THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Circular has been reviewed by KAF Investment Bank Berhad, the Adviser to HLT Global Berhad ("**HLT**") for the Proposals (as defined herein).

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

The Securities Commission Malaysia ("**SC**") had on 23 January 2025 notified that it has no further comments to the contents of this Circular in relation to the Proposed Exemption (as defined herein) under subparagraph 4.08(3)(f) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("**Rules**") and the independent advice letter ("**IAL**") for the Proposed Exemption under subparagraph 4.08(3)(i) of the Rules respectively. However, such notification shall not be taken to suggest that the SC recommends the Proposed Exemption and agrees with the recommendation of the independent adviser or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Circular and the IAL. The SC is not responsible for the contents of this Circular and the IAL, does not represent that this Circular and the IAL are accurate or complete and disclaims any liability for any loss arising from, or due to, your reliance on this Circular and the IAL.

HLT GLOBAL BERHAD
(Registration No.: 201501038003 (1163324-H))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED RIGHTS ISSUE (AS DEFINED HEREIN) AND PROPOSED EXEMPTION (AS DEFINED HEREIN), COLLECTIVELY REFERRED TO AS THE "PROPOSALS"

PART B

INDEPENDENT ADVICE LETTER BY THE INDEPENDENT ADVISER TO THE NON-INTERESTED SHAREHOLDERS OF HLT IN RELATION TO THE PROPOSED EXEMPTION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

KAF
INVESTMENT BANK BERHAD
Registration No. 197401003530 (20657-W)

Independent Adviser

DWA
advisory
DWA ADVISORY SDN BHD
(Registration No. 201301002419 (1032257-D))

The notice convening the Extraordinary General Meeting ("**EGM**") of HLT to be held at Langkawi Room, Second Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, on Monday, 3 March 2025 at 10:30 a.m. or any adjournment thereof, together with the Proxy Form, is enclosed herewith.

The Proxy Form should be lodged at the share registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from participating and voting at the EGM should you subsequently wish to do so.

IMPORTANT DATES

Last date and time for lodging the Proxy Form	:	Saturday, 1 March 2025 at 10:30 a.m.
Date and time for the EGM	:	Monday, 3 March 2025 at 10:30 a.m. or any adjournment thereof.

This Circular is dated 14 February 2025

PART A

(I) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,079,671 NEW ORDINARY SHARES IN HLT GLOBAL BERHAD ("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 426,079,671 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, CHAN YOKE CHUN AND THE PERSONS ACTING IN CONCERT WITH THEM (WHO HOLD SHARES IN HLT PURSUANT TO SUBSECTIONS 216(2) AND 216(3) OF THE CAPITAL MARKETS 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 4.08(1)(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 ("PROPOSED EXEMPTION")

PART B

INDEPENDENT ADVICE LETTER BY THE INDEPENDENT ADVISER TO THE NON-INTERESTED SHAREHOLDERS OF HLT IN RELATION TO THE PROPOSED EXEMPTION

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DEFINITIONS

In this Circular, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

ACE Market	:	ACE Market of Bursa Securities
Acquisition	:	Acquisition by HLT of the remaining equity interest in Triple Care for a purchase consideration of RM0.60 million, which was completed on 7 June 2024
Act	:	The Companies Act 2016
AMLSB	:	Applied Media & Labels Sdn Bhd [Registration No. 200401030613 (669121-U)]
Base Case Scenario	:	Assuming that the Proposed Rights Issue is implemented on the premise that:- (i) firstly, none of the ESOS Options are exercised prior to the completion of the Proposed Rights Issue; (ii) secondly, only the Undertaking Shareholders subscribe based on their Undertakings and their PACs fully subscribe for their respective entitlements under the Proposed Rights Issue; (iii) thirdly, only the Undertaking Shareholders and their PACs fully exercise their Warrants; and (iv) finally, only the Undertaking Shareholders fully exercise their ESOS Options
Board	:	Board of directors of HLT
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No: 200301033577 (635998-W)]
By-Laws	:	By-laws governing the ESOS Options
Circular	:	This circular dated 14 February 2025 to the shareholders of HLT in relation to the Proposals
CMSA	:	Capital Markets and Services Act 2007
Code	:	Malaysian Code on Take-Overs and Mergers 2016
Deed Poll	:	The deed poll to be executed by the Company constituting the Warrants and governing the rights of the Warrant holders
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders of HLT whose names appear in the Record of Depositors at the close of business on the Entitlement Date
Entitlement Date	:	The date to be determined and announced by the Board after the approvals from the relevant authorities and shareholders of the Company have been obtained, for the purpose of determining the entitlements of the shareholders of HLT for the Proposed Rights Issue
EPS	:	Earnings per Share
ESOS Options	:	17,359,500 outstanding options granted pursuant to the employees' share options scheme of the Company
Excess Application	:	The excess application for unsubscribed Rights Shares with Warrants by the Entitled Shareholders and/or their renouncee(s)/transferee(s)
Exercise Price	:	The exercise price of the Warrants
FYE	:	Financial year ended 31 December

HLT or the Company	:	HLT Global Berhad [Registration No: 201501038003 (1163324-H)]
HLT Group or the Group	:	HLT and its subsidiaries, collectively
HLT Share(s) or Share(s)	:	Ordinary share(s) in the Company
Independent Adviser or DWA Advisory	:	DWA Advisory Sdn Bhd [Registration No: 201301002419 (1032257-D)]
Indicative Exercise Price	:	The indicative exercise price of RM0.075 per Warrant
Indicative Issue Price	:	The indicative issue price of RM0.075 per Rights Share
Interested Parties	:	Collectively, the Undertaking Shareholders and their PACs
Issue Price	:	The issue price of Rights Share
KAF IB or Principal Adviser	:	KAF Investment Bank Berhad [Registration No: 197401003530 (20657-W)]
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	31 January 2025, being the latest practicable date prior to the printing of this Circular
Mandatory Offer	:	The mandatory take-over offer for the remaining HLT Shares not already owned by the Undertaking Shareholders and their PACs
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming that the Proposed Rights Issue is implemented on the premise that:- (i) firstly, 13,359,500 outstanding ESOS Options (excluding 4,000,000 ESOS Options held by the Undertaking Shareholders) are fully exercised into 13,359,500 new Shares prior to the completion of the Proposed Rights Issue; (ii) secondly, all the Entitled Shareholders fully subscribe for their respective entitlements under the Proposed Rights Issue; (iii) thirdly, all the holders of the Warrants fully exercise their Warrants; and (iv) finally, the Undertaking Shareholders fully exercise their ESOS Options
Minimum Scenario	:	Assuming that the Proposed Rights Issue is implemented on the premise that:- (i) firstly, none of the ESOS Options are exercised prior to the completion of the Proposed Rights Issue; (ii) secondly, only the Undertaking Shareholders subscribe based on their Undertakings; (iii) thirdly, only the Undertaking Shareholders fully exercise their Warrants; and (iv) finally, only the Undertaking Shareholders fully exercise their ESOS Options
Minimum Subscription Level	:	The minimum subscription level basis to raise a minimum gross proceed of RM17,839,620 based on the Minimum Scenario
NA	:	Net assets
New Plant	:	New nitrile rubber gloves manufacturing plants
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed

PACs	:	Persons acting in concert with the Undertaking Shareholders (who hold shares in HLT pursuant to subsections 216(2) and 216(3) of the CMSA) in relation to the Proposed Exemption as at the LPD, namely Wong Kok Mun, Teng Moi Bee and AMLSB
Proposals	:	Proposed Rights Issue and Proposed Exemption, collectively
Proposed Exemption	:	Proposed exemption for the Undertaking Shareholders and their PACs under subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake a Mandatory Offer, under the Proposed Rights Issue and upon exercise of their Warrants
Proposed Rights Issue	:	Proposed renounceable rights issue of up to 426,079,671 Rights Shares on the basis of one (1) Rights Share for every two (2) existing HLT Shares held by the Entitled Shareholders on the Entitlement Date together with up to 426,079,671 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for
Record of Depositors	:	A record of depositors established by Bursa Malaysia Depository Sdn. Bhd. under the Rules of Bursa Malaysia Depository Sdn. Bhd.
Rights Shares	:	Up to 426,079,671 new Shares to be issued pursuant to the Proposed Rights Issue
RM and sen	:	Ringgit Malaysia and sen, respectively
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to section 377 of the CMSA, as amended from time to time
SC	:	Securities Commission Malaysia
TERP	:	Theoretical ex-rights price of HLT Shares
Triple Care	:	Triple Care Gloves Sdn Bhd [Registration No: 202001031018 (1387338-T)]
Undertakings	:	Irrevocable and unconditional written undertakings from the Undertaking Shareholders dated 9 October 2024 to subscribe in full for their entitlements pursuant to the Proposed Rights Issue and if required, additional Rights Shares with Warrants by way of Excess Application, for a total of RM17.84 million worth of Rights Shares together with Warrants
Undertaking Shareholders	:	Wong Kok Wah and Chan Yoke Chun, collectively
VWAMP	:	Volume weighted average market price
Warrants	:	Up to 426,079,671 free detachable warrants of HLT to be issued pursuant to the Proposed Rights Issue

Words denoting the singular number only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include a body of persons, corporate or unincorporated (including a trust). Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any statute is a reference to that statute as for the time being amended.

CONTENTS

PART A

LETTER TO THE SHAREHOLDERS OF HLT IN RELATION TO THE PROPOSALS

This Executive Summary only highlights the key information of Part A of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular before making a decision on the Proposals.

Key information		**Description**	**Reference to Part A of the Circular**
Summary of the Proposals	:	(i) The Proposed Rights Issue, which will be undertaken on a renounceable basis, entails the issuance of up to 426,079,671 Rights Shares on the basis of one (1) Rights Share for every two (2) existing HLT Shares held by the Entitled Shareholders on the Entitlement Date, at an Issue Price to be determined and announced by the Board at a later date, together with up to 426,079,671 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for.	Section 2.1
		(ii) Proposed exemption for the Undertaking Shareholders and their PACs, under subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake a Mandatory Offer, under the Proposed Rights Issue and upon exercise of their Warrants.	Section 2.2
Minimum Subscription Level and the Undertakings	:	The Proposed Rights Issue will be undertaken on a Minimum Subscription Level basis, which was determined after taking into consideration the minimum level of funds required by HLT for the purposes stated in Section 3.0, Part A of this Circular and the Undertakings. Based on the Indicative Issue Price, the Undertakings will be met via the issuance of 237,861,600 Rights Shares together with 237,861,600 Warrants.	Section 2.1.6
Rationale for the Proposals	:	**Proposed Rights Issue**	
		After due consideration of the various funding options available to the Company, the Board is of the opinion that the Proposed Rights Issue is the most appropriate avenue of fund raising for HLT for the purposes stated in Section 3.0, Part A of this Circular in view of the following reasons:- (i) the Proposed Rights Issue serves to raise funds for the purpose set out in Section 3.0, Part A of this Circular, which is expected to contribute positively to the business operations and thus the future financial performance of the Group; (ii) as opposed to borrowings from financial institutions, the Proposed Rights Issue enables the Group to raise the intended funds without incurring interest costs, which will in turn enable the Group to manage its cash flows more efficiently; (iii) the Entitled Shareholders would have the opportunity to increase their equity participation in the Company on a pro-rata basis through subscription of Rights Shares and exercise of the Warrants as opposed to a non-pro rata equity fund raising; and (iv) the issuance of Rights Shares with Warrants would not dilute the Entitled Shareholders' equity interest in HLT if all the Entitled Shareholders fully subscribe for their respective entitlements under the Proposed Rights Issue and exercise their Warrants subsequently.	Section 4.1

Key information		Description	Reference to Part A of the Circular
		The Warrants which are attached to the Rights Shares intend to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of HLT Shares and/or the Warrants, and increase their equity participation in the Company at a predetermined price over the tenure of the Warrants. The Company would also be able to raise additional proceeds as and when the Warrants are exercised.	
		Proposed Exemption	
		The Proposed Exemption will relieve the Undertaking Shareholders and their PACs from the obligation to undertake the Mandatory Offer pursuant to the Proposed Rights Issue and exercise of their Warrants as it is not the intention of the Undertaking Shareholders and their PACs to undertake the Mandatory Offer.	Section 4.2
Approvals required	:	The Proposals are subject to the following approvals being obtained:- (i) Bursa Securities for the following:- (a) admission to the Official List of Bursa Securities as well as listing of and quotation for the Warrants to be issued pursuant to the Proposed Rights Issue; and (b) listing of and quotation for the Rights Shares and new HLT Shares to be issued arising from the exercise of the Warrants on the ACE Market; (ii) the SC for the Proposed Exemption, of which the approval will be sought after the EGM; (iii) shareholders of the Company for the Proposals at the EGM to be convened; and (iv) any other relevant authorities and/or parties, if required.	Section 8
Directors' statement and recommendation	:	The Board (save for Wong Kok Wah and Chan Yoke Chun), having considered all aspects of the Proposals, including but not limited to the rationale and financial effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and accordingly, on the basis above, recommends you to vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.	Section 10

PART A

LETTER TO THE SHAREHOLDERS OF HLT IN RELATION TO THE PROPOSALS

HLT GLOBAL BERHAD
(Registration No.: 201501038003 (1163324-H))
(Incorporated in Malaysia)

Registered Office:
Unit 521, 5th Floor, Lobby 6
Block A, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

14 February 2025

BOARD OF DIRECTORS

Wong Wai Tzing (Independent Non-Executive Chairperson)
Wong Kok Wah (Deputy Chairman / Executive Director)
Chan Yoke Chun (Executive Director / Chief Executive Officer)
Chui Mee Chuen (Executive Director / Chief Financial Officer)
Yau Ming Teck (Non-Independent Non-Executive Director)
Wong Koon Wai (Independent Non-Executive Director)

To: The Shareholders of HLT

Dear Sir/Madam,

(I) PROPOSED RIGHTS ISSUE; AND
(II) PROPOSED EXEMPTION

(COLLECTIVELY REFERRED TO AS "PROPOSALS")

1.0 INTRODUCTION

1.1 On 18 September 2024, KAF IB had, on behalf of the Board, announced that HLT is proposing to undertake the Proposals. The Company had on 18 September 2024 appointed DWA Advisory as the Independent Adviser to advise the non-interested directors and non-interested shareholders of HLT in relation to the Proposed Exemption.

