



# **HLT GLOBAL BERHAD**

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

Year 2020

Quarterly Announcement

For the Second Quarter Ended 30 June 2020

# 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 2020<sup>(1)</sup>

|   | Note | --- Individual Quarter ---                                      |   | --- Cumulative Quarter ---                                       |  |
|---|------|---|---|--|--|
|   |      | Unaudited<br>Current<br>year<br>quarter<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year<br>quarter<br>30.06.2019<br>RM'000 | Unaudited<br>Current<br>year-<br>to-date<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year-<br>to-date<br>30.06.2019<br>RM'000 |
| Revenue   | A9   | 50,862  | 44,417  | 76,994   | 76,265   |
| Cost of sales                                       |      | (39,511)  | (41,040)  | (64,753)   | (69,829)   |
| Gross profit  |      | 11,351  | 3,377   | 12,241   | 6,436  |
| Other operating income                              |      | -   | -   | 3,121  | 424  |
| Selling and distribution expenses                   |      | (2,337)   | (396)   | (2,568)  | (832)  |
| Administrative and other expenses                   |      | (1,847)   | (600)   | (3,441)  | (2,517)  |
| Finance costs                                       |      | (27)  | (30)  | (39)   | (67)   |
| Profit before taxation                              |      | 7,140   | 2,351   | 9,314  | 3,444  |
| Income tax (expense)/credit                         | B4   | (839)   | 55  | (989)  | 60   |
| Profit after taxation                               |      | 6,301   | 2,406   | 8,325  | 3,504  |
| Other comprehensive income                          |      | -   | -   | -  | -  |
| Total comprehensive income for the financial period |      | 6,301   | 2,406   | 8,325  | 3,504  |
| Profit after taxation attributable to:              |      |   |   |  |  |
| - Owners of the Company                             |      | 4,856   | 2,930   | 7,456  | 4,206  |
| - Non-controlling interests                         |      | 1,445   | (524)   | 869  | (702)  |
|   |      | 6,301   | 2,406   | 8,325  | 3,504  |
| Total comprehensive income attributable to:         |      |   |   |  |  |
| - Owners of the Company                             |      | 4,856   | 2,930   | 7,456  | 4,206  |
| - Non-controlling interests                         |      | 1,445   | (524)   | 869  | (702)  |
|   |      | 6,301   | 2,406   | 8,325  | 3,504  |
| Earnings per share (sen):                           |      |   |   |  |  |
| - Basic   | B12  | 0.95  | 0.57  | 1.46   | 0.82   |
| - Diluted <sup>(2)</sup>                            | B12  | 0.81  | 0.57  | 1.24   | 0.82   |

### 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 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Diluted earnings per share of the Company for the individual quarter 30 June 2019 and cumulative quarter 30 June 2019 is equivalent to the basic earnings per share as the potential conversion of warrants and employee share options had an anti-dilutive effect on the basic earnings per share and the Company has no other dilutive potential ordinary shares in issue at the end of the reporting period.

# HLT GLOBAL BERHAD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020<sup>(1)</sup>

|  | Note | Unaudited<br>As at<br>30.06.2020<br>RM'000 | Audited<br>As at<br>31.12.2019<br>RM'000 |
|--|------|--|--|
| <b>ASSETS</b>                                |      |  |  |
| <b>NON-CURRENT ASSETS</b>                    |      |  |  |
| Property, plant and equipment                |      | 11,005                                     | 12,219                                   |
| Right-of-use assets                          |      | 17,138                                     | 17,305                                   |
| Goodwill                                     |      | 2,785                                      | 2,785                                    |
|  |      | <u>30,928</u>                              | <u>32,309</u>                            |
| <b>CURRENT ASSETS</b>                        |      |  |  |
| Inventories                                  |      | 15,373                                     | 20,786                                   |
| Trade receivables                            | B5   | 13,104                                     | 21,653                                   |
| Other receivables, deposits and prepayments  |      | 4,951                                      | 12,600                                   |
| Contract assets                              |      | 2,886                                      | 1,764                                    |
| Amount owing by related parties              |      | 1,056                                      | 8,922                                    |
| Short-term investments                       |      | 28,494                                     | 9,299                                    |
| Current tax assets                           |      | -  | 298                                      |
| Cash and bank balances                       |      | 34,673                                     | 12,165                                   |
|  |      | <u>100,537</u>                             | <u>87,487</u>                            |
| <b>TOTAL ASSETS</b>                          |      | <b>131,465</b>                             | <b>119,796</b>                           |
| <b>EQUITY AND LIABILITIES</b>                |      |  |  |
| <b>EQUITY</b>                                |      |  |  |
| Share capital                                |      | 73,679                                     | 73,465                                   |
| Merger deficit                               |      | (22,033)                                   | (22,033)                                 |
| Employee share option reserve                |      | 30   | 83                                       |
| Retained profits                             |      | 8,680                                      | 1,221                                    |
|  |      | <u>60,356</u>                              | <u>52,736</u>                            |
| Equity attributable to owners of the Company |      | 60,356                                     | 52,736                                   |
| Non-controlling interests                    |      | 22,466                                     | 21,597                                   |
| <b>TOTAL EQUITY</b>                          |      | <b>82,822</b>                              | <b>74,333</b>                            |
| <b>NON-CURRENT LIABILITIES</b>               |      |  |  |
| Long-term borrowing                          | B9   | 774  | 1,583                                    |
| Deferred tax liabilities                     |      | 1,938                                      | 1,949                                    |
|  |      | <u>2,712</u>                               | <u>3,532</u>                             |
| <b>CURRENT LIABILITIES</b>                   |      |  |  |
| Trade payables                               |      | 15,251                                     | 16,456                                   |
| Other payables and accruals                  |      | 16,919                                     | 12,939                                   |
| Contract liabilities                         |      | 13,196                                     | 11,782                                   |
| Amount owing to a related party              |      | 90   | 324                                      |
| Short-term borrowing                         | B9   | 114  | 430                                      |
| Current tax liabilities                      |      | 361  | -  |
|  |      | <u>45,931</u>                              | <u>41,931</u>                            |
| <b>TOTAL LIABILITIES</b>                     |      | <b>48,643</b>                              | <b>45,463</b>                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |      | <b>131,456</b>                             | <b>119,796</b>                           |
| Net assets per share (RM)                    |      | <u>0.12</u>                                | <u>0.10</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 2019 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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020<sup>(1)</sup>

|  | ← Non-Distributable →      |                             |   | Distributable                 |   |  |                           |
|--|----------------------------|-----------------------------|---|-------------------------------|---|--|---------------------------|
|  | Share<br>Capital<br>RM'000 | Merger<br>Deficit<br>RM'000 | Employee<br>Share Option<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 | Attributable to<br>Owners of<br>the Company<br>RM'000 | Non-Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
| Balance at 1 January 2020  | 73,465                     | (22,033)                    | 83  | 1,221                         | 52,736  | 21,597                                 | 74,333                    |
| Profit after taxation/Total comprehensive<br>income for the financial period | -                          | -                           | -   | 7,456                         | 7,456   | 869                                    | 8,325                     |
| Contributions by and distribution to owners of the<br>Company:               |                            |                             |   |                               |   |  |                           |
| Issuance of ordinary shares pursuant to:                                     |                            |                             |   |                               |   |  |                           |
| - ESOS exercised   | 175                        | -                           | (50)  | -                             | 125   | -                                      | 125                       |
| - Warrants   | 39                         | -                           | -   | -                             | 39  | -                                      | 39                        |
| ESOS options lapsed  | -                          | -                           | (3)   | 3                             | -   | -                                      | -                         |
| Total transactions with owners   | 214                        | -                           | (53)  | 3                             | 164   | -                                      | 164                       |
| Balance at 30 June 2020  | 73,679                     | (22,033)                    | 30  | 8,680                         | 60,356  | 22,466                                 | 82,822                    |

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020<sup>(1)</sup>

|   | ← Non-Distributable → |                |                               | Distributable                          |                                       |                           |              |
|---|-----------------------|----------------|-------------------------------|--|---------------------------------------|---------------------------|--------------|
|   | Share Capital         | Merger Deficit | Employee Share Option Reserve | (Accumulated Losses)/ Retained Profits | Attributable to Owners of the Company | Non-Controlling Interests | Total Equity |
|   | RM'000                | RM'000         | RM'000                        | RM'000                                 | RM'000                                | RM'000                    | RM'000       |
| Balance at 1 January 2019   | 73,465                | (22,033)       | 83                            | (3,615)                                | 47,900                                | 22,421                    | 70,321       |
| Profit after taxation/Total comprehensive income for the financial period | -                     | -              | -                             | 4,206                                  | 4,206                                 | (702)                     | 3,504        |
| Balance at 30 June 2019   | 73,465                | (22,033)       | 83                            | 591                                    | 52,106                                | 21,719                    | 73,825       |

### 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 2019 and the accompanying explanatory notes attached to this interim financial report.

# HLT GLOBAL BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020<sup>(1)</sup>

|  | Unaudited<br>Current<br>year-to-date<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year-to-date<br>30.06.2019<br>RM'000 |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |  |  |
| Profit before taxation                                 | 9,314  | 3,444  |
| Adjustments for: -                                     |  |  |
| Depreciation of property, plant and equipment          | 2,267  | 2,329  |
| Depreciation of right-of-use assets                    | 168  | -  |
| Impairment loss on trade receivables                   | -  | 72   |
| Interest expense                                       | 39   | 67   |
| Unrealised gain on foreign exchange                    | (508)  | (174)  |
| Fair value loss/(gain) on short-term investment        | 2  | (3)  |
| Gain on disposal of plant and equipment                | (130)  | (100)  |
| Reversal of impairment loss on trade receivable        | (2,000)  | -  |
| Dividend income  | (266)  | (123)  |
| Interest income  | (2)  | (5)  |
| Operating profit before working capital changes        | 8,884  | 5,507  |
| Decrease in inventories                                | 5,413  | 6,146  |
| Decrease/(Increase) in contract assets                 | 292  | (5,766)  |
| Decrease in trade and other receivables                | 18,502   | 11,657   |
| Increase/(Decrease) in trade and other payables        | 2,790  | (5,510)  |
| Decrease/(Increase) in amount owing by related parties | 7,673  | (5,367)  |
| <b>CASH FROM OPERATIONS</b>                            | <b>43,554</b>  | <b>6,667</b>   |
| Income tax paid  | (340)  | (52)   |
| Income tax refunded                                    | -  | 201  |
| Interest received                                      | 2  | 5  |
| Interest paid  | (39)   | (68)   |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>              | <b>43,177</b>  | <b>6,753</b>   |
| <b>CASH FLOWS FOR INVESTING ACTIVITIES</b>             |  |  |
| Dividend received                                      | 264  | 126  |
| Purchase of property, plant and equipment              | (1,053)  | (1,030)  |
| Proceed from disposal of plant and equipment           | 130  | 101  |
| <b>NET CASH FOR INVESTING ACTIVITIES</b>               | <b>(659)</b>   | <b>(803)</b>   |

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020<sup>(1)</sup> (CONT'D)

|   | Unaudited<br>Current<br>year-to-date<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year-to-date<br>30.06.2019<br>RM'000 |
|---|--|--|
| <b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>                     |  |  |
| Proceeds from conversion of warrants                                  | 39   | -  |
| Proceeds from exercise of ESOS  | 125  | -  |
| Repayment of term loans   | (813)  | (196)  |
| Drawdown of hire purchase obligations                                 | -  | 347  |
| Drawdown of bankers' acceptances                                      | -  | 14   |
| Repayment of lease liability  | (312)  | -  |
| <b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>                       | <b>(961)</b>   | <b>165</b>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                      | <b>41,557</b>  | <b>6,115</b>   |
| <b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>                        | <b>146</b>   | <b>89</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b> | <b>21,464</b>  | <b>16,519</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>   | <b>63,167</b>  | <b>22,723</b>  |
| Cash and cash equivalents comprise the following:                     |  |  |
| - Short-term investments  | 28,494   | 15,669   |
| - Cash and bank balances  | 34,673   | 7,054  |
|   | <b>63,167</b>  | <b>22,723</b>  |

### 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 2019 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 2020**

**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 2019 and the accompanying explanatory notes attached to this interim financial report.

**A2. Changes in accounting policies**

During the 6-month period ended 30 June 2020, 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 3: Definition of a Business

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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> |
|---|-----------------------|
| MFRS 17 Insurance Contracts   | 1 January 2021        |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred              |
| Amendments to MFRS 101: Classification of Liabilities as Current or Non-current   | 1 January 2022        |

**A3. Auditors’ Report of preceding annual financial statements**

The preceding year’s audited financial statements of the Group were not subject to any qualification.

**A4. Seasonal or cyclical factors**

The Group’s operations were not significantly affected by any seasonal or cyclical factor during the current financial quarter under review.

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

There 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.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

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

**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 2020, the Company has issued new ordinary shares as follows:-

|                          | Issue Price | No. of Shares |
|--------------------------|-------------|---------------|
| Exercise of ESOS options | RM0.30      | 417,500       |
| Conversion of Warrants   | RM0.20      | 196,000       |

As at 30 June 2020, the total number of outstanding warrants was 198,895,998.

Other than as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

**A8. Dividends paid**

There was no dividend paid during the current financial quarter under review.

**A9. Segmental information**

*(a) Business Segments*

The Group is originated into three (3) main reportable segments as follows:-

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

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

**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)*

|  | <b>Glove-<br/>Dipping<br/>Lines<br/>RM'000</b> | <b>Rubber<br/>Gloves<br/>RM'000</b> | <b>Corporate<br/>RM'000</b> | <b>Consolidation<br/>adjustments<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|--|--|-------------------------------------|-----------------------------|---|--------------------------------|
| <b>Current year-to-date<br/>30.06.2020</b> |  |                                     |                             |   |                                |
| External Revenue                           | 26,848   | 50,146                              | -                           | -   | 76,994                         |
| Inter-segment Revenue                      | 540  | -                                   | 3,800                       | (4,340)   | -                              |
|  | 27,388   | 50,146                              | 3,800                       | (4,340)   | 76,994                         |
| <b>Segment result</b>                      |  |                                     |                             |   |                                |
| Profit from operation                      | 7,776  | 9,802                               | 3,633                       | (14,368)  | 6,843                          |
| Depreciation                               | 270  | 2,132                               | -                           | 32  | 2,434                          |
| Finance costs                              | 6  | 33                                  | -                           | -   | 39                             |
| Interest income                            | (2)  | -                                   | -                           | -   | (2)                            |
| Profit before taxation                     | 8,050  | 11,967                              | 3,633                       | (14,336)  | 9,314                          |
| Tax expense                                |  |                                     |                             |   | (989)                          |
| Profit after taxation                      |  |                                     |                             |   | 8,325                          |
| Attributable to:                           |  |                                     |                             |   |                                |
| Owners of the Company                      |  |                                     |                             |   | 7,456                          |
| Non-controlling interest                   |  |                                     |                             |   | 869                            |
| Profit for the period                      |  |                                     |                             |   | 8,325                          |
| Segment assets                             | 47,128   | 62,584                              | 76,651                      | (57,683)  | 128,680                        |
| Goodwill                                   | -  | -                                   | -                           | 2,785   | 2,785                          |
| Segment liabilities                        | 39,406   | 18,794                              | 317                         | (9,874)   | 48,643                         |

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

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-<br>Dipping<br>Lines<br>RM'000 | Rubber<br>Gloves<br>RM'000 | Corporate<br>RM'000 | Consolidation<br>adjustments<br>RM'000 | Consolidated<br>RM'000 |
|--|--------------------------------------|----------------------------|---------------------|--|------------------------|
| <b>Current year-to-date<br/>30.06.2019</b> |                                      |                            |                     |  |                        |
| External Revenue                           | 29,017                               | 47,248                     | -                   | -                                      | 76,265                 |
| Inter-segment Revenue                      | 41                                   | -                          | -                   | (41)                                   | -                      |
|  | 29,058                               | 47,248                     | -                   | (41)                                   | 76,265                 |
| <b>Segment result</b>                      |                                      |                            |                     |  |                        |
| Profit/(Loss) from operation               | 5,516                                | 478                        | (158)               | -                                      | 5,836                  |
| Depreciation                               | (294)                                | (2,002)                    | -                   | (33)                                   | (2,329)                |
| Finance costs                              | (7)                                  | (61)                       | -                   | -                                      | (68)                   |
| Interest income                            | 5                                    | -                          | -                   | -                                      | 5                      |
| Profit/(Loss) before taxation              | 5,220                                | (1,585)                    | (158)               | (33)                                   | 3,444                  |
| Tax expense                                |                                      |                            |                     |  | 60                     |
| Profit after taxation                      |                                      |                            |                     |  | 3,504                  |
| Attributable to:                           |                                      |                            |                     |  |                        |
| Owners of the Company                      |                                      |                            |                     |  | 4,206                  |
| Non-controlling interest                   |                                      |                            |                     |  | (702)                  |
| Profit for the period                      |                                      |                            |                     |  | 3,504                  |
| Segment assets                             | 36,930                               | 52,768                     | 73,000              | (48,334)                               | 114,364                |
| Goodwill                                   | -                                    | -                          | -                   | 2,785                                  | 2,785                  |
| Segment liabilities                        | 33,222                               | 20,723                     | 374                 | (10,995)                               | 43,324                 |

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

**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<br>Current<br>year<br>quarter<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year<br>quarter<br>30.06.2019<br>RM'000 | Unaudited<br>Current<br>year-to-<br>date<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year-to-<br>date<br>30.06.2019<br>RM'000 |
| Domestic | 17,698  | 5,465   | 25,917   | 7,283  |
| Overseas | 33,164  | 38,952  | 51,077   | 68,982   |
|          | 50,862  | 44,417  | 76,994   | 76,265   |

**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 below, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

- (a) On 24 July 2020, the Company granted 26,070,000 share options to the eligible Directors and employees of the Group under the Company's ESOS as follows: -

| No. of Share Options | Exercise Price | Vesting Date |
|----------------------|----------------|--------------|
| 12,982,500           | RM0.70         | 24 July 2020 |
| 6,107,500            | RM0.70         | 24 July 2021 |
| 6,980,000            | RM0.70         | 24 July 2023 |

- (b) On 10 August 2020, the Board of Directors of the Company announced that the Company is proposing to undertake a Private Placement of new ordinary shares in HLT Global of up to twenty percent (20%) of the total number of issued shares in HLT Global.

On 19 August 2020, Bursa Securities has vide its letter approved the listing and quotation of up to 144,945,319 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the following conditions: -

1. HLT Global and KAF Investment Bank Berhad ("KAF IB") must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Private Placement.
2. HLT Global and KAF IB to inform Bursa Securities upon the completion of the Proposed Private Placement.
3. HLT Global to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020**

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

**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.

**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<br/>As at<br/>30.06.2020<br/>RM'000</b> | <b>Audited<br/>As at<br/>31.12.2019<br/>RM'000</b> |
|--|--|--|
| Bank guarantee extended by a subsidiary to a third party | 910  | 910  |

**A14. Capital commitments**

There was no material capital commitment in respect of property, plant and equipment as at the end of the current financial quarter under review.

**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 2020 were as follows:-

|                                 | <b>---Individual Quarter---</b>   |   | <b>---Cumulative Quarter---</b>  |  |
|---------------------------------|---|---|--|--|
|                                 | <b>Unaudited<br/>Current<br/>year<br/>quarter<br/>30.06.2020<br/>RM'000</b> | <b>Unaudited<br/>Preceding<br/>year<br/>quarter<br/>30.06.2019<br/>RM'000</b> | <b>Unaudited<br/>Current<br/>year-to-<br/>date<br/>30.06.2020<br/>RM'000</b> | <b>Unaudited<br/>Preceding<br/>year-to-<br/>date<br/>30.06.2019<br/>RM'000</b> |
| Sales of rubber gloves          | (4,398)   | (16,056)  | (13,978)   | (25,136)   |
| Sales of glove-dipping machines | (539)   | (3,677)   | (3,481)  | (10,646)   |
| Purchase of wood pellets        | 259   | -   | 724  | -  |

At the Annual General Meeting held on 22 June 2020 ("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 2020

**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<br>Current year<br>quarter<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year quarter<br>30.06.2019<br>RM'000 | Changes |            | Unaudited<br>Current<br>year-to-date<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year-to-date<br>30.06.2019<br>RM'000 | Changes |          |
|                                      |  |  | RM'000  | %          |  |  | RM'000  | %        |
| Revenue                              | 50,862   | 44,417   | 6,445   | 14.51      | 76,994   | 76,265   | 729     | 0.96     |
| Gross profit                         | 11,351   | 3,377  | 7,974   | 236.13     | 12,241   | 6,436  | 5,805   | 90.20    |
| Profit before taxation               | 7,140  | 2,351  | 4,789   | 203.70     | 9,314  | 3,444  | 5,870   | 170.44   |
| Profit after taxation                | 6,301  | 2,406  | 3,895   | 161.89     | 8,325  | 3,504  | 4,821   | 137.59   |
| <b>Revenue</b>                       |  |  |         |            |  |  |         |          |
| Glove-Dipping Lines                  | 18,003   | 18,921   | (918)   | (4.85)     | 26,848   | 29,017   | (2,169) | (7.47)   |
| Rubber Gloves                        | 32,859   | 25,496   | 7,363   | 28.88      | 50,146   | 47,248   | 2,898   | 6.13     |
| Corporate                            | -  | -  | -       | -          | -  | -  | -       | -        |
|                                      | 50,862   | 44,417   | 6,445   | 14.51      | 76,994   | 76,265   | 729     | 0.96     |
| <b>Gross profit</b>                  |  |  |         |            |  |  |         |          |
| Glove-Dipping Lines                  | 5,044  | 3,910  | 1,134   | 29.00      | 7,193  | 6,294  | 899     | 14.28    |
| Rubber Gloves                        | 6,307  | (533)  | 6,840   | (1,283.30) | 5,048  | 142  | 4,906   | 3,454.93 |
| Corporate                            | -  | -  | -       | -          | -  | -  | -       | -        |
|                                      | 11,351   | 3,377  | 7,974   | 236.13     | 12,241   | 6,436  | 5,805   | 90.20    |
| <b>Profit/(Loss) before taxation</b> |  |  |         |            |  |  |         |          |
| Glove-Dipping Lines                  | 4,024  | 3,662  | 362     | 9.89       | 7,519  | 5,180  | 2,339   | 45.15    |
| Rubber Gloves                        | 3,234  | (1,193)  | 4,427   | (371.08)   | 1,962  | (1,578)  | 3,540   | (224.33) |
| Corporate                            | (118)  | (118)  | -       | -          | (167)  | (158)  | (9)     | 5.70     |
|                                      | 7,140  | 2,351  | 4,789   | 203.70     | 9,314  | 3,444  | 5,870   | 170.44   |

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020**

**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 RM50.862 million, an increase of 14.51% as compared to RM44.417 million in the preceding year quarter. An increase of RM6.445 million in revenue was mainly attributable to the increase in revenue from rubber glove segment.

The Group recorded revenue of RM76.994 million for the financial period ended 30 June 2020 ("FPE 2020"), an increase of 0.96% as compared to previous financial period ended 30 June 2019 ("FPE 2019"). An increase of RM0.729 million in revenue was mainly attributable to the increase in revenue from rubber gloves segment which has been partially offset by the lower revenue of glove-dipping lines segment.

The Group recorded gross profit of RM11.351 million with a gross profit margin of 22.32% as compared to gross profit of RM3.377 million with gross profit margin of 7.60% in the preceding year quarter. For FPE 2020, the Group recorded gross profit of RM12.241 million with gross profit margin of 15.90% as compared to gross profit of RM6.436 million with gross profit margin of 8.44% for FPE 2019. Better performance from both glove-dipping lines and rubber gloves segments has contributed to the increase in the gross profit and gross profit margin.

The Group incurred RM4.211 million in operating expenses, an increase of RM3.185 million compared to preceding year quarter. The increase of RM1.941 million in selling and distribution expenses were mainly due to commission paid for selling of the rubber gloves. Whereas the increase of RM1.247 million of administrative and other expenses were mainly due to goods and service tax claimed back in the preceding year quarter as well as increase in staff cost in current year.

Glove-Dipping Lines

The glove-dipping lines segment managed to achieve revenue of RM18.003 million, a decrease of 4.85% as compared to RM18.921 million in the preceding year quarter. For the FPE 2020, the glove-dipping lines segment recorded revenue of RM26.848 million, a decrease of 7.47% as compared to RM29.017 million in the FPE 2019. 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 RM25.611 million from two new orders secured in the year 2019 but whose implementation commenced in the year 2020 as well as revenue contribution from outstanding orders brought forward from previous financial year. Currently, four orders are in progress which comprised of three local orders and a foreign order. Local market contributes significant portion of revenue amounting to RM20.902 million or 77.85% of the glove-dipping lines segment's total revenue.

The glove-dipping lines segment recorded a gross profit of RM5.044 million with a gross profit margin of 28.02% as compared to a gross profit of RM3.910 million with gross profit margin of 20.66% in the preceding year quarter. For FPE 2020, the glove-dipping lines segment recorded gross profit of RM7.193 million with gross profit margin of 26.79% as compared to gross profit of RM6.294 million with gross profit margin of 21.69%. The increase in both gross profit and gross profit margin was mainly attributable to better performance in both Sales of New Lines and provision of upgrading and modification works for glove-dipping lines segment ("Upgrade and Modification").

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020**

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

**B1. Review of performance (Cont'd)**

The glove-dipping lines segment recorded profit before taxation of RM4.024million as compared to RM3.662 million in the preceding year quarter. For FPE 2020, the glove-dipping lines segment recorded profit before taxation of RM7.519 million as compared to RM5.180 million in the FPE 2020 was due to reversal of impairment on a trade debtor.

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 RM32.859 million, an increase of 28.88% as compared to RM25.496 million in the preceding year quarter. For the FPE 2020, the rubber gloves segment recorded revenue of RM50.146 million, an increase of 6.13% as compared to RM47.248 million in the FPE 2019. Export sales contributed 90% of the total revenue of rubber gloves segment. The export market mainly consists of Taiwan, United States of America, China, Japan and Italy.

The rubber gloves segment recorded a gross profit of RM6.307 million with a gross profit margin of 19.19% as compared to a gross loss of RM0.533 million with gross loss margin of 2.09% in the preceding year quarter. For FPE 2020, the rubber gloves segment recorded gross profit of RM5.048 million with gross profit margin of 10.07% as compared to gross profit of RM0.142 million with gross profit margin of 0.30%. The significant increase in both gross profit and gross profit margin were mainly attributable to increase in average selling price due to overwhelming demand of gloves during this COVID-19 pandemic.

The rubber gloves segment recorded profit before taxation of RM3.234 million as compared to a loss before taxation of RM1.193 million. For FPE 2020, the rubber gloves segment recorded profit before taxation of RM1.962 million as compared to loss before taxation of RM1.578 million in the FPE 2019.

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 2020

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

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

|                                      | Unaudited<br>Current<br>Quarter<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>Quarter<br>31.3.2020<br>RM'000 | Changes<br>RM'000 | %        |
|--------------------------------------|---|--|-------------------|----------|
| Revenue                              | 50,862  | 26,132   | 24,730            | 94.63    |
| Profit before taxation               | 7,140   | 2,174  | 4,966             | 228.43   |
| <b>Revenue</b>                       |   |  |                   |          |
| Glove-Dipping Lines                  | 18,003  | 8,845  | 9,158             | 103.54   |
| Rubber Gloves                        | 32,859  | 17,287   | 15,572            | 90.08    |
| Corporate                            | -   | -  | -                 | -        |
|                                      | 50,862  | 26,132   | 24,730            | 94.63    |
| <b>Profit/(Loss) before taxation</b> |   |  |                   |          |
| Glove-Dipping Lines                  | 4,024   | 3,495  | 529               | 15.14    |
| Rubber Gloves                        | 3,234   | (1,272)  | 4,506             | (354.25) |
| Corporate                            | (118)   | (49)   | (69)              | 140.82   |
|                                      | 7,140   | 2,174  | 4,966             | 228.43   |

The Group's revenue for the current quarter has increased by RM24.730 million or 94.63% to RM50.862 million as compared to RM26.132 million in the preceding quarter. The increase in revenue was attributable to higher revenue generated from both glove-dipping lines and rubber gloves segments. Meanwhile, the profit before taxation surged by 228.43% to RM7.140 million. The significant increase was mainly contributed by rubber gloves segment due to increase in the average selling price of rubber gloves during the COVID-19 pandemic period.

**B3. Commentary on prospects**

The prospects for growth in the rubber glove industry are positive as the industry is expected to continue to be driven by the growth in the global and domestic healthcare industry, especially the Coronavirus Disease 2019 outbreak as pandemic. The gloves are the essential item for the medical supplies. The growth are also driven by increasing demand arising from other end-user markets such as manufacturing, and availability of raw materials utilised in the manufacturing of rubber gloves. Given the vibrant and growing rubber glove industry in Malaysia, the prospect of our Rubber Gloves Segment would seem promising.

Nevertheless, the prospects for growth in the glove-dipping line industry in Malaysia are positive as the industry is expected to continue being driven by the growth in demand for rubber gloves globally as well as domestically. The Group will continue to execute its business strategies and has put in place a series of future plans to strengthen its position in the glove-dipping line industry in Malaysia as well as the overseas market.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

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

**B4. Income tax expense**

|                     | ---Individual Quarter---  |   | ---Cumulative Quarter---   |  |
|---------------------|---|---|--|--|
|                     | Unaudited<br>Current<br>year<br>quarter<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year<br>quarter<br>30.06.2019<br>RM'000 | Unaudited<br>Current<br>year-to-<br>date<br>30.06.2020<br>RM'000 | Unaudited<br>Preceding<br>year-to-<br>date<br>30.06.2019<br>RM'000 |
| Current tax expense | 844   | -   | 1,000  | -  |
| Deferred taxation   | (5)   | (55)  | (11)   | (60)   |
|                     | 839   | (55)  | 989  | (60)   |

**B5. Trade receivables**

|                                      | Unaudited<br>As at<br>30.06.2020<br>RM'000 | Audited<br>As at<br>31.12.2019<br>RM'000 |
|--------------------------------------|--|--|
| Trade receivables                    | 30,139                                     | 40,684                                   |
| Allowance for impairment losses      | (17,035)                                   | (19,031)                                 |
|                                      | 13,104                                     | 21,653                                   |
| Allowance for impairment losses: -   |  |  |
| At 1 January                         | (19,031)                                   | (16,870)                                 |
| Addition during the financial year   | -  | (2,162)                                  |
| Reversal during the financial period | 2,000                                      | -  |
| Exchange rate differences            | (4)  | -  |
| At 30 June/31 December               | (17,035)                                   | (19,031)                                 |

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.

**B7. Status of corporate proposal**

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

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

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

The Group has yet to fully utilise the IPO proceeds. The Board of Directors has resolved to extend the timeframe for the utilisation of proceeds which have been earmarked for the upgrading of eight existing glove-dipping lines and setting up of one new glove-dipping line of a subsidiary, HLRI for an additional 24 months.

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

| Purposes                       | Proposed Utilisation<br>RM'000 | Proposed Variation<br>RM'000 | Actual Utilisation<br>RM'000 | Balance<br>RM'000 | Estimated timeframe<br>for utilisation | Extended timeframe<br>for utilisation |
|--------------------------------|--------------------------------|------------------------------|------------------------------|-------------------|--|---------------------------------------|
| (a) Capital expenditure        | 9,000                          | -                            | -                            | -                 | -                                      | -                                     |
| (b) R&D expenditure            | 1,500                          | -                            | -                            | -                 | -                                      | -                                     |
| (c) Working capital            | 4,916                          | 7,316                        | (7,316)                      | -                 | -                                      | -                                     |
| (d) Estimated listing expenses | 2,400                          | 2,400                        | (2,400)                      | -                 | -                                      | -                                     |
| (e) Upgrading <sup>(1)</sup>   | -                              | 3,600                        | -                            | 3,600             | <sup>(3)</sup> 6 months                | <sup>(3)</sup> Additional 24 months   |
| (f) New line <sup>(2)</sup>    | -                              | 4,500                        | -                            | 4,500             | <sup>(4)</sup> 12 months               | <sup>(4)</sup> Additional 24 months   |
| <b>Total</b>                   | <b>17,816</b>                  | <b>17,816</b>                | <b>(9,716)</b>               | <b>8,100</b>      |  |                                       |

(1) Upgrading – Finance the upgrading of eight (8) of the sixteen (16) existing glove-dipping lines of the newly acquired subsidiary, HLRI. The combined production capacity of the eight (8) existing glove-dipping lines are expected to improve by approximately 30% from the existing 480 million pieces of glove to 624 million pieces of glove per annum.

(2) New line – Finance the setting up of one (1) new glove-dipping line at the existing factory premises of HLRI. The new glove-dipping line will be a single former glove-dipping line, caters for the production of special industrial gloves, with a proposed production output of up to 12 thousand pieces of glove per hour.

(3) Based on the completion date of the diversification and acquisition exercise of 17 May 2018, the timeframe for utilisation will end on 17 November 2018. Pursuant to the Extension of Time, it shall be extended to 17 November 2020.

(4) Based on the completion date of the diversification and acquisition exercise of 17 May 2018, the timeframe for utilisation will end on 17 May 2019. Pursuant to the Extension of Time, it shall be extended to 17 May 2021.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

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

**B9. Group borrowings and debt securities**

Total Group's borrowings as at 30 June 2020 are as follows:-

|                               | Unaudited<br>As at<br>30.06.2020<br>RM'000 | Audited<br>As at<br>31.12.2019<br>RM'000 |
|-------------------------------|--|--|
| <b>Short-term borrowings:</b> |  |  |
| Lease Liability               | -  | 71                                       |
| Term loans                    | 114  | 359                                      |
|                               | 114  | 430                                      |
| <b>Long-term borrowings:</b>  |  |  |
| Lease Liability               | -  | 241                                      |
| Term loans                    | 774  | 1,342                                    |
|                               | 774  | 1,583                                    |
| <b>Total borrowings</b>       | 888  | 2,013                                    |

The term loans are secured and denominated in Ringgit Malaysia.

**B10. Material litigation**

**Kuala Lumpur High Court Civil Suit No.: WA-22NCC-390-08/2020: 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) and Wong Kok Wah ("Wong") (5th Defendant)**

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

The matter has been fixed for a Case Management by way of e-Review on 7 September 2020 before Puan Malarselvi a/p Shanmugam.

The Board is of the view that the legal claim is frivolous and vexatious and will defend the claim vigorously. The Board has appointed solicitors to handle the same and will make announcement on any material development on the matter.

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

**B11. Dividends**

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

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

**B12. Earnings per share ("EPS")**

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

|   | Unaudited<br>Current<br>year quarter<br>30.06.2020 | Unaudited<br>Current<br>year-to-date<br>30.06.2020 |
|---|--|--|
| Profit after taxation attributable to owners of the Company (RM'000)                                    | 4,856  | 7,456  |
| <b><u>Basic</u></b>   |  |  |
| Weighted average number of ordinary shares in issue ('000): -   |  |  |
| Issued ordinary shares on 1 January   | 511,977  | 511,977  |
| Effect of new ordinary shares issued pursuant to:   |  |  |
| - ESOS options  | 418  | 39   |
| - Warrants  | 196  | 6  |
| Weighted average number of ordinary shares for the financial period                                     | 512,591  | 512,022  |
| Basic EPS (sen)   | 0.95   | 1.46   |
| <b><u>Diluted</u></b>   |  |  |
| Weighted average number of ordinary shares in issue ('000)  | 512,591  | 512,022  |
| Weighted average number of ordinary shares under ESOS options and warrants ('000)                       | 83,897   | 87,930   |
| Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000) | 596,488  | 599,952  |
| Diluted EPS (sen)   | 0.81   | 1.24   |

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2020

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

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

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

|   | Unaudited<br>Current year<br>quarter<br>30.06.2020<br>RM'000 | Unaudited<br>Current<br>year-to-date<br>30.06.2020<br>RM'000 |
|---|--|--|
| Depreciation of property, plant and equipment   | 1,126  | 2,267  |
| Depreciation of right-of-use assets             | 84   | 168  |
| Interest expense                                | 27   | 39   |
| Reversal of impairment loss on trade receivable | -  | (2,000)  |
| Realised loss/(gain) on foreign exchange        | 30   | (96)   |
| Unrealised loss/(gain) on foreign exchange      | 343  | (508)  |
| Gain on disposal of plant and equipment         | -  | (130)  |
| Fair value loss on short-term investment        | 2  | 2  |
| Interest income                                 | -  | (2)  |
| Dividend income                                 | (137)  | (266)  |
| Rental Income                                   | (2)  | (3)  |
|   | <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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