
	931	(3,562)	4,493	(126.14)	(2,291)	(3,860)	1,569	(40.65)
Profit/(loss) before taxation								
Glove-Dipping Lines	832	623	209	33.55	1,400	4,917	(3,517)	(71.53)
Rubber Gloves	(3,546)	(5,360)	1,814	(33.84)	(10,335)	(10,560)	225	(2.13)
Corporate	2,925	(100)	3,025	(3,025.00)	2,425	(1,136)	3,561	(313.47)
	211	(4,837)	5,048	(104.36)	(6,510)	(6,779)	269	(3.97)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 RM11.031 million, reflecting a decrease of 11.46% as compared to RM12.459 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 September 2024 ("FPE 2024"), the Group recorded revenue of RM36.356 million, representing a 17.16% decrease compared to RM43.888 million in the previous financial period ended 30 September 2023 ("FPE 2023"). The RM7.532 million decline was mainly attributable to lower revenue generated from glove-dipping lines segment.

The Group recorded a gross profit of RM0.931 million with a gross profit margin of 8.44% as compared to gross loss of RM3.562 million with gross loss margin of 28.59% in the preceding year quarter. However, for FPE 2024, the Group incurred a gross loss of RM2.291 million with gross loss margin of 6.30% as compared to gross loss of RM3.860 million with gross loss margin of 8.80% for FPE 2023. The improvement in overall performance was mainly driven by higher profits generated from glove-dipping lines segment and a reduction in losses incurred in the rubber gloves segment.

The Group recorded RM4.421 million in other operating expenses, reflecting a significant increase of RM2.468 million as compared to RM1.953 million in the preceding year quarter. This increase is primarily due to the higher unrealised losses on foreign exchange. Additionally, other operating income saw a significant increase of RM3.023 million compared to the preceding year quarter, primarily due to fair value gains on equity instruments issued in corporate segment.

Glove-Dipping Lines

The glove-dipping lines segment recorded revenue of RM7.490 million, decrease of 26.10% as compared to RM10.135 million in the preceding year quarter. For the FPE 2024, the glove-dipping lines segment recorded revenue of RM21.975 million, decrease of 43.12% as compared to RM38.634 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 RM16.289 million from outstanding orders brought forward from previous financial year. Currently, there is a foreign order in progress. Export market contributed 93.58% of the glove-dipping lines segment's total revenue.

The glove-dipping lines segment recorded a gross profit of RM3.281 million with a gross profit margin of 43.81% as compared to gross profit of RM1.178 million with a gross profit margin of 11.62% in the preceding year quarter. For FPE 2024, the glove-dipping lines segment recorded gross profit of RM5.243 million with gross profit margin of 23.86% as compared to gross profit of RM5.228 million with gross profit margin of 13.53% in the FPE 2023.

The glove-dipping lines segment recorded a profit before taxation of RM0.832 million as compared to RM0.623 million in the preceding year quarter. Additionally, it reported a lower profit before taxation of RM1.400 million for FPE 2024 as compared to RM4.917 million in the FPE 2023.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 RM3.541 million, increase of 52.37% as compared to RM2.324 million in the preceding year quarter. For the FPE 2024, the rubber gloves segment recorded revenue of RM14.381 million, increase of 173.72% as compared to RM5.254 million in the FPE 2023. Export sales contributed 32.59% 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 RM2.350 million with a gross loss margin of 66.37% as compared to a gross loss of RM4.740 million with a gross loss margin of 203.96% in the preceding year quarter. For FPE 2024, the rubber gloves segment recorded gross loss of RM7.534 million with gross loss margin of 52.39% as compared to gross loss of RM9.088 million with gross loss margin of 172.97%. The significant reduction in gross loss and gross loss margin highlights significant improvements in operational efficiency and cost management.

The rubber gloves segment recorded loss before taxation of RM3.546 million as compared to a loss before taxation of RM5.360 million in the preceding year quarter. For FPE 2024, the rubber gloves segment recorded loss before taxation of RM10.335 million as compared to loss before taxation of RM10.560 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

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

B2. Comparison with immediate preceding quarter's results

	Unaudited Current Quarter 30.09.2024 RM'000	Unaudited Preceding Quarter 30.06.2024 RM'000	Changes	
			RM'000	%
Revenue	11,031	11,270	(239)	(2.12)
Profit/(loss) before taxation	211	(4,552)	4,763	(104.64)
Revenue				
Glove-Dipping Lines	7,490	5,630	1,860	33.04
Rubber Gloves	3,541	5,640	(2,099)	(37.22)
Corporate	-	-	-	-
	11,031	11,270	(239)	(2.12)
Profit/(loss) before taxation				
Glove-Dipping Lines	832	(543)	1,375	(253.22)
Rubber Gloves	(3,546)	(3,661)	115	(3.14)
Corporate	2,925	(348)	3,273	(940.52)
	211	(4,552)	4,763	(104.64)

The Group's revenue for the current quarter has decreased by RM0.239 million or 2.12% to RM11.031 million compared to RM11.270 million in the preceding quarter. This decline was primarily due to lower revenue generated from rubber gloves segment. However, this was partially offset by higher revenue generated from glove-dipping lines segment. Meanwhile, the Group posted a profit before taxation of RM0.211 million, in contrast to a loss before taxation of RM4.552 million in the preceding quarter. The improvement is mainly attributable to higher revenue generated from glove-dipping lines segment and fair value gains on equity instruments issued in corporate segment.

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 30.09.2024 RM'000	Unaudited Preceding year quarter 30.09.2023 RM'000	Unaudited Current year-to- date 30.09.2024 RM'000	Unaudited Preceding year-to- date 30.09.2023 RM'000
Current tax expense	23	(280)	495	920
Deferred taxation	(5)	(6)	(16)	342
	18	(286)	479	1,262

B5. Trade receivables

	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Trade receivables	33,247	41,539
Allowance for impairment losses	(23,317)	(23,317)
	9,930	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 September/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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

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 the report.

On 18 September 2024, KAF Investment Bank Berhad ("KAF IB") had, on behalf of the Board of Directors of the Company announced that the Company is proposing to undertake the following proposals:-

- (i) Proposed renounceable rights issue of up to 428,415,921 new ordinary shares in HLT ("Rights Shares") on the basis of one (1) Rights Share for every two (2) existing ordinary shares in HLT ("HLT Shares") held on an entitlement date to be determined later, together with up to 428,415,921 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every one (1) Rights Share subscribed for ("Proposed Rights Issue"); and
- (ii) Proposed exemption for Wong Kok Wah and Chan Yoke Chun as well as persons acting in concert with them (who hold shares in HLT pursuant to Section 216 of the Capital Market and Services Act 2007 ("CMSA")), namely Wong Kok Mun, Teng Moi Bee and Applied Media & Labels Sdn Bhd under subparagraphs 4.08(1)(b) and (c) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia pursuant to Section 377 of the CMSA from the obligation to undertake a mandatory take-over offer for the remaining HLT Shares not already owned by them, under the Proposed Rights Issue and upon exercise of their Warrants.

Collectively referred to as the "Proposals".

On 11 October 2024, KAF IB announced that the listing application in relation to the Proposed Rights Issue had been submitted to Bursa Securities.

B8. Group borrowings and debt securities

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

	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
Term loan:		
Current	152	147
Non-current	80	205
	<u>232</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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

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

B11. Earnings/(loss) per share (“EPS”/“(LPS)”)

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

	Unaudited Current year quarter 30.09.2024	Unaudited Current year-to-date 30.09.2024
Profit/(loss) after taxation attributable to owners of the Company (RM'000)	193	(6,957)
Basic		
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	63,412	26,485
Weighted average number of ordinary shares for the financial period	838,800	801,873
Basic EPS/(LPS) (sen)	0.02	(0.87)
Diluted EPS/(LPS) (sen) ⁽¹⁾	0.02	(0.87)

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 earnings per share.*

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

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

	Unaudited Current year quarter 30.09.2024 RM'000	Unaudited Current year-to-date 30.09.2024 RM'000
Depreciation of property, plant and equipment	124	369
Depreciation of right-of-use assets	186	559
Interest expense	1	1
Unrealised loss on foreign exchange	1,594	1,927
Dividend income	(1)	(3)
Fair value gain on equity instrument issued	(3,059)	(3,059)
Fair value gain on short-term investment	(14)	(46)
Interest Income	(149)	(757)
Realised loss/(gain) on foreign exchange	104	(802)
Rental income	(6)	(18)

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

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