1.2 On 30 December 2024, KAF IB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 30 December 2024 resolved to approve the following:-

(i) admission to the Official List of Bursa Securities as well as listing of and quotation for the Warrants to be issued pursuant to the Proposed Rights Issue; and

(ii) listing of and quotation for the Rights Shares and new HLT Shares to be issued arising from the exercise of the Warrants on the ACE Market,

subject to the conditions set out in Section 8.0, Part A of this Circular.

1.3 SC had on 23 January 2025 notified that it has no further comments to the contents of this Circular in relation to the Proposed Exemption and the Independent Advice Letter as set out in Part B of this Circular for the Proposed Exemption.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF HLT WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HEREWITH IN THIS CIRCULAR.

SHAREHOLDERS OF HLT ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES AND INDEPENDENT ADVICE LETTER FROM DWA ADVISORY CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2.0 DETAILS OF THE PROPOSALS

2.1 Proposed Rights Issue

2.1.1 Details of the Proposed Rights Issue

As at the LPD, the issued share capital of HLT is RM99,688,429 comprising 838,799,842 HLT Shares. Save for 17,359,500 ESOS Options which could be exercised into 17,359,500 new Shares, HLT does not have any treasury shares or any other convertible securities.

The Proposed Rights Issue, which will be undertaken on a renounceable basis, entails the issuance of up to 426,079,671 Rights Shares, on the basis of one (1) Rights Share for every two (2) existing HLT Shares held by the Entitled Shareholders whose names appear in the Record of Depositors of HLT at the close of business on the Entitlement Date, together with up to 426,079,671 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, on the assumption that 13,359,500 outstanding ESOS Options (excluding 4,000,000 ESOS Options held by the Undertaking Shareholders where they have undertaken not to exercise prior to the completion of the Proposed Rights Issue) are fully exercised into 13,359,500 new Shares.

The basis of the Proposed Rights Issue was arrived at after taking into consideration, amongst others, the following:-

(i) the amount of proceeds to be raised from the Proposed Rights Issue which is to be channelled towards the purposes as detailed in Section 3.0, Part A of this Circular; and

(ii) Rule 6.51 of the Listing Requirements which states that a listed corporation must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity convertibles, does not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

Any fractional entitlements arising from the Proposed Rights Issue will be disregarded and shall be dealt with in such a manner as the Board shall in its absolute discretion deem fit, expedient and in the best interests of the Company.

The actual number of Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue would depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date after taking into consideration of any new Shares that may be issued arising from the exercise of the ESOS Options and the level of eventual subscription for the Rights Shares by the Entitled Shareholders and/or their renouncee(s)/transferee(s).

The Rights Shares and Warrants will be provisionally allotted and issued to the Entitled Shareholders. The Entitlement Date shall be determined by the Board after obtaining all approvals for the Proposed Rights Issue.

The Warrants are attached to the Rights Shares without any cost and will only be issued to the Entitled Shareholders and/or their renouncee(s) who subscribe for the Rights Shares. Each Warrant will entitle its holder to subscribe for one (1) new Share with the Exercise Price. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll, as may be supplemented from time to time.

The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can fully or partially subscribe for and/or renounce their entitlements under the Proposed Rights Issue. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Proposed Rights Issue. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion to the acceptance of their Rights Shares entitlements. The Rights Shares and the Warrants are not separately renounceable.

Any unsubscribed Rights Shares together with the Warrants shall be made available for Excess Application. It is the intention of the Board to allocate the excess Rights Shares together with the Warrants on a fair and equitable manner and on a basis to be determined by the Board and announced later by the Company.

2.1.2 Basis of determining and justification for the Issue Price

The Issue Price will be determined and immediately announced by the Company at a later date (including the basis and justifications for the Issue Price), prior to the announcement of the Entitlement Date following the receipt of all the requisite approvals for the Proposals with due consideration to the following:-

(i) the prevailing market conditions and market prices of HLT Shares preceding the price-fixing date;

(ii) the amount of proceeds to be raised from the Proposed Rights Issue which is to be channelled towards the purposes as detailed in Section 3, Part A of this Circular; and

(iii) the TERP calculated based on the five (5)-day VWAMP of HLT Shares immediately before the price-fixing date of the Rights Share.

The Board intends to fix the Issue Price at a discount ranging between 10% and 30% to the TERP to make the Rights Shares attractive for the purposes of enhancing the subscription level. For clarity, the intention of determining the Issue Price closer to the implementation of the Proposed Rights Issue serves to provide the Board with greater flexibility to determine the Issue Price based on the foregoing basis with due consideration to the volatility of historical market prices of HLT Shares, where during the past six (6) months up to the LPD, the HLT Shares were traded between a low of RM0.085 on 1 November 2024 and a high of RM0.175 on 19 August 2024.

For the purpose of illustration in this Circular only, the Rights Shares are assumed to be issued at the Indicative Issue Price, which represents a discount of RM0.0112 or 12.99% to the TERP of RM0.0862 per Share, calculated based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0973 per Share.

2.1.3 Basis of determining and justification for the Exercise Price

The Exercise Price will be determined and immediately announced by the Company at a later date, prior to the announcement of the Entitlement Date following the receipt of all the requisite approvals for the Proposals with due consideration to the following:-

(i) the Warrants will be issued at no cost to the Entitled Shareholders and/or their renouncee(s) who successfully subscribe for the Rights Shares;

(ii) historical price movement of HLT Shares; and

(iii) the TERP calculated based on the five (5)-day VWAMP of HLT Shares immediately before the price-fixing date of the Rights Share.

The Board intends to fix the Exercise Price at a discount ranging between 10% and 30% to the TERP, after taking into consideration the need to determine an attractive exercise price to enhance the subscription level of the Proposed Rights Issue. For the purpose of illustration in this Circular only, the Exercise Price is assumed at the Indicative Exercise Price, which represents a discount of RM0.0112 or 12.99% to the TERP of RM0.0862 per Share, calculated based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0973 per Share.

2.1.4 Ranking of the Rights Shares and new HLT Shares to be issued arising from the exercise of the Warrants

The Rights Shares shall, upon issuance and allotment, rank equally in all respects with the then existing HLT Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of the Company, where the Entitlement Date is prior to the date of issuance and allotment of such new Rights Shares.

The new HLT Shares to be issued arising from the exercise of the Warrants shall, upon issuance and allotment, rank equally in all respects with the then existing HLT Shares, save and except that the new HLT Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of the Company, where the entitlement date is prior to the date of issuance and allotment of such new HLT Shares.

2.1.5 Listing on the ACE Market

Bursa Securities had vide its letter dated 30 December 2024 approved the admission of the Warrants to the Official List of Bursa Securities as well as the listing of and quotation for the Rights Shares, Warrants and new HLT Shares to be issued arising from the exercise of the Warrants, on the ACE Market, subject to the conditions as set out in Section 8.0, Part A of the Circular.

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2.1.6 Minimum Subscription Level and the Undertakings

The Proposed Rights Issue will be undertaken based on the Minimum Subscription Level basis, which was determined after taking into consideration the minimum level of funds required by HLT for the purposes stated in Section 3.0, Part A of this Circular and the Undertakings procured.

Based on the Indicative Issue Price, the Minimum Subscription Level will be met via the issuance of 237,861,600 Rights Shares together with 237,861,600 Warrants under the Minimum Scenario as follows:-

	As at the LPD				Entitlement				Excess Application				Total			
	Direct		Indirect													
Undertaking Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Rights Shares**	**[3] %**	**No. of Warrants**	**[3] %**	**No. of Rights Shares**	**[3] %**	**No. of Warrants**	**[3] %**	**No. of Rights Shares**	**[3] %**	**No. of Warrants**	**[3] %**
Wong Kok Wah [1]	139,965,000	16.69	[2]157,362,000	18.76	69,982,500	29.42	69,982,500	29.42	41,989,500	17.65	41,989,500	17.65	111,972,000	47.07	111,972,000	47.07
Chan Yoke Chun [1]	157,362,000	18.76	[2]139,965,000	16.69	78,681,000	33.08	78,681,000	33.08	47,208,600	19.85	47,208,600	19.85	125,889,600	52.93	125,889,600	52.93
Total	**297,327,000**	**35.45**	**297,327,000**	**35.45**	**148,663,500**	**62.50**	**148,663,500**	**62.50**	**89,198,100**	**37.50**	**89,198,100**	**37.50**	**237,861,600**	**100.00**	**237,861,600**	**100.00**

Notes:-

(1) He / She is the spouse of Chan Yoke Chun / Wong Kok Wah.

(2) Deemed interested by virtue of the Shares held by his/her spouse in HLT.

(3) Computed based on the total number of 237,861,600 Rights Shares/Warrants under the Minimum Scenario.

The Undertaking Shareholders have provided written confirmations that they will not exercise their collective holdings of 4,000,000 ESOS Options prior to the completion of the Proposed Rights Issue and have sufficient financial resources to subscribe in full for their Undertakings pursuant to the Proposed Rights Issue. KAF IB has verified that the Undertaking Shareholders have sufficient financial resources to fulfil their commitments pursuant to the Undertakings. For clarity, in the event that the Minimum Subscription Level is being met through the subscriptions by other Entitled Shareholders and/or their renounce(s)/transferee(s), the Undertaking Shareholders will also subscribe based on their Undertakings. As the Undertakings are sufficient to achieve the Minimum Subscription Level, HLT does not procure any underwriting arrangement for the remaining portion of the Rights Shares together with Warrants under the Proposed Rights Issue.

Should the Issue Price be higher or lower than the Indicative Issue Price, the total number of Rights Shares together with Warrants to be subscribed by the Undertaking Shareholders under the Undertakings will be adjusted accordingly to arrive at RM17,839,620.

Pursuant to the Proposed Rights Issue and the Undertakings, the collective shareholdings of the Undertaking Shareholders and their PACs will increase by more than 2.0% within a period of six (6) months under the Minimum Scenario and Base Case Scenario and thus, they will be obliged to undertake a Mandatory Offer pursuant to subsection 218(3) of the CMSA read together with section 15 of the Code and subparagraph 4.01(b) of the Rules. However, it is not the intention of the Undertaking Shareholders and their PACs to undertake a Mandatory Offer. In such an event, the Undertaking Shareholders and their PACs intend to submit an application to seek the SC's approval for the Proposed Exemption (further details of which are set out in Section 2.2, Part A of this Circular), subject to the approvals being obtained from the non-interested shareholders of the Company for the Proposed Exemption, by way of poll, at the forthcoming EGM.

2.1.7 Salient terms of the Warrants

Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Issue size	:	Up to 426,079,671 Warrants.
Tenure	:	5 years commencing from and including of the date of issuance of the Warrants.
Exercise Price	:	The Exercise Price shall be determined by the Board at a later date after obtaining all the relevant approvals but prior to the Entitlement Date. The Exercise Price shall be subjected to further adjustments (where applicable) in accordance with the provisions of the Deed Poll.
Exercise period	:	The period commencing on and including the date of issuance of the Warrants and ending at 5.00 p.m. on the day preceding the fifth (5^{th}) anniversary of the date of issuance, and if such date is not a Market Day, then on the immediate preceding Market Day. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Method of exercise	:	The Warrant holders are required to lodge the exercise form with the Company's registrar, as set out in the Deed Poll, duly completed and signed, together with payment of the Exercise Price by way of banker's draft or cashier's order or money order or postal order drawn on a bank or issued by post office operating in Malaysia or by way of internet bank transfer into the Company's bank account, in accordance with the provisions of the Deed Poll. The payment of such fee must be made in Ringgit Malaysia.
Exercise rights	:	Each Warrant shall entitle its holder to subscribe for one (1) new HLT Share at the Exercise Price at any time during the exercise period, subject to adjustments and conditions in accordance with the provisions of the Deed Poll.
Board lot	:	The Warrants are tradable in board lots of 100 units of Warrants on the ACE Market, unless otherwise revised by the relevant authorities.
Adjustment in the Exercise Price and/or the number of Warrants	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of Warrants shall be adjusted by the Board in consultation with an approved principal advisor or an auditor appointed by the Company and certified by the auditors of the Company.
Ranking of new HLT Shares to be issued arising from the exercise of the Warrants	:	The new HLT Shares to be issued arising from the exercise of the Warrants shall, upon issuance and allotment, rank equally in all respects with the then existing HLT Shares, save and except that the new HLT Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of the Company, where the entitlement date is prior to the date of issuance and allotment of such new HLT Shares.
Rights of Warrant holders	:	The Warrant holders shall not have any participating or voting rights to participate in any form of distribution other than on winding up, compromise or arrangement of the Company until and unless the Warrant holder becomes a shareholder by exercising his/her Warrants or as otherwise resolved by the Company in general meeting.

Rights of Warrant holders on winding-up, compromise, liquidation or arrangement of the Company	:	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then every Warrant holder shall be entitled, upon and subject to the provisions of the Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, or within six (6) weeks after the granting of the court order (whichever is later) approving the compromise or arrangement, to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be) exercised the exercise rights represented by the Warrants and had on such date been the holder of the new HLT Shares arising from the exercise of the Warrants. Upon the expiry of the above six (6) weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.
Modification of rights of Warrant holder	:	All or any of the rights for the time being attached to the Warrants (other than the tenure, the Exercise Price or the formula for the adjustment of the Exercise Price or other than as specifically provided in the Deed Poll) may be altered or abrogated by the Company from time to time (whether or not the Company is being wound up) and the sanction of a special resolution passed at a meeting of the Warrant holders shall be effected by a supplemental deed poll, executed by the Company and expressed to be supplemental and comply with the requirements of the Deed Poll. Any of such modification shall however be subject to the approval of Bursa Securities (if so required) and other relevant authorities. Notwithstanding the above, the Company may, without the consent of the Warrant holders but in accordance with the terms of the Deed Poll, effect: (i) any modification to the Warrants or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant holders; or (ii) any modification of the Warrants or the Deed Poll which in its opinion, is to correct a manifest error or to comply with mandatory provisions of Malaysian law. Any such modification shall be binding on Warrant holders and shall be notified to them within thirty (30) days thereafter.
Transferability	:	The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.
Listing	:	The Warrants will be listed on the ACE Market.
Governing law	:	The Warrants and the Deed Poll shall be governed by and construed in all respects in accordance with the laws of Malaysia

2.1.8 Public shareholding spread requirement

Pursuant to Rule 8.02(1) of the Listing Requirements, at least 25% of HLT's total listed shares (excluding treasury shares) are required to be held by public shareholders. The public shareholding spread of HLT as at the LPD is 52.18%. Whilst the public shareholding spread of HLT after the Proposed Rights Issue and upon exercise of the Warrants under different scenarios are as follows:-

	Public shareholding spread (%)		
	After the Proposed Rights Issue	Upon exercise of the Warrants	Upon exercise of the Undertaking Shareholders' ESOS Options
Minimum Scenario	40.66	33.29	33.19
Base Case Scenario	40.46	33.04	32.96
Maximum Scenario	52.92	52.92	52.81

2.1.9 Equity fund raising exercise undertaken by the Company in the past twelve (12) months

The Company has not undertaken any other equity fund raising exercise in the past twelve (12) months.

2.2 Proposed Exemption

As at the LPD, the Undertaking Shareholders and their PACs collectively hold 306,761,150 HLT Shares representing approximately 36.58% equity interest in HLT.

The shareholdings of the Undertaking Shareholders and their PACs after the completion of the Proposed Rights Issue and upon exercise of the Warrants are as follows:-

	As at the LPD		Minimum Scenario					
			After the Proposed Rights Issue		Upon exercise of the Undertaking Shareholders' Warrants		Upon exercise of the Undertaking Shareholders' ESOS Options	
	No. of Shares	%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Undertaking Shareholders								
Wong Kok Wah	139,965,000	16.69	251,937,000	23.40	363,909,000	27.68	365,909,000	27.75
Chan Yoke Chun	157,362,000	18.76	283,251,600	26.31	409,141,200	31.12	411,141,200	31.18
	297,327,000	**35.45**	**535,188,600**	**49.71**	**773,050,200**	**58.80**	**777,050,200**	**58.93**
PACs								
Wong Kok Mun	2,314,150	0.28	2,314,150	0.21	2,314,150	0.18	2,314,150	0.18
Teng Moi Bee	6,720,000	0.80	6,720,000	0.62	6,720,000	0.51	6,720,000	0.51
AMLSB	400,000	0.05	400,000	0.04	400,000	0.03	400,000	0.03
	9,434,150	**1.13**	**9,434,150**	**0.87**	**9,434,150**	**0.72**	**9,434,150**	**0.72**
Total	**306,761,150**	**36.58**	**544,622,750**	**50.58**	**782,484,350**	**59.52**	**786,484,350**	**59.65**

	As at the LPD		Base Case Scenario					
			After the Proposed Rights Issue		Upon exercise of the Undertaking Shareholders' Warrants		Upon exercise of the Undertaking Shareholders' ESOS Options	
	No. of Shares	%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(2)%
Undertaking Shareholders								
Wong Kok Wah	139,965,000	16.69	251,937,000	23.30	363,909,000	27.49	365,909,000	27.55
Chan Yoke Chun	157,362,000	18.76	283,251,600	26.19	409,141,200	30.90	411,141,200	30.96
	297,327,000	**35.45**	**535,188,600**	**49.49**	**773,050,200**	**58.39**	**777,050,200**	**58.51**
PACs								
Wong Kok Mun	2,314,150	0.28	3,471,225	0.32	4,628,300	0.35	4,628,300	0.35
Teng Moi Bee	6,720,000	0.80	10,080,000	0.93	13,440,000	1.02	13,440,000	1.01
AMLSB	400,000	0.05	600,000	0.06	800,000	0.06	800,000	0.06
	9,434,150	**1.13**	**14,151,225**	**1.31**	**18,868,300**	**1.43**	**18,868,300**	**1.42**
Total	**306,761,150**	**36.58**	**549,339,825**	**50.80**	**791,818,500**	**59.82**	**795,918,500**	**59.93**

	As at the LPD		Maximum Scenario					
			After the Proposed Rights Issue		Upon exercise of the Undertaking Shareholders' Warrants		Upon exercise of the Undertaking Shareholders' ESOS Options	
	No. of Shares	**%**	**No. of Shares**	**(3)%**	**No. of Shares**	**(3)%**	**No. of Shares**	**(3)%**
Undertaking Shareholders								
Wong Kok Wah	139,965,000	16.69	209,947,500	16.42	279,930,000	16.42	281,930,000	16.50
Chan Yoke Chun	157,362,000	18.76	236,043,000	18.47	314,724,000	18.47	316,724,000	18.54
	297,327,000	**35.45**	**445,990,500**	**34.89**	**594,654,000**	**34.89**	**598,654,000**	**35.04**
PACs								
Wong Kok Mun	2,314,150	0.28	3,471,225	0.27	4,628,300	0.27	4,628,300	0.27
Teng Moi Bee	6,720,000	0.80	10,080,000	0.79	13,440,000	0.79	13,440,000	0.79
AMLSB	400,000	0.05	600,000	0.05	800,000	0.05	800,000	0.05
	9,434,150	**1.13**	**14,151,225**	**1.11**	**18,868,300**	**1.11**	**18,868,300**	**1.11**
Total	**306,761,150**	**36.58**	**460,141,725**	**36.00**	**613,522,300**	**36.00**	**617,522,300**	**36.15**

Notes:-

(1) Computed based on the total number of 1,076,661,442 Shares after the Proposed Rights Issue, 1,314,523,042 Shares upon exercise of the Undertaking Shareholders' Warrants and 1,318,523,042 Shares upon exercise of the Undertaking Shareholders' ESOS Options.

(2) Computed based on the total number of 1,081,378,517 Shares after the Proposed Rights Issue, 1,323,957,192 Shares upon exercise of the Undertaking Shareholders' and their PACs' Warrants and 1,327,957,192 Shares upon exercise of the Undertaking Shareholders' ESOS Options.

(3) Computed based on the total number of 1,278,239,013 Shares after the Proposed Rights Issue, 1,704,318,684 Shares upon exercise of the Warrants and 1,708,318,684 Shares upon exercise of the Undertaking Shareholders' ESOS Options.

For clarity, although the Undertaking Shareholders subscribed in full for their entitlements and additional Rights Shares with Warrants by way of Excess Application pursuant to their Undertakings, no additional Rights Shares with Warrants are allocated to them save for their entitled Rights Shares with Warrants, as under Maximum Scenario, all the Entitled Shareholders are assumed to have fully subscribed for their respective entitlements of the Rights Shares with Warrants.

Under the Minimum Scenario and based on the Indicative Issue Price:-

- the direct shareholding of Wong Kok Wah in HLT will potentially increase from 16.69% to 23.40% after the Proposed Rights Issue and subsequently to 27.68% and 27.75% upon exercise of his Warrants and ESOS Options respectively;

- the direct shareholding of Chan Yoke Chun in HLT will potentially increase from 18.76% to 26.31% after the Proposed Rights Issue and subsequently to 31.12% and 31.18% upon exercise of her Warrants and ESOS Options respectively; and

- the collective shareholdings of the Undertaking Shareholders and PACs in HLT will potentially increase from 36.58% to 50.58% after the Proposed Rights Issue and subsequently to 59.52% and 59.65% upon exercise of the Undertaking Shareholders' Warrants and ESOS Options respectively.

Under the Base Case Scenario and based on the Indicative Issue Price:-

- the direct shareholding of Wong Kok Wah in HLT will potentially increase from 16.69% to 23.30% after the Proposed Rights Issue and subsequently to 27.49% and 27.55% upon exercise of his Warrants and ESOS Options respectively;

- the direct shareholding of Chan Yoke Chun in HLT will potentially increase from 18.76% to 26.19% after the Proposed Rights Issue and subsequently to 30.90% and 30.96% upon exercise of her Warrants and ESOS Options respectively; and
- the collective shareholdings of the Undertaking Shareholders and PACs in HLT will potentially increase from 36.58% to 50.80% after the Proposed Rights Issue and subsequently to 59.82% and 59.93% upon exercise of the Undertaking Shareholders' and their PACs' Warrants and ESOS Options respectively.

Under the Maximum Scenario and based on the Indicative Issue Price:-

- the direct shareholding of Wong Kok Wah in HLT will potentially decrease slightly from 16.69% to 16.42% after the Proposed Rights Issue and upon full exercise of Warrants and subsequently increased slightly to 16.50% upon exercise of his ESOS Options;
- the direct shareholding of Chan Yoke Chun in HLT will potentially decrease slightly from 18.76% to 18.47% after the Proposed Rights Issue and upon full exercise of Warrants and subsequently increased slightly to 18.54% upon exercise of her ESOS Options; and
- the collective shareholdings of the Undertaking Shareholders and PACs in HLT will potentially decrease slightly from 36.58% to 36.00% after the Proposed Rights Issue and upon full exercise of Warrants and subsequently increased slightly to 36.15% upon exercise of the Undertaking Shareholders' ESOS Options.

For the avoidance of doubt, the direct shareholdings of Wong Kok Wah and Chan Yoke Chun as well as the collective shareholdings of the Undertaking Shareholders and PACs, are subject to change. Such variations arise as the Issue Price will only be determined closer to the implementation of the Proposed Rights Issue, which may result in fluctuations in the number of Rights Shares and Warrants to be allocated to the Undertaking Shareholders pursuant to their Undertakings.

Pursuant thereto, the collective shareholdings of the Undertaking Shareholders and their PACs will increase by more than 2.0% within a period of six (6) months under the Minimum Scenario and Base Case Scenario and thus, they are obliged to undertake a Mandatory Offer pursuant to subsection 218(3) of the CMSA read together with section 15 of the Code and subparagraph 4.01(b) of the Rules. However, it is not the intention of the Undertaking Shareholders and their PACs to undertake a Mandatory Offer as a result of the Proposed Rights Issue and upon exercise of their Warrants.

In this regard, the Undertaking Shareholders and their PACs intend to seek an exemption from the SC pursuant to subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake the Mandatory Offer, after obtaining the approval from the non-interested shareholders of the Company for the Proposed Exemption, by way of poll, at the forthcoming EGM.

3.0 UTILISATION OF PROCEEDS

Based on the Indicative Issue Price, the proceeds to be raised from the Proposed Rights Issue are intended to be utilised by the Group in the following manner:-

Utilisation of proceeds	**Expected timeframe for utilisation (1)**	**Minimum Scenario RM'000**	**Base Case Scenario RM'000**	**Maximum Scenario RM'000**
Part-finance the infrastructure and engineering costs of the New Plant (2)	Within 24 months	7,400	7,400	7,400
Part-finance the installation cost of two (2) new production lines in the New Plant (2)	Within 24 months	5,000	5,000	5,000
Working capital for the Group (3)	Within 24 months	4,440	4,793	18,556
Estimated expenses (4)	Immediate	1,000	1,000	1,000
Total		**17,840**	**18,193**	**31,956**

Notes:-

(1) From the date of receipt of the proceeds to be raised from the Proposed Rights Issue.

(2) *The New Plant is located at the Group's owned land at Semenyih, Selangor Darul Ehsan, measuring approximately 653,400 square feet in total land area. The construction of the New Plant began in May 2021 and is expected to be completed by the 2nd half of 2025. As at the LPD, the New Plant is approximately 85% completed. The New Plant is intended to be equipped with up to 20 new double former production lines for the manufacturing of nitrile rubber gloves over a period of three (3) years, as follows:-*

- *up to four (4) new double former production lines by the 2nd half of 2025 ("**Phase 1**");*
- *up to four (4) new double former production lines by the 2nd half of 2026 ("**Phase 2**"); and*
- *up to twelve (12) new double former production lines by the 2nd half of 2028 ("**Phase 3**").*

The total construction cost of the New Plant and the installation of the double former production lines are as follows:-

	Costs RM'000	***Sources of funding***
Construction cost of the New Plant		
- Building	*24,004*	*The Group's internally generated funds, shareholders' advances, bank borrowings as well as issuance of debt and/or equity securities, including the Proposed Rights Issue.*
- Land	*18,921*	
- Infrastructure and engineering [(a)]	*17,261*	
- Others [(b)]	*3,644*	
	63,830	
Installation of double former production lines		
- Phase 1 [(c)]	*40,000*	*The Group's internally generated funds, bank borrowings as well as issuance of debt and/or equity securities, including the Proposed Rights Issue.*
- Phase 2	*40,000*	
- Phase 3	*120,000*	
	200,000	

Notes:-

(a) The Group intends to utilise RM7.40 million of the proceeds raised from the Proposed Rights Issue to part-finance the infrastructure and engineering costs of the New Plant as follows:-

Purpose(s)	***RM'000***
Integrated water supply scheme	*4,128*
Water reticulation	*2,000*
Landscape	*272*
Contingency cost	*1,000*
	7,400

(b) Comprise mainly professional fees such as quantity surveyor and architect fees as well as fees to the relevant Government agencies for the New Plant.

(c) The Group intends to utilise RM5.00 million of the proceeds raised from the Proposed Rights Issue to part-finance the installation cost of two (2) new double former production lines for Phase 1 in the New Plant as follows:-

Purpose(s)	***RM'000***
Piping	*1,936*
Ducting	*700*
Electrical	*600*
Platform	*600*
Gas burner	*560*
Contingency cost	*604*
	5,000

The annual production capacity of the Group as at the LPD and upon full commissioning of the 20 new double former production lines are as follows:-

	Rubber gloves			
	As at the LPD	***After Phase 1***	***After Phase 2***	***After Phase 3***
Annual production capacity	*1 billion*	*2 billion*	*3 billion*	*6 billion*

The actual production output of the Group from 1 January 2025 up to the LPD is approximately 11.2 million rubber gloves, represents an approximately 1% of utilisation rate. However, the Group is unable to estimate its future production output over the aforesaid three (3) phases of development due to present global economic and geopolitical uncertainties, including the potential trade restrictions.

*Although the actual production output remains low as at the LPD, the management's decision to set up the New Plant is based on a forward-looking assessment of the market conditions, as detailed in 11th paragraph, Section 5.2, Part A of this Circular. In addition, the management is optimistic about the prospects of the rubber gloves industry, driven by sustained global demand and anticipated changes in the tariff policies of the United States of America ("**US**"), which are expected to provide a competitive advantage for Malaysian manufacturers.*

The New Plant will allow the Group to operate more cost-effectively, enhance its reputation for producing high-quality nitrile rubber gloves, and better serve its global clientele, including markets such as US, Taiwan, Singapore, China, Japan and Denmark. Furthermore, it will strengthen the Group's market position in an increasingly competitive and growing industry. Should future demand exceed the Company's expectations, the Company will conduct further evaluation on potential business expansion opportunities.

In the event of any shortfall due to the higher actual costs, the shortfall will be funded via a combination of internally generated funds, bank borrowings and/or further fund-raising exercises. Any surplus for such expenditures will be adjusted accordingly against the amount allocated for working capital purposes.

(3) *Intended to be utilised to meet the Group's working capital requirements such as operating expenses, payment for staff salaries, repayment of trade creditors as well as purchase of raw materials and parts. The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore has not been determined at this juncture.*

Solely for illustration purposes and based on the Group's best estimates, the proceeds allocated for the Group's working capital requirements are anticipated to be utilised for each component of the working capital as per the following breakdown:-

	Minimum Scenario RM'000	***Base Case Scenario RM'000***	***Maximum Scenario RM'000***
Operating expenses (i)	*440*	*446*	*1,409*
Staff costs (ii)	*1,000*	*1,200*	*3,000*
Trade creditors (iii)	*3,000*	*3,147*	*8,000*
Purchase of raw materials and parts (iv)	*-*	*-*	*6,147*
Total	***4,440***	***4,793***	***18,556***

Notes:-

(i) *These includes, utilities charges, factory maintenance and service charges as well as professional fees incidental to the Group's business operations.*

(ii) *These include, amongst others, salaries, allowances, wages, other statutory contributions and employee benefits.*

(iii) *These include, amongst others, supplier of raw materials and subcontractors. For information purpose, the outstanding trade creditors of the Group as at the LPD stood at approximately RM20.0 million.*

(iv) *These include, amongst others, nitrile butadiene rubber, compounding chemical, processing chemical, steel pipes, plates and hollows, conveyor chains, former holders, heat exchangers, gas burner and blower fans.*

For information purpose, as at 30 September 2024, being the latest available unaudited financial statements as at the LPD, the Group has a total cash and cash equivalents of approximately RM14.52 million.

(4) The proceeds earmarked for estimated expenses in relation to the Proposals will be utilised as set out below:-

	RM'000
Professional fees incidental to the Proposals	*700*
Fee payable to relevant authorities	*60*
Other expenses (i)	*240*
Total	***1,000***

Note:-

(i) Other expenses including printing and advertising cost, expenses incidental to the convening of the EGM and other miscellaneous expenses.

Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for working capital purposes.

Pending utilisation of proceeds for the abovementioned purposes, the total gross proceeds arising from the Proposed Rights Issue will be placed in interest-bearing deposits and/or short-term money market instruments with licensed financial institutions as the Board in its absolute discretion deems fit and in the best interest of the Company. The resulting interest income derived from such deposits and gain from such instruments, if any, will be used as additional working capital for the Group as set out in note (3) above, the breakdown of which has not been determined at this juncture and is subject to the operating requirements at the time of utilisation.

The exact quantum of the proceeds that may be raised by the Company from the exercise of the Warrants would be dependent on the actual number of Warrants exercised. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

For illustrative purposes, based on the Indicative Exercise Price, the Company will raise gross proceeds ranging from RM17.84 million to RM31.96 million upon exercise of the Warrants based on the following scenarios as follows:-

	Gross proceeds (RM'000)
Minimum Scenario	17,840
Base Case Scenario	18,193
Maximum Scenario	31,956

Any proceeds to be received by the Company pursuant to the exercise of the Warrants in the future, are intended to be utilised for the working capital of the Group, which includes but not limited to operating expenses (such as utilities charges, factory maintenance and service charges as well as professional fees), payment for staff salaries, repayment of trade creditors as well as purchase of raw materials and parts such as nitrile butadiene rubber, compounding chemical, processing chemical, steel pipes, plates and hollows, conveyor chains, former holders, heat exchangers, gas burner and blower fans, the details of which are set out in note (3) above. The eventual quantum of such proceeds cannot be determined at this juncture as it would be dependent on the manner and number of Warrants exercised. The proceeds to be raised from the exercise of the Warrants will be utilised within a period of 24 months from the date of receipt of such proceeds.

4.0 RATIONALE FOR THE PROPOSALS

4.1 Proposed Rights Issue

After due consideration of the various funding options available to the Company, the Board is of the opinion that the Proposed Rights Issue is the most appropriate avenue of fund raising for HLT for the purposes stated in Section 3.0, Part A of this Circular in view of the following reasons:-

(i) the Proposed Rights Issue serves to raise funds for the purpose set out in Section 3.0, Part A of this Circular, which is expected to contribute positively to the business operations and thus the future financial performance of the Group;

(ii) as opposed to borrowings from financial institutions, the Proposed Rights Issue enables the Group to raise the intended funds without incurring interest costs, which will in turn enable the Group to manage its cash flows more efficiently;

(iii) the Entitled Shareholders would have the opportunity to increase their equity participation in the Company on a pro-rata basis through subscription of Rights Shares and exercise of the Warrants as opposed to a non-pro rata equity fund raising; and

(iv) the issuance of Rights Shares with Warrants would not dilute the Entitled Shareholders' equity interest in HLT if all the Entitled Shareholders fully subscribe for their respective entitlements under the Proposed Rights Issue and exercise their Warrants subsequently.

The Warrants which are attached to the Rights Shares intend to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of HLT Shares and/or the Warrants, and increase their equity participation in the Company at a predetermined price over the tenure of the Warrants. The Company would also be able to raise additional proceeds as and when the Warrants are exercised.

4.2 Proposed Exemption

The Proposed Exemption will relieve the Undertaking Shareholders and their PACs from the obligation to undertake the Mandatory Offer under the Proposed Rights Issue and upon exercise of their Warrants as it is not the intention of the Undertaking Shareholders and their PACs to undertake the Mandatory Offer.

For clarity, the Undertakings serve to meet the Minimum Subscription Level basis, where:-

(i) the Undertakings lend the necessary support to facilitate the implementation of the Proposed Rights Issue, which is crucial in ensuring HLT is able to raise the intended proceeds as set out in Section 3.0 above for the Group; and

(ii) the Undertakings allow the Company to save on underwriting commission for such number of Rights Shares as no underwriting arrangement is required pursuant to the Undertakings.

5.0 INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

Despite a challenging external environment, Malaysia's economy grew by 3% in the fourth quarter of 2023 supported by resilient domestic demand that rose by 5.2% in fourth quarter of 2023 (third quarter of 2023: 4.8%). This helped cushion the 3.2% decline in Malaysia's trade, as exports softened on the back of cooling global demand.

Overall, the Malaysian economic growth normalised to 3.7% in 2023, following a strong growth registered in the previous year (2022: 8.7%). The full-year growth for 2023 is slightly lower than the Belanjawan 2024 forecast of approximately 4%.

(Source: 2023 Economic Growth Normalised, Supported by Recovery in Economic Activities and Labour Market Conditions– Ministry of Finance Malaysia)

The Malaysian economy is projected to grow between 4%–5% in 2024, driven by continued expansion in domestic demand, and improvement in external demand.

Growth will be driven mainly by resilient domestic expenditure, with additional support emanating from the expected recovery in exports. Continued employment and wage growth will remain supportive of household spending. Tourist arrivals and spending are expected to improve further. Investment activity would be driven by continued progress of multi-year projects in both the private and public sectors, with some support from implementation of catalytic initiatives under the national master plans.

Trade activity is expected to recover gradually in tandem with a rebound in global trade. Gross exports are expected to expand (forecast for 2024: 5%; 2023: -8%), driven by the recovery in global trade and the technology upcycle, supporting electrical and electronic ("**E&E**") and non-E&E exports, as well as higher commodity prices underpinning commodity exports. Gross imports, which contracted in 2023, are also projected to increase. This is attributable mainly to higher intermediate imports and stronger domestic demand for consumption goods, alongside continued expansion in imports of capital goods in tandem with investment growth.

Further recovery in international travel is projected to drive growth in tourism-related sectors. Of note, Tourism Malaysia targets 27.3 million tourist arrivals in 2024, surpassing 2019 levels of 26.1 million persons (2023: 20.1 million). This will be spurred by improved flight connectivity and Government measures, such as more tourism promotion activities abroad as well as the 30-day visa-free travel for nationals from China and India. Furthermore, higher overall spending and a diversified source of tourists will also lift tourism activities in the year.

Domestic demand is expected to remain the main driver of growth. Household spending is projected to expand at a faster pace (forecast for 2024: 5.7%; 2023: 4.7%) supported by improving labour market conditions amid higher income growth and targeted Government assistance. These will partly cushion the impact of higher cost of living, the implementation of low-value goods tax, and increase in sales and services tax on household spending.

Private investment is expected to improve (forecast for 2024: 6.1%; 2023: 4.6%), lifted by further progress in the implementation of multi-year projects, as well as ongoing efforts in automation and digitalisation amid continued capacity expansions. Of significance, the progress of approved projects in recent years is well on track, with 74% of manufacturing projects approved from 2021 to 2023 having been implemented in various stages. Continued public investments in large-scale transport and digital infrastructure projects will also support growth, in addition to ongoing reform efforts by the Government to enhance the investment ecosystem and the implementation of initiatives under the strategic master plans.

(Source: Outlook and Policy in 2024, Bank Negara Malaysia)

5.2 Overview and outlook of the rubber glove industry

Malaysia's exports of rubber products dropped by 25.9% to reach RM20.1 billion in 2023 compared to RM27.2 billion in 2022.

Latex goods remained the largest contributor to Malaysian exports of rubber products, accounting for 68% of the total exports of rubber products in 2023. Export of non-latex goods increased by 11.1% to RM6.4 billion in 2023. In 2023, exports of industrial and general rubber goods increased by 15.3% and 1.8%, respectively.

(Source: Malaysian Rubber Council's website, https://www.myrubbercouncil.com/industry/malaysia_export.php)

The Malaysian Rubber Council ("**MRC**") has projected Malaysia's rubber and rubber products exports to exceed RM30 billion by end of the year 2024, buoyed by strong performance in the first half of 2024.

Exports of rubber and rubber products rebounded significantly in the first half of 2024 to reach RM15.5 billion, a 16.3% rise versus the same period in 2023.

In a statement on 23 September 2024, MRC said rubber products accounted for 70.5% of the total, or RM10.9 billion, while rubber exports contributed RM4.6 billion, reflecting substantial year-on-year growth of 29.4%. The council highlighted that rubber gloves remained the largest contributor, comprising 62.5% of total rubber products exported, to reach RM6.8 billion in first half of 2024 against RM5.8 billion in first half of 2023, a promising 16.7% growth.

Medical gloves contributed RM5 billion, reflecting a 15.7% growth driven by continued global demand for high-quality Malaysian gloves, particularly from the healthcare sector.

(Source: "MRC projects exports of rubber, related products to exceed RM30bil" dated 23 September 2024, The Edge Malaysia)

Malaysian rubber glove manufacturers, which have suffered from lower average selling prices caused by intensive competition, may be able to export more to the United States as its president Joe Biden raises the tariffs on Chinese rubber medical and surgical gloves from 7.5% to 25% in 2026, among others. With the tariff hike, Chinese gloves will be more expensive in about two years compared to now.

While Malaysia has some of the world's largest glovemakers, their pricing power has been diminishing due to competition from Chinese players who make cheaper gloves, hurting the margins of Malaysian glove manufacturers.

Consequently, the Malaysian glove industry has been operating at a low utilisation rate below 50% due to an enduring oversupply of gloves, while the overall sales volume has declined year-on-year. In contrast, Chinese glove players are still running at near full capacity, according to a note by research team of Public Investment Bank Berhad in February.

Based on the research firm's channel checks, Chinese players are currently selling about US$2 (RM9.47) per 1,000 pieces cheaper than their Malaysian counterparts, pricing their products at US$16-US$18 per 1,000 pieces.

(Source: Malaysian Investment Development Authority's website, https://www.mida.gov.my/mida-news/us-tariff-hike-on-chinese-products-may-augur-well-for-malaysian-glovemakers/)

The Malaysian Rubber Glove Manufacturers Association ("**MARGMA"**) is optimistic that global demand for rubber gloves will rebound in 2024. It sees demand surging to 450 billion pieces by 2027 despite the demand dropping to 307.2 billion pieces in 2023.

The association said the trajectory is driven by increased demand in key markets such as the United States, the European Union and Japan, as well as the expanding usage of gloves in non-medical sectors post-Covid-19, including hotels, restaurants, cafes, semiconductor industries, and others.

"The Malaysian Rubber Council expects the surge in demand and stands ready to support the industry in achieving its growth targets. Collaboration and shared insights will be critical in navigating both local government priorities and international demands." MARGMA said in a statement.

MARGMA president Oon Kim Hung said the global demand for rubber gloves has experienced fluctuations, yet commitment to delivering high quality gloves for the world remains steadfast.

(Source: Malaysian Investment Development Authority's website, https://www.mida.gov.my/mida-news/margma-confident-global-demand-for-rubber-gloves-will-rebound-in-2024/)

5.3 Prospects of the Group

The Group's operation comprises two (2) segments namely fabrication of glove-dipping lines as well as manufacturing and trading of rubber gloves. The breakdown of the revenue and profit/loss after taxation generated from the aforesaid two (2) segments based on the latest audited consolidated financial statements of HLT for the FYE 2023 are as follows:-

Business segments	**Revenue (RM'000)**	**Profit / (Loss) after taxation (RM'000)**
Fabrication of glove-dipping lines	52,647	3,810
Manufacturing and trading of rubber gloves	9,085	(44,152)

The Group's financial performance has been adversely impacted by various factors particularly decrease in sales volume and lower average selling price.

Despite the aforementioned challenges and as highlighted in Section 5.2, Part A of this Circular, the Group is cautiously optimistic on its future prospects as the export of rubber gloves is expected to grow at a compound annual growth rate of 10.01%, from 307.2 billion pieces in 2023 to 450.0 billion pieces in 2027. In addition, the Group is expanding the manufacturing of the rubber glove business where the Group is in the midst of completing the construction of the New Plant which will be equipped with 20 new production lines for the nitrile rubber gloves. The installation of these new production lines will be undertaken over the span of three (3) years. Four (4) double former production lines are anticipated to commence and produce up to one (1) billion nitrile rubber gloves per annum by the 2nd half of 2025.

The remaining 16 new production lines will be progressively installed by the 2nd half of 2028 as the Board expects the demand for the rubber gloves will be progressively improved over time, premised on the anticipated improving market outlook of the rubber gloves industry as further detailed in Section 5.2, Part A of this Circular.

In the meantime, the Group may also in the future embark on additional viable ventures relating to rubber gloves through strategic investments, joint ventures, collaborations agreements and/or merger and acquisitions of suitable businesses/investments in the rubber gloves industry.

(Source: The management of HLT)

6.0 EFFECTS OF THE PROPOSALS

The Proposed Exemption will not have any effect on the Group's issued share capital, earnings, EPS, NA, gearing and substantial shareholders' shareholdings.

6.1 Issued share capital

The pro forma effects of the Proposed Rights Issue on the issued share capital of HLT are as follows:-

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	**RM**	**No. of Shares**	**RM**	**No. of Shares**	**RM**
As at the LPD	838,799,842	99,688,429	838,799,842	99,688,429	838,799,842	99,688,429
To be issued upon exercise of the ESOS Options	-	-	-	-	(1)13,359,500	16,966,565
	838,799,842	**99,688,429**	**838,799,842**	**99,688,429**	**852,159,342**	**116,654,994**
To be issued pursuant to the Proposed Rights Issue	237,861,600	(2)10,260,975	242,578,675	(2)10,476,545	426,079,671	(2)18,862,540
	1,076,661,442	**109,949,404**	**1,081,378,517**	**110,164,974**	**1,278,239,013**	**135,517,534**
To be issued upon exercise of the Warrants	237,861,600	(3)24,418,265	242,578,675	(3)24,910,257	426,079,671	(3)44,049,410
	1,314,523,042	**134,367,669**	**1,323,957,192**	**135,075,231**	**1,704,318,684**	**179,566,944**
To be issued upon exercise of the Undertaking Shareholders' Warrants	4,000,000	(4)5,080,000	4,000,000	(4)5,080,000	4,000,000	(4)5,080,000
Enlarged issued share capital	**1,318,523,042**	**139,447,669**	**1,327,957,192**	**140,155,231**	**1,708,318,684**	**184,646, 944**

***Notes**:-*

(1) *Assuming the issuance of 13,359,500 ESOS Options into new HLT Shares at an exercise price of RM0.70 per ESOS Option and the amount is fully credited to the share capital account of HLT in accordance with the Act.*

(2) *After adjusted for the following:-*

- *computed based on the Indicative Issue Price and accounting for the warrant reserve at the fair value of RM0.0293 per Warrant computed based on the Black-Scholes Option Pricing model with data sourced from Bloomberg as at the LPD; and*

- *deducting the apportioned estimated expenses incidental to the Proposals of approximately RM0.61 million. This was derived based on the apportionment of the allocated fair value of the Rights Shares against the total allocated fair value of the Rights Shares and Warrants.*

(3) After adjusted for the following:-

- *computed based on the Indicative Exercise Price and fair value of RM0.0293 per Warrant; and*

- *deducting the apportioned estimated expenses incidental to the Proposals of approximately RM0.39 million. This was derived based on the apportionment of the allocated fair value of the Rights Shares against the total allocated fair value of the Rights Shares and Warrants.*

(4) Assuming the issuance of 4,000,000 ESOS Options into new HLT Shares at an exercise price of RM0.70 per ESOS Option and the amount is fully credited to the share capital account of HLT in accordance with the Act.

6.2 Earnings and EPS

Barring any unforeseen circumstances, the Proposed Rights Issue is expected to contribute positively to the future earnings of the Group when the benefits of the utilisation of proceeds as detailed under Section 3.0, Part A of this Circular are realised. Nonetheless, the Proposed Rights Issue will result in a dilution of the consolidated EPS of HLT pursuant to the increase in the number of HLT Shares in issue following the issuance of the Rights Shares and new Shares arising from the exercise of the Warrants.

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6.3 NA and gearing

The pro forma effects of the Proposed Rights Issue on the consolidated NA per Share and gearing of HLT based on the latest audited consolidated financial statements of HLT for the financial position as at 31 December 2023 are as follows:-

			Minimum Scenario			Base Case Scenario			Maximum Scenario			
	Audited as at 31.12.23 RM'000	**(I) After subsequent events up to LPD RM'000**	**(II) After (I) and Proposed Rights Issue RM'000**	**(III) After (II) and upon exercise of their Warrants RM'000**	**(IV) After (III) and upon exercise of the Undertaking Shareholders' ESOS Options RM'000**	**(V) After (I) and Proposed Rights Issue RM'000**	**(VI) After (V) and upon exercise of their Warrants RM'000**	**(VII) After (VI) and upon exercise of the Undertaking Shareholders' ESOS Options RM'000**	**(VIII) After (I) and upon exercise of the ESOS Options RM'000**	**(IX) After (VIII) and Proposed Rights Issue RM'000**	**(X) After (IX) and upon full exercise of Warrants RM'000**	**(XI) After (VI) and upon exercise of the Undertaking Shareholders' ESOS Options RM'000**
Share capital	88,274	[2] 99,688	109,949	134,368	139,448	110,165	135,075	140,155	[8] 116,655	135,518	179,567	184,647
Merger deficit	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)
Warrant reserves	-	-	[6] 6,579	-	-	[6] 6,717	-	-	-	[6] 12,093	-	-
ESOS reserves	10,278	[3] 9,895	9,895	9,895	[7] 7,615	9,895	9,895	[7] 7,615	[9] 2,280	2,280	2,280	-
Retained profits	9,231	[4] 12,366	12,366	12,366	12,366	12,366	12,366	12,366	12,366	12,366	12,366	12,366
Shareholders' equity / NA	**85,750**	**99,916**	**116,756**	**134,596**	**137,396**	**117,110**	**135,303**	**138,103**	**109,268**	**140,224**	**172,180**	**174,980**
Non-controlling interest	412	[5] -	-	-	-	-	-	-	-	-	-	-
Total equity	**86,162**	**99,916**	**116,756**	**134,596**	**137,396**	**117,110**	**135,303**	**138,103**	**109,268**	**140,224**	**172,180**	**174,980**
No. of Shares ('000)	775,388	838,800	1,076,661	1,314,523	1,318,523	1,081,379	1,323,957	1,327,957	852,159	1,278,239	1,704,319	1,708,319
NA per Share (RM)	0.11	0.12	0.11	0.10	0.10	0.11	0.10	0.10	0.13	0.11	0.10	0.10
Borrowings (RM'000)	351	351	351	351	351	351	351	351	351	351	351	351
Gearing (times)	[1] -	[1] -	[1] -	[1] -	[1] -	[1] -	[1] -	[1] -	[1] -	[1] -	[1] -	[1] -

***Notes**:-*

(1) Negligible

*(2) After adjusted for the following proposals which were completed on 7 June 2024 ("**Previous Proposals**"):-*

- *the issuance of 33,000,434 Shares at the fair value of RM0.18 each, pursuant to the capitalisation of all existing shareholders' advances from the vendors of Triple Care ("**Capitalisation of Shareholders' Advances**");*
- *the issuance of 27,806,062 Shares at the fair value of RM0.18 each, pursuant to the settlement of the amount owing by the Group to the identified creditors ("**Settlement of Identified Creditors**"); and*
- *the issuance of 2,605,297 Shares at the fair value of RM0.18 each, pursuant to the Acquisition.*

(3) After deducting RM0.38 million pertaining to the lapsed of 672,500 ESOS Options.

(4) After adjusted for the following:-

- *the reversal of RM0.38 million pertaining to the lapsed of 672,500 ESOS Options;*
- *incorporating the gain from the Capitalisation of Shareholders' Advances of approximately RM1.66 million;*
- *incorporating the gain from the Settlement of Identified Creditors of approximately RM1.40 million;*
- *deducting the loss pursuant to the Acquisition of approximately RM0.06 million; and*
- *deducting the estimated expenses incidental to the Previous Proposals of approximately RM0.25 million.*

(5) After deducting the non-controlling interest of approximately RM0.41 million pursuant to the completion of the Acquisition.

(6) After taking into account the warrant reserves of RM6.97 million, RM7.11 million and RM12.48 million arising from the Proposed Rights Issue under Minimum Scenario, Base Case Scenario and Maximum Scenario respectively and the apportioned estimated expenses incidental to the Proposals of approximately RM0.39 million for Warrants which was derived based on the apportionment of the allocated fair value of the Rights Shares against the total allocated fair value of the Rights Shares and Warrants.

(7) After adjusted for the exercise of 4,000,000 ESOS Options at an exercise price of RM0.70 per ESOS Option as well as the fair value of RM2.28 million for the 4,000,000 ESOS Options exercised by the Undertaking Shareholders;

(8) After adjusted for the exercise of 13,359,500 ESOS Options at an exercise price of RM0.70 per ESOS Option as well as the fair value of RM7.61 million for the 13,359,500 ESOS Options exercised;

(9) After adjusted for the reversal of RM7.61 million pertaining to the exercise of 13,359,500 ESOS Options.

6.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Rights Issue on the substantial shareholders' shareholdings in the Company are as follows:-

Minimum Scenario

					(I)				(II)			
	As at the LPD				After the Proposed Rights Issue				After (I) and assuming exercise of the Warrants by the Undertaking Shareholders			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wong Kok Wah	139,965,000	16.69	(1)157,362,000	18.76	251,937,000	23.40	(1)283,251,600	26.31	363,909,000	27.68	(1) 409,141,200	31.12
Chan Yoke Chun	157,362,000	18.76	(1)139,965,000	16.69	283,251,600	26.31	(1)251,937,000	23.40	409,141,200	31.12	(1) 363,909,000	27.68
Suntel International Co., Ltd	81,907,500	9.76	-	-	81,907,500	7.61	-	-	81,907,500	6.23	-	-

Substantial shareholders	(III) After (II) and assuming exercise of the ESOS Options by the Undertaking Shareholders			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Wong Kok Wah	365,909,000	27.75	(1) 411,141,200	31.18
Chan Yoke Chun	411,141,200	31.18	(1) 365,909,000	27.75
Suntel International Co., Ltd	81,907,500	6.21	-	-

Base Case Scenario

Substantial shareholders	As at the LPD				(I) After the Proposed Rights Issue				(II) After (I) and assuming exercise of the Warrants by the Undertaking Shareholders and their PACs			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wong Kok Wah	139,965,000	16.69	(1)157,362,000	18.76	251,937,000	23.30	(1) 283,251,600	26.19	363,909,000	27.49	(1) 409,141,200	30.90
Chan Yoke Chun	157,362,000	18.76	(1)139,965,000	16.69	283,251,600	26.19	(1) 251,937,000	23.30	409,141,200	30.90	(1) 363,909,000	27.49
Suntel International Co., Ltd	81,907,500	9.76	-	-	81,907,500	7.57	-	-	81,907,500	6.19	-	-

Substantial shareholders	(III) After (II) and assuming exercise of the ESOS Options by the Undertaking Shareholders			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Wong Kok Wah	365,909,000	27.55	(1) 411,141,200	30.96
Chan Yoke Chun	411,141,200	30.96	(1) 365,909,000	27.55
Suntel International Co., Ltd	81,907,500	6.17	-	-

Maximum Scenario

Substantial shareholders	As at the LPD				(I) After full exercise of the ESOS Options (excluding the Undertaking Shareholders)				(II) After (I) and the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wong Kok Wah	139,965,000	16.69	(1)157,362,000	18.76	139,965,000	16.42	(1)157,362,000	18.47	209,947,500	16.42	(1) 236,043,000	18.47
Chan Yoke Chun	157,362,000	18.76	(1)139,965,000	16.69	157,362,000	18.47	(1)139,965,000	16.42	236,043,000	18.47	(1) 209,947,500	16.42
Suntel International Co., Ltd	81,907,500	9.76	-	-	81,907,500	9.61	-	-	122,861,250	9.61	-	-

Substantial shareholders	(III) After (II) and assuming full exercise of the Warrants by all the holders				(IV) After (III) and assuming exercise of the ESOS Options by the Undertaking Shareholders			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wong Kok Wah	279,930,000	16.42	(1)314,724,000	18.47	281,930,000	16.50	(1)316,724,000	18.54
Chan Yoke Chun	314,724,000	18.47	(1)279,930,000	16.42	316,724,000	18.54	(1)281,930,000	16.50
Suntel International Co., Ltd	163,815,000	9.61	-	-	163,815,000	9.61	-	-

Note:-

(1) Deemed interested by virtue of the Shares held by his/her spouse in HLT.

6.5 Convertible securities

As at the LPD, there is 17,359,500 outstanding ESOS Options. Based on the By-Laws, the Proposed Rights Issue may give rise to adjustments to the exercise price and/or number of outstanding ESOS Options ("**Adjustments**"). Any such adjustment will only be finalised on the Entitlement Date and will be effective on the next Market Day after the Entitlement Date. The details of such Adjustments shall be notified to the holders of ESOS Options in accordance with the By-Laws.

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7.0 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the HLT Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows:-

	Highest (RM)	Lowest (RM)
2024		
February	0.190	0.165
March	0.170	0.150
April	0.175	0.150
May	0.230	0.165
June	0.195	0.170
July	0.195	0.155
August	0.175	0.140
September	0.165	0.130
October	0.140	0.090
November	0.125	0.085
December	0.130	0.100
2025		
January	0.120	0.095
Last transacted market price on 17 September 2024 *(being the latest Market Day preceding the announcement of the Proposals)*		0.155
Last transacted market price as at the LPD		0.095

(Source: Bloomberg)

8.0 APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:-

(i) Bursa Securities for the following:-

(a) admission to the Official List of Bursa Securities as well as listing of and quotation for the Warrants to be issued pursuant to the Proposed Rights Issue; and

(b) listing of and quotation for the Rights Shares and new HLT Shares to be issued arising from the exercise of the Warrants on the ACE Market;

The approval of Bursa Securities was obtained vide its letter dated 30 December 2024. The approval by Bursa Securities for the Proposed Rights Issue is subject to the following conditions:-

	Condition	Status of compliance
(a)	HLT and KAF IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue	Noted
(b)	HLT and KAF IB to inform Bursa Securities upon the completion of the Proposed Rights Issue.	To be complied
(c)	HLT to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed.	To be complied

Condition		Status of compliance
(d)	HLT to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) the SC for the Proposed Exemption, of which the approval will be sought after the EGM;

(iii) shareholders of the Company for the Proposals at the EGM to be convened; and

(iv) any other relevant authorities and/or parties, if required.

The Proposals are not conditional upon any other proposal undertaken or to be undertaken by the Company, whilst the Proposed Rights Issue and the Proposed Exemption are inter-conditional upon each other.

Pursuant thereto, in the event that the non-interested shareholders of the Company or the SC does not approve the Proposed Exemption, the Proposed Rights Issue will not be implemented.

9.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive and persons connected with them have any interest, direct or indirect, in the Proposals, save for their respective entitlements as shareholders of HLT under the Proposed Rights Issue (including their right to apply for excess Rights Shares), which are also available to the other shareholders of the Company and the following:-

Name	Relationship	Direct No. of Shares	%	Indirect No. of Shares	%
Wong Kok Wah	Being the director, shareholder and Undertaking Shareholder, as well as being the applicant seeking the Proposed Exemption	139,965,000	16.69	(1)157,362,000	18.76
Chan Yoke Chun	Being a director, shareholder and Undertaking Shareholder, as well as being the applicant seeking the Proposed Exemption	157,362,000	18.76	(1)139,965,000	16.69
Wong Kok Mun	Being the brother of Wong Kok Wah and brother-in-law of Chan Yoke Chun, and thus, is deemed as a PAC to them by virtue of paragraph 216(3)(h) of the CMSA	2,314,150	0.28	(2)(3) 7,120,000	0.85
Teng Moi Bee	Being the spouse of Wong Kok Mun (the brother of Wong Kok Wah and the brother-in-law of Chan Yoke Chun) as well as being the director and shareholder of AMLSB, and thus, is deemed as a PAC to Wong Kok Wah and Chan Yoke Chun by virtue of paragraph 216(3)(h) of the CMSA	6,720,000	0.80	(2)(3) 2,714,150	0.33
AMLSB	Being a company owned and controlled by Wong Kok Mun and Teng Moi Bee. Thus, AMLSB is deemed as a PAC to Wong Kok Wah and Chan Yoke Chun by virtue of paragraph 216(3)(h) of the CMSA	400,000	0.05	-	-

Notes:-

(1) Deemed interested through the shareholdings of his/her spouse, Chan Yoke Chun's/Wong Kok Wah's interest in HLT.

(2) Deemed interested through the shareholdings of his/her spouse, Teng Moi Bee's/Wong Kok Mun's interest in HLT.

(3) Deemed interested by virtue of his/her interest in AMLSB pursuant to Section 8 of the Act.

In view of the above and with due regard to the inter-conditionality of the Proposals, Wong Kok Wah, Chan Yoke Chun and their PACs are deemed interested in the Proposals. Accordingly, Wong Kok Wah and Chan Yoke Chun, who are directors of HLT have abstained and will continue to abstain from all deliberations and voting in relation to the Proposals at the relevant Board meetings. In addition, the Interested Parties will also abstain from voting and/or undertake to ensure that persons connected with them will abstain from voting in respect of their respective direct and/or indirect shareholdings in HLT on the resolutions pertaining to the Proposals to be tabled at the EGM to be convened.

10.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for Wong Kok Wah and Chan Yoke Chun), having considered all aspects of the Proposals, including but not limited to the rationale and financial effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and accordingly, on the basis above, recommends you to vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

11.0 OUTSTANDING CORPORATE EXERCISES

Save for the Proposals, there are no other intended corporate exercises/schemes which have been announced but yet to be completed by the Group prior to the printing of this Circular.

12.0 ESTIMATED TIME FRAME FOR COMPLETION OF THE PROPOSALS

Subject to the approvals as stated in Section 8.0, Part A of this Circular and barring any unforeseen circumstances, the Proposals are expected to be completed by the second quarter of 2025. The tentative timetable in relation to the Proposals is set out below:-

Date	Events
3 March 2025	Convening of the EGM to obtain the approval of the non-interested shareholders of HLT for the Proposals
Early March 2025	Submission of the application in relation to the Proposed Exemption to the SC
Early April 2025	Announcement of the Entitlement Date
End April 2025	Entitlement Date
Early May 2025	Issuance of Abridged Prospectus
Mid-May 2025	Closing date of the application and acceptance for the Rights Shares and Warrants
Early June 2025	Listing of and quotation for the Rights Shares and Warrants on Bursa Securities / Completion of the Proposed Rights Issue

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13.0 EGM

The EGM, notice of which is enclosed in this Circular, will be held at Langkawi Room, Second Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 3 March 2025 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposals.

If you are unable to attend and vote in person at the EGM, you may complete, sign and return the Proxy Form enclosed in this Circular in accordance with the instructions printed therein as soon as possible so as to arrive at the office of the share registrar of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not later than forty-eight (48) hours before the time set for holding the EGM. The lodgement of the Proxy Form will not preclude you from attending and voting at the EGM should you subsequently wish to do so.

14.0 FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I of this Circular for further information.

Yours faithfully,
For and on behalf of the Board
HLT GLOBAL BERHAD

WONG WAI TZING
Independent Non-Executive Chairperson

PART B

INDEPENDENT ADVICE LETTER BY THE INDEPENDENT ADVISER TO THE NON-INTERESTED SHAREHOLDERS OF HLT IN RELATION TO THE PROPOSED EXEMPTION

EXECUTIVE SUMMARY

*All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the 'Definitions' section and Part A of the Circular except where the context otherwise requires or where otherwise defined in this independent advice letter ("**IAL**"). All references to "you" are references to the non-interested directors and non-interested shareholders while references to "we", "us" or "our" are to DWA Advisory, being the Independent Adviser for the Proposed Exemption. Any discrepancies in the tables included in this IAL between the amounts listed, actual figures and the total thereof are due to rounding.*

This executive summary, highlighting the salient information of the Proposed Exemption, is intended to be a brief summary of this IAL prepared by DWA Advisory. The non-interested shareholders are advised to read this IAL carefully together with Part A of the Circular and the enclosed appendices, and to consider carefully the recommendation contained in this IAL before voting on the ordinary resolution to give effect to the Proposed Exemption at the forthcoming EGM of HLT.

1. INTRODUCTION

On 18 September 2024, KAF IB, on behalf of the Board, announced that HLT is proposing to undertake the following:

(i) proposed renounceable rights issue of up to 426,079,671 Rights Shares on the basis of one (1) Rights Share for every two (2) existing HLT Shares held by the Entitled Shareholders on the Entitlement Date, together with up to 426,079,671 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for; and

(ii) proposed exemption for the Undertaking Shareholders and their PACs, under subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake a Mandatory Offer, under the Proposed Rights Issue and upon exercise of their Warrants.

The Proposed Rights Issue will be undertaken based on the Minimum Subscription Level basis, which was determined after taking into consideration the minimum level of funds required by HLT for the purposes stated in Section 3, Part A of this Circular and the Undertakings procured from the Undertaking Shareholders.

As at the LPD, the Undertaking Shareholders hold 297,327,000 HLT Shares representing approximately 35.45% equity interest in HLT, while the Undertaking Shareholders and their PACs collectively hold a total of 306,761,150 HLT Shares, representing approximately 36.58% equity interest in HLT.

Under the Minimum Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.58% after the Proposed Rights Issue and subsequently to 59.52% upon exercise of their Warrants and 59.65% upon exercise of their ESOS Options.

Under the Base Case Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.80% after the Proposed Rights Issue and subsequently to 59.82% upon exercise of their Warrants and 59.93% upon exercise of their ESOS Options.

For the avoidance of doubt, the direct shareholdings of Wong Kok Wah and Chan Yoke Chun as well as the collective shareholdings of the Undertaking Shareholders and PACs, are subject to change. Such variations arise as the issue price of the Rights Shares will only be determined closer to the implementation of the Proposed Rights Issue, which may result in fluctuations in the number of Rights Shares and Warrants to be allocated to the Undertaking Shareholders pursuant to their Undertakings.

As the collective shareholdings of the Undertaking Shareholders and their PACs will increase by more than 2.00% within a period of six (6) months under the Minimum Scenario and Base Case Scenario and thus, they are obliged to undertake a Mandatory Offer pursuant to subsection 218(3) of the CMSA read together with section 15 of the Code and subparagraph 4.01(b) of the Rules. However, it is not the intention of the Undertaking Shareholders and their PACs to undertake a Mandatory Offer as a result of the Proposed Rights Issue and upon exercise of their Warrants.

In this regard, the Undertaking Shareholders and their PACs intend to seek an exemption from the SC pursuant to subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake the Mandatory Offer, after obtaining the approval from the non-interested shareholders of the Company for the Proposed Exemption, by way of poll, at the forthcoming EGM. In accordance with subparagraph 4.08(1)(c) of the Rules, in the event that the Proposed Exemption is approved by the non-interested shareholders and the SC, the Proposed Exemption is only valid throughout the tenure of the Warrants which is 5 years from the date of the issuance of the Warrants. Pursuant to subparagraph 4.08(4)(a) of the Rules, the SC may grant an exemption arising from the exercise of conversion or subscription rights or options up to the expiry date of the conversion or subscription rights or options, subject to the Undertaking Shareholders and their PACs disclosing in the IAL, the duration of the exemption and that, if granted, subsequent shareholders' approval will not be needed.

Pursuant thereto, the Board save for the Undertaking Shareholders had on 18 September 2024, appointed DWA Advisory as the Independent Adviser to advise the non-interested directors and non-interested shareholders in relation to the Proposed Exemption.

Pursuant to paragraph 3.07 of the Rules, we had on 20 September 2024 declared our independence from any conflict of interest or potential conflict of interest to the SC in relation to our appointment as Independent Adviser for the Proposed Exemption.

The Undertaking Shareholders are interested directors in the Proposals, by virtue of them being directors and major shareholders of HLT and have abstained and will continue to abstain from any deliberation and voting in the Board meeting in relation to the Proposals.

The purpose of this IAL is to provide you with our independent evaluation on the fairness and reasonableness of the Proposed Exemption on a holistic basis, together with our recommendation on whether you should vote in favour of the resolution pertaining to the Proposed Exemption, subject to the scope and limitations specified herein. Nevertheless, you should rely on your own evaluation of the merits and demerits of the Proposed Exemption before making decision on the course of action to be taken at HLT's forthcoming EGM in relation to the Proposals.

2. EVALUATION OF THE PROPOSED EXEMPTION

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Exemption on a holistic basis in accordance with Schedule 2: Part II of the Rules and given due consideration to the Company's rationale for the Proposed Rights Issue as both the said proposals are inter-conditional. In this regard, we have taken into consideration the following factors in forming our opinion:

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Area of evaluation	Our comments
Section 6.1 and 6.2 Rationale of the Proposals	**(1) Proposed Rights Issue** (i) Contribute positively to the business operations and future financial performance of the Company The Group intends to utilise part of the proceeds raised from the Proposed Rights Issue to part-finance the infrastructure and engineering costs of the New Plant and installation cost of two (2) new production lines in the New Plant. The New Plant refers to the Group's new glove manufacturing plant constructed over the Group's owned leasehold industrial land located at Villaraya Industrial Park 2, Semenyih, Selangor Darul Ehsan, measuring approximately 653,400 square feet in total land area. The construction of the New Plant began in May 2021 and is expected to be completed by the 2nd half of 2025. The New Plant is intended to be equipped with up to 20 new double former production lines for the manufacturing of nitrile rubber gloves by the 2nd half of 2028. The New Plant upon completion in the 2nd half of 2025 will be equipped with four (4) new double former production lines with a total production capacity of 1 billion rubber gloves per annum and will increase the total production capacity of the Group to over 2 billion gloves per annum and will mainly manufacture low density nitrile rubber gloves. In addition to the above, we also noted that the Group intends to utilise part of the proceeds raised from the Proposed Rights Issue for working capital purposes, namely, operating expenses, staff costs, repayment of trade creditors and purchase of raw materials and parts such as nitrile butadiene rubber, compounding chemical, processing chemical, steel pipes, plates and hollows, conveyor chains, former holders, heat exchangers, gas burner and blower fans. The Board is of the view that the Proposed Rights Issue would be the most appropriate avenue to raise funds considering the current financial situation of the Group, which has been loss-making since FYE 2022 and operating in a negative operating cash flow based on its latest audited consolidated financial statements for FYE 2023. As such, to fund the construction of the New Plant and the installation of two (2) new double former production lines in the New Plant as to turnaround its business performance, any additional bank borrowings would expose the Group to risk of debt servicing obligations (i.e. additional interest expense), which in turn may affect its cash flow obligation as well as the Group's earnings. Premised on the above, the Proposed Rights Issue would enable the Group to raise funds without incurring additional risk of debt servicing obligations (i.e. cash flow availability to cover interest and principal on debt obligations), to fund the aforementioned investments and working capital of the Group. Further, the Proposed Rights Issue would enable the Group to preserve its cash flows for the other acquisitions and/or investments in assets and/or businesses that are similar and/or complementary to the businesses of the Group, which could enhance the future growth prospects of the Group under the Maximum Scenario.

(ii) Raise intended funds without incurring interest cost

The Proposed Rights Issue will provide the Group with additional cash without a corresponding debt service burden for ease of its working capital. Alternatively, if the working capital were funded via debt, the Group would have to shoulder additional interest expenses, which would negatively impact the cash flows and earnings of the Group over the period when it needs to incur new capital expenditure to bolster its future prospects.

For illustrative purposes, if the Group were to rely entirely on bank borrowings as alternative to raise up to RM31.96 million for its funding needs (equivalent to the amount of Proposed Rights Issue under the Maximum Scenario) based on the cost of debt of approximately 5.45% per annum (being the interest rate of a banking facility that was offered to the Group in 2022 for capital expenditure purposes), the Group would need to incur an additional RM1.74 million in annual interest expenses.

(iii) Potential impact to the cost of capital and gearing level of the Group

The Board is of the view that the Proposed Rights Issue is the most suitable means of fund raising as it enables the Group to raise the intended funds without incurring interest costs, which will in turn enable the Group to manage its cash flows more efficiently.

After taking into consideration the possible resultant changes to the capital structure, we have compared the pro forma effect of the Group's weighted average cost of capital ("**WACC**") based on the following scenarios:

(a) the Group's existing capital structure as at 30 September 2024 ("**Existing Scenario**");

(b) with the implementation of the Proposed Rights Issue ("**Equity Scenario**"); and

(c) without the implementation of the Proposed Rights Issue and assuming that HLT Group utilises bank borrowings to raise RM31.96 million (equivalent to maximum proceeds expected from the Proposed Rights Issue under the Maximum Scenario) in absence of the Proposed Rights Issue ("**Debt Scenario**").

For illustrative purposes, the WACC and gearing of the Group as at the LPD after taking into account the abovementioned pro forma changes are set out below:

Scenario	**WACC (%)**	**Gearing (times)**
Existing Scenario	12.305	0.003
Equity Scenario	12.307	0.002
Debt Scenario	11.629	0.394

Premised on the above, we are of the view that the Proposed Rights Issue is justifiable and appropriate to raise the necessary funds to the Group at this juncture due to the following (based on the Maximum Scenario):

	(a) under the Equity Scenario, the Group's gearing marginally decreases from 0.003 times to 0.002 times while the WACC marginally increases from 12.305% to 12.307%; and (b) in the absence of the Proposed Rights Issue, the Debt Scenario is expected to significantly increase the gearing of the Group from 0.003 times to 0.394 times while the Group's WACC is lower at 11.629% under the Debt Scenario as compared to 12.307% under the Equity Scenario. However, equity financing will outweigh debt financing in terms of benefits, as the Group will have to incur additional interest expenses from the additional bank borrowing, and this results in a higher cash outflow which would potentially reduce the Group's earnings. Furthermore, a high gearing ratio may limit the Group's accessibility to creditors' funds in the future. (iv) Providing opportunity for all the Entitled Shareholders to participate in an equity offering of HLT Shares on a pro-rata basis without diluting the Entitled Shareholders' percentage shareholding The Proposed Rights Issue is an equity offering by HLT to all the Entitled Shareholders on a pro-rata basis at a pre-determined ratio and pre-determined Issue Price of the Rights Shares without diluting the shareholders' percentage of shareholdings in HLT (provided that all the Entitled Shareholders subscribe in full for their respective entitlements). However, assuming that only the Undertaking Shareholders subscribe for the Proposed Rights Issue on a Minimum Subscription Level, the public shareholding spread could potentially be diluted from **52.18% to 40.66%** after the Proposed Rights Issue, and further diluted to **33.29%** after the full exercise of the Warrants by the Undertaking Shareholders and to **33.19%** after the full exercise of the ESOS Options by the Undertaking Shareholders. The free Warrants attached to the Rights Shares will provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares while providing additional funds to the Group in the event it is exercised. Such gross proceeds raised from the exercise of the Warrants will be utilised to meet the Group's working capital requirements such as operating expenses, payment for staff salaries and repayment of trade creditors. **(2) Proposed Exemption** The Proposed Exemption will relieve the Undertaking Shareholders and their PACs from the obligation to undertake the Mandatory Offer under the Proposed Rights Issue and upon exercise of their Warrants, as it is not the intention of the Undertaking Shareholders and their PACs to undertake the Mandatory Offer. Given that the Proposed Rights Issue and Proposed Exemption are inter-conditional upon each other, the approval for the Proposed Exemption is necessary to facilitate and ensure the successful implementation of the Proposed Rights Issue. Without the Proposed Exemption, HLT would not be able to implement the Proposed Rights Issue and thus, the Group may need to raise the necessary funding required via new borrowings or other alternative options to part-finance the infrastructure and engineering costs of the New Plant, the installation cost of two (2) new production lines in the New Plant and working capital, which may result in additional interest expense and thereby, potentially reducing the Group's earnings.

	For avoidance of doubt, the Proposed Exemption, if approved by the non-interested shareholders of HLT and the SC, is only valid throughout the tenure of the Warrants which is 5 years from the date of the issuance of the Warrants.
Section 6.3 and 6.4 Evaluation of the Issue Price of the Rights Shares and Exercise Price of Warrants	**(1) Evaluation of the Issue Price of the Rights Shares** We are of the view that the Indicative Issue Price of the Rights Share is justifiable in view of the following: (i) the entitlements for the Proposed Rights Issue are proportionate to the respective shareholding of all the Entitled Shareholders on the Entitlement Date; (ii) the Entitled Shareholders who choose not to subscribe for the Rights Shares can trade their rights' entitlements to the Rights Shares on the open market, and as such, those that choose to renounce their entitlements to the Rights Shares can sell all or part of their rights' entitlements to the Rights Shares in the open market. However, the Entitled Shareholders should note that such rights' entitlements may not be traded at its theoretical value or intrinsic value; (iii) the pricing mechanism of the Rights Shares is acceptable as it is based on market-based approach; (iv) the Entitled Shareholders have the same right to subscribe for their entitlements to the Rights Shares at the same Issue Price, of which the final Issue Price of the Rights Shares will be determined at a later date at a discount range of 10.00% to 30.00% to the TERP; and (v) the Indicative Issue Price represents the following: (a) **discounts** ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD, and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD; and (b) a **discount** of 41.67% to the pro forma consolidated NA per HLT Share as at 31 December 2023, a discount of 36.36% to the pro forma consolidated NA per HLT Share as at 30 September 2024 and a discount of 36.36% based on the Minimum, Base Case and Maximum Scenarios. The Indicative Issue Price is for illustration purposes only. The Issue Price will be determined later, and the discounts may increase or decrease depending on the Issue Price. **(2) Evaluation of the Exercise Price of the Warrants** The Indicative Exercise Price of the Warrant of RM0.075 represents: (i) a **theoretical value** of RM0.04 computed based on the Trinomial Option Pricing Model as at the LPD; (ii) **discounts** ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD, and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD; and

	(iii) a **discount** of 41.67% to the pro forma consolidated NA per HLT Share as at 31 December 2023, a discount of 36.36% to the pro forma consolidated NA per HLT Share as at 30 September 2024 and a discount of 36.36% based on the Minimum, Base Case and Maximum Scenarios. Based on the Indicative Exercise Price, the Warrants are **in-the-money** by RM0.0112 (i.e. the difference between the Indicative Exercise Price of RM0.075 and the TERP based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0862) and accordingly, holders of the Warrants are in a net gain position immediately after exercising the Warrants. The Indicative Exercise Price is for illustration purposes only. The Exercise Price will be determined later, and the discounts may increase or decrease depending on the Exercise Price.
Section 6.5 Effects of the Proposals	The Proposed Exemption, on a standalone basis, will not have any effect on the Group's issued share capital, earnings, NA, NA per HLT Share, gearing and substantial shareholders' shareholdings. However, the effects of the Proposed Rights Issue may vary depending on the actual Issue Price and Exercise Price. Due to the inter-conditionality of the Proposed Rights Issue and the Proposed Exemption, we take note of the effects of the Proposed Rights Issue on the Minimum Scenario and Maximum Scenario based on the Indicative Issue Price as set out in Section 6 of Part A of the Circular. The Proposed Exemption is necessary to facilitate the implementation of the Proposed Rights Issue. The pro forma effects of the Proposed Rights Issue and the Proposed Exemption under the Minimum Scenario, Base Case Scenario and Maximum Scenario based on the Indicative Issue Price are as follows: (i) Under the Minimum Scenario, the issued share capital of HLT will increase from RM99.69 million to RM109.95 million after the Proposed Rights Issue and subsequently to RM134.37 million upon exercise of the Warrants and RM139.45 million upon exercise of the Warrants by the Undertaking Shareholders; (ii) Under the Base Case Scenario, the issued share capital of HLT will increase from RM99.69 million to RM110.16 million after the Proposed Rights Issue and subsequently to RM135.08 million upon exercise of the Warrants and RM140.16 million upon exercise of the Warrants by the Undertaking Shareholders; (iii) Under the Maximum Scenario, the issued share capital of HLT after assuming exercise of the ESOS Options will increase from RM116.66 million to RM135.52 million after the Proposed Rights Issue and subsequently to RM179.57 million upon exercise of the Warrants and RM184.65 million upon exercise of the Warrants by the Undertaking Shareholders; (iv) Under the Minimum Scenario, the pro forma NA will increase from RM85.75 million to RM99.92 million pursuant to the adjustment for subsequent events. Subsequently, the pro forma NA will increase to RM116.76 million, RM134.60 million and RM137.40 million, upon completion of the Proposed Rights Issue, exercise of the Warrants by the Undertaking Shareholders and exercise of the ESOS Options by the Undertaking Shareholders, respectively. Based on the Indicative Issue Price and Indicative Exercise Price, the pro forma NA per Share of RM0.12 is expected to reduce to RM0.11 upon completion of the Proposed Rights Issue and further reduce to RM0.10 subsequent to the exercise of the Warrants and ESOS Options by the Undertaking Shareholders;

	(v) Under the Base Case Scenario, the pro forma NA will increase from RM85.75 million to RM99.92 million pursuant to the adjustment for subsequent events. Subsequently, the pro forma NA will increase to RM117.11 million, RM135.30 million and RM138.10 million, upon completion of the Proposed Rights Issue, exercise of the Warrants by the Undertaking Shareholders and their PACs and exercise of the ESOS Options by the Undertaking Shareholders, respectively. Based on the Indicative Issue Price and Indicative Exercise Price, the pro forma NA per Share of RM0.12 is expected to reduce to RM0.11 upon completion of the Proposed Rights Issue and further reduce to RM0.10 subsequent to the exercise of the Warrants and ESOS Options by the Undertaking Shareholders; (vi) Under the Maximum Scenario, the pro forma NA will increase from RM85.75 million to RM99.92 million pursuant to the adjustment for subsequent events. Subsequently, the pro forma NA will increase to RM109.27 million, RM140.22 million, RM172.18 million and RM174.98 million, upon exercise of the ESOS Options, completion of the Proposed Rights Issue, full exercise of the Warrants and exercise of the ESOS Options by the Undertaking Shareholders, respectively. The pro forma NA per Share of RM0.12 is expected to increase to RM0.13 upon exercise of the ESOS Options and reduce to RM0.11 upon completion of the Proposed Rights Issue and further reduce to RM0.10 upon full exercise of the Warrants and exercise of the ESOS Options by the Undertaking Shareholders; (vii) Based on the audited consolidated financial statements of HLT as at 31 December 2023, HLT has marginal borrowings of RM0.35 million compared to its shareholders' equity. Hence, the gearing ratio of HLT under all scenarios is negligible; and (viii) The Proposed Rights Issue is expected to be completed in the second quarter of 2025. Accordingly, the EPS of HLT Group for the FYE 2025 is expected to be diluted upon completion of the Proposed Rights Issue as a result of the increase in the number of HLT Shares arising from the issuance of the Rights Shares and the exercise of the Warrants.
Section 6.6 Industry outlook and future prospects of HLT Group	We take cognisance of the industry overview and outlook of the economy of Malaysia and the rubber glove industry in Malaysia well as the prospects of HLT Group as disclosed in Section 6 of Part A of the Circular. Based on the above and after taking into consideration of the industry outlook and future prospect of HLT Group as set out in Section 6.6 of this IAL we are of the view that the outlook and prospects of HLT Group upon completion of the Proposals is positive.

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Section 6.7 Implications of the Proposed Exemption	If non-interested shareholders **<u>VOTE IN FAVOUR</u>** of the Proposed Exemption the Undertaking Shareholders and their PACs would be able to submit an application for the Proposed Exemption to the SC for its consideration. If the non-interested shareholders **<u>VOTE AGAINST</u>** the Proposed Exemption: (i) The Undertaking Shareholders and their PACs would not be able to submit an application for the Proposed Exemption to the SC; and (ii) In view of the inter-conditionality of the Proposals as set out in Section 8 of Part A of the Circular, in the event the Proposed Exemption is not approved, HLT will not be able to undertake the Proposed Rights Issue. As such, HLT will not be able to realise the potential benefits of the Proposed Rights Issue. Hence, the Board will have to deliberate on other possible alternatives including additional borrowings to raise funds for its working capital as well as to service any debt obligations arising from the new borrowings.

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Exemption holistically, taking into consideration the various factors set out in Section 6 of this IAL. The non-interested directors and non-interested shareholders should carefully consider the merits and demerits of the Proposed Exemption based on all relevant and pertinent factors, including those set out in this IAL as well as those highlighted by the Board in its letter to the shareholders of HLT in relation to the Proposed Rights Issue as set out in Part A of the Circular, before voting on the resolution pertaining to the Proposed Exemption at HLT's forthcoming EGM in relation to the Proposals.

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Exemption on a holistic basis, taking into consideration the various factors set out in Section 6 of this IAL and in accordance with Schedule 2: Part III of the Rules.

Non-interested shareholders should note that, if you do not subscribe to your rights entitlements under the Proposed Rights Issue, this would imply:

(i) a significant dilution of the collective shareholdings of the non-interested shareholders from 63.42% to 49.42% after the Proposed Rights Issue under the Minimum Scenario and based on the Indicative Issue Price or from 63.42% to 49.20% after the Proposed Rights Issue under the Base Case Scenario and based on the Indicative Issue Price;

(ii) significant transfer of value in the form of the Rights Shares at a discount of 12.99% to the TERP of HLT Shares of RM0.0862 based on five (5)-day VWAMP up to and including the LPD to the participating shareholders in the Proposed Rights Issue based on the Indicative Issue Price of RM0.075; and

(iii) significant transfer of value in the form of the Warrants at a discount of 12.99% to the TERP of HLT Shares of RM0.0862 based on the five (5)-day VWAMP up to and including the LPD to the participating shareholders in the Proposed Rights Issue based on the Indicative Exercise Price of RM0.075.

Nevertheless, it should also be noted that the Indicative Issue Price and Indicative Exercise Price are purely for illustration purposes and the Issue Price and the Exercise Price will be determined and immediately announced by the Company at a later date, prior to the announcement of the Entitlement Date. As such, the discounts stated above are variable figures and may increase or decrease, depending on the Issue Price and Exercise Price.

For the avoidance of doubt, the direct shareholdings of Wong Kok Wah and Chan Yoke Chun as well as the collective shareholdings of the Undertaking Shareholders and PACs, are subject to change. Such variations arise as the issue price of the Rights Shares will only be determined closer to the implementation of the Proposed Rights Issue, which may result in fluctuations in the number of Rights Shares and Warrants to be allocated to the Undertaking Shareholders pursuant to their Undertakings.

In summary, the potential advantages and disadvantages of the Proposed Exemption are as follows:

Potential Advantages
(1) The Proposed Rights Issue and Proposed Exemption are inter-conditional. As such, voting in favour of the Proposed Exemption facilitates the implementation of the Proposed Rights Issue, which will in turn enable HLT to reap the potential benefits arising from the Proposed Rights Issue as follows: (i) Enable HLT Group to raise the required funding without incurring interest expense and a higher gearing ratio arising from the use of borrowings. This would allow HLT Group to conserve its cash flows for other business requirements such as working capital for the Group's operations and/or business expansion; (ii) Enable HLT Group to raise funds necessary to part-finance the infrastructure and engineering cost of the New Plant and the installation cost of two (2) glove production lines which are expected to be completed by the 2nd half of 2025; (iii) Provide an opportunity to all the Entitled Shareholders to participate in an equity offering in HLT on a pro-rata basis without diluting the Entitled Shareholders' percentage of shareholding in HLT (provided that all the Entitled Shareholders subscribe in full for their respective entitlement of the Rights Shares); (2) The Entitled Shareholders would be able to subscribe for the Rights Shares at the Issue Price with a discount ranging from 10.00% to 30.00% to the TERP and be entitled to free Warrants pursuant to the Proposed Rights Issue. The Indicative Issue Price represents a discount ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD; (3) The free Warrants attached to the Rights Shares will provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. Through the exercise of the Warrants, the Entitled Shareholders will be able to further increase their equity participation in HLT while also providing additional funds to HLT Group to fund the Group's working capital requirements such as operating expenses, payment for staff salaries and repayment of trade creditors. Alternatively, the Entitled Shareholders have the option to monetise their Warrants via disposal in the open market; (4) Pursuant to the Proposed Rights Issue, the WACC of the Company will marginally increase from 12.305% to 12.307%, compared to a lower WACC of 11.629% under the Debt Scenario. However, equity financing will outweigh debt financing in terms of benefits, as the Group will not have to incur additional interest expenses from the additional bank borrowings from the debt financing, which would have resulted in a higher cash outflow and potentially reduce the Group's earnings. It is pertinent to note that the additional bank borrowings of RM31.96 million (equivalent to maximum proceeds expected from the Proposed Rights Issue under Maximum Scenario) would result in an increase in gearing ratio from 0.003 to 0.394 times under the Debt Scenario; and

(5) The Undertakings from the Undertaking Shareholders reaffirm the Undertaking Shareholders' confidence and commitment to the HLT Group and further align their interests to the HLT Group while providing certainty to HLT in raising the minimum level of funds the Company intends to raise from the Proposed Rights Issue. The Proposed Exemption enables the Undertaking Shareholders and their PACs to provide strong support for the Proposed Rights Issue as a viable equity fundraising option for the Company which does not depend on the availability of underwriters nor be subject to the uncertainties of equity offering subscription levels.

Potential Disadvantages

(1) Under the Minimum Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.58% after the Proposed Rights Issue and subsequently to 59.52% and 59.65% upon exercise of their Warrants and exercise of their ESOS Options, respectively. Under the Base Case Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.80% after the Proposed Rights Issue and subsequently to 59.82% and 59.93% upon exercise of their Warrants and exercise of their ESOS Options, respectively.

Upon exercise of the Warrants under the Minimum Scenario and Base Case Scenario, the Undertaking Shareholders and their PACs will have statutory control over HLT and will be able to determine the outcome of ordinary resolutions which require a simple majority of 50.00% plus 1 share and have significant influence on the outcome of any special resolutions which require a majority of 75.00% tabled at general meetings (unless the Undertaking Shareholders and their PACs are required to abstain from voting);

(2) Non-interested shareholders who do not subscribe for or only partially subscribe for the Proposed Rights Issue entitlements will be significantly diluted given the Undertakings provided by the Undertaking Shareholders. The collective shareholdings of the non-interested shareholders may potentially be diluted from **63.42%** to **49.42%** after the Proposed Rights Issue under the Minimum Scenario and based on the Indicative Issue Price, or from **63.42%** to **49.20%** after the Proposed Rights Issue under the Base Case Scenario and based on the Indicative Issue Price.

However, the shareholdings of all the Entitled Shareholders will not be diluted if the Entitled Shareholders subscribe in full for their respective entitlements as the Proposed Rights Issue is an equity offering to all the Entitled Shareholders on the same terms and on a pro-rata basis; and

(3) In view of the issuance of the Warrants pursuant to the Proposed Rights Issue, the non-interested shareholders of HLT should note that they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the exercise of the Warrants into new HLT Shares.

Premised on our overall evaluation and assessment of the Proposed Exemption on a holistic basis where we are of the view that the potential advantages outweigh the disadvantages, we are of the opinion that the Proposed Exemption is **FAIR and REASONABLE** to the non-interested directors and non-interested shareholders.

Accordingly, we:

(i) advise the non-interested directors to recommend the non-interested shareholders to **VOTE IN FAVOUR** of the ordinary resolution in respect of the Proposed Exemption to be tabled at HLT's forthcoming EGM in relation to the Proposals; and

(ii) recommend that the non-interested shareholders **VOTE IN FAVOUR** of the ordinary resolution in respect of the of the Proposed Exemption to be tabled at HLT's forthcoming EGM in relation to the Proposals.

YOU ARE ADVISED TO READ AND UNDERSTAND THIS IAL AND THE LETTER FROM THE BOARD TO THE SHAREHOLDERS OF HLT IN RELATION TO THE PROPOSALS AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH THE LETTERS BEFORE VOTING ON THE ORDINARY RESOLUTION IN RESPECT OF THE PROPOSED EXEMPTION TO BE TABLED AT THE FORTHCOMING EGM IN RELATION TO THE PROPOSALS.

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DWA
advisory

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Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan

14 February 2025

To: The non-interested directors and non-interested shareholders

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED DIRECTORS AND NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED EXEMPTION

This IAL is prepared for inclusion as Part B of the Circular and should be read in conjunction with the same. All definitions used in this IAL shall have the same meaning as the words and expressions defined in the 'Definitions' section and Part A of the Circular, except where the context otherwise requires or where otherwise defined in this IAL. All references to "we", "us" and "our" in this IAL are to DWA Advisory, being the Independent Adviser for the Proposed Exemption. Any discrepancies in the tables included in this IAL between the amounts listed, actual figures and the total thereof are due to rounding.

1. INTRODUCTION

On 18 September 2024, KAF IB, on behalf of the Board, announced that HLT is proposing to undertake the following:

(i) proposed renounceable rights issue of up to 426,079,671 Rights Shares on the basis of one (1) Rights Share for every two (2) existing HLT Shares held by the Entitled Shareholders on the Entitlement Date, together with up to 426,079,671 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for; and

(ii) proposed exemption for the Undertaking Shareholders and their PACs, under subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake a Mandatory Offer, under the Proposed Rights Issue and upon exercise of their Warrants.

The Proposed Rights Issue will be undertaken based on the Minimum Subscription Level basis, which was determined after taking into consideration the minimum level of funds required by HLT for the purposes stated in Section 3, Part A of this Circular and the Undertakings procured from the Undertaking Shareholders.

As at the LPD, the Undertaking Shareholders hold 297,327,000 HLT Shares representing approximately 35.45% equity interest in HLT, while the Undertaking Shareholders and their PACs collectively hold a total of 306,761,150 HLT Shares, representing approximately 36.58% equity interest in HLT.

Under the Minimum Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.58% after the Proposed Rights Issue and subsequently to 59.52% upon exercise of their Warrants and 59.65% upon exercise of their ESOS Options.

Under the Base Case Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.80% after the Proposed Rights Issue and subsequently to 59.82% upon exercise of their Warrants and 59.93% upon exercise of their ESOS Options.

For the avoidance of doubt, the direct shareholdings of Wong Kok Wah and Chan Yoke Chun as well as the collective shareholdings of the Undertaking Shareholders and PACs, are subject to change. Such variations arise as the issue price of the Rights Shares will only be determined closer to the implementation of the Proposed Rights Issue, which may result in fluctuations in the number of Rights Shares and Warrants to be allocated to the Undertaking Shareholders pursuant to their Undertakings.

As the collective shareholdings of the Undertaking Shareholders and their PACs will increase by more than 2.00% within a period of six (6) months under the Minimum Scenario and Base Case Scenario and thus, they are obliged to undertake a Mandatory Offer pursuant to subsection 218(3) of the CMSA read together with section 15 of the Code and subparagraph 4.01(b) of the Rules. However, it is not the intention of the Undertaking Shareholders and their PACs to undertake a Mandatory Offer as a result of the Proposed Rights Issue and upon exercise of their Warrants.

In this regard, the Undertaking Shareholders and their PACs intend to seek an exemption from the SC pursuant to subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake the Mandatory Offer, after obtaining the approval from the non-interested shareholders of the Company for the Proposed Exemption, by way of poll, at the forthcoming EGM. In accordance with subparagraph 4.08(1)(c) of the Rules, in the event that the Proposed Exemption is approved by the non-interested shareholders and the SC, the Proposed Exemption is only valid throughout the tenure of the Warrants which is 5 years from the date of the issuance of the Warrants. Pursuant to subparagraph 4.08(4)(a) of the Rules, the SC may grant an exemption arising from the exercise of conversion or subscription rights or options up to the expiry date of the conversion or subscription rights or options, subject to the Undertaking Shareholders and their PACs disclosing in the IAL, the duration of the exemption and that, if granted, subsequent shareholders' approval will not be needed.

Pursuant thereto, the Board save for the Undertaking Shareholders had on 18 September 2024, appointed DWA Advisory as the Independent Adviser to advise the non-interested directors and non-interested shareholders in relation to the Proposed Exemption.

Pursuant to paragraph 3.07 of the Rules, we had on 20 September 2024 declared our independence from any conflict of interest or potential conflict of interest to the SC in relation to our appointment as Independent Adviser for the Proposed Exemption.

The Undertaking Shareholders are interested directors in the Proposals, by virtue of them being directors and major shareholders of HLT and have abstained and will continue to abstain from any deliberation and voting in the Board meeting in relation to the Proposals.

The purpose of this IAL is to provide you with our independent evaluation on the fairness and reasonableness of the Proposed Exemption on a holistic basis, together with our recommendation on whether you should vote in favour of the resolution pertaining to the Proposed Exemption, subject to the scope and limitations specified herein. Nevertheless, you should rely on your own evaluation of the merits and demerits of the Proposed Exemption before making decision on the course of action to be taken at HLT's forthcoming EGM in relation to the Proposals.

2. DETAILS OF THE PROPOSALS

The full details of the Proposals are set out in Section 2 of Part A of the Circular and should be read in its entirety by the non-interested shareholders.

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3. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSED EXEMPTION

DWA Advisory was not involved in the formulation, deliberation and negotiation of the terms and conditions of the Proposals. DWA Advisory has also not undertaken any independent investigation into the business, affairs, operations, financial position or prospects of HLT. Our scope as Independent Adviser is limited to provide comments, opinions, information and recommendation in relation to the Proposed Exemption.

DWA Advisory is satisfied with the adequacy of information and documents provided by the Board and management of HLT in order for us to form the basis of our opinion. DWA Advisory wishes to highlight that the Board has collectively and individually confirmed to us that all relevant material facts and information critical to our evaluation has been disclosed to us. The Board has also accepted responsibility for the accuracy of the information provided to us by the Board, the management and/or its advisers which is reproduced herein and confirmed that, after making all reasonable enquiries and to the best of its knowledge and belief, there are no other information and/or facts, the omission of which would make any information provided to us misleading, incomplete or inaccurate.

In performing our evaluation, DWA Advisory has relied on the following sources of information and documents:

(i) the information contained in Part A of the Circular and the appendices attached thereto;

(ii) the audited financial statements of HLT for the FYE 2021, FYE 2022 and FYE 2023 and the unaudited financial statements of HLT for the 9-month financial period ended ("**FPE**") 30 September 2024;

(iii) other relevant information, documents, confirmations and representations provided to us by the Board and management of HLT;

(iv) discussions and consultation with the management of HLT; and

(v) other publicly available information which we have deemed to be relevant.

DWA Advisory has relied on the Board and representatives of HLT to take due care and to ensure that all information, documents and representations provided to us by them to facilitate our evaluation are accurate, valid and complete in all material aspects. DWA Advisory has made reasonable enquiries, and as at the date of this IAL, DWA Advisory has no reason to believe that the aforementioned information provided or are available to us is unreliable, incomplete, misleading and/or inaccurate. To that end, DWA Advisory is satisfied with the accuracy of the information in this IAL.

DWA Advisory has evaluated the Proposed Exemption and in rendering our advice, DWA Advisory has also considered the current situation of the capital market, economic, industry, regulatory, monetary, social-political and other factors prevailing on, and the general future plans of the HLT Group as well as the other information/documents made available to us as at the LPD. Such conditions may change significantly over a short period of time. DWA Advisory believes that these factors are of relevance and general importance to the assessment of the implications of the Proposed Exemption and would be of relevance and general concern to the non-interested directors and the non-interested shareholders. This opinion is rendered solely for the benefit of the non-interested directors and non-interested shareholders.

DWA Advisory's evaluation and recommendations expressed herein are confined to the Proposed Exemption. DWA Advisory's scope as the Independent Adviser does not extend to expressing any opinion on the commercial merits, legal and tax implications arising from the Proposed Exemption as this remains the sole responsibility of the Board.

DWA Advisory's views and recommendations contained in this IAL are to the non-interested directors and non-interested shareholders at large and not to any non-interested director or non-interested shareholder individually. As such, in carrying out our evaluation, DWA Advisory has not given any consideration to any specific future plans nor to consider the specific objectives, financial situation and particular needs of any individual shareholder or specific group of shareholders.

DWA Advisory recommends that any individual non-interested shareholder or any specific group of non-interested shareholders who is in doubt of the action to be taken or require specific advice in relation to the Proposed Exemption, in the context of their individual objectives, financial situation and particular needs, to consult with their stockbrokers, bankers, solicitors, accountants or other professional advisers. DWA Advisory shall not be responsible for any damage or loss of any kind sustained or suffered by any individual non-interested shareholder or any specific group of non-interested shareholders in reliance on the opinion stated herein for any purpose whatsoever other than for the purpose of considering the Proposed Exemption at the forthcoming EGM.

After the dispatch of the Circular and this IAL, and until the date of the EGM, DWA Advisory will notify the non-interested shareholders if we become aware that this IAL:

(a) contains a material statement which is false or misleading;

(b) contains a statement from which there is a material omission; or

(c) does not contain a statement relating to a material development,

before an offer closes or lapses, DWA Advisory shall

(i) disclose such fact to the SC in writing; and

(ii) make an announcement–

(A) by way of a press notice; and

(B) if the securities of the offeree or the offeror are listed on the relevant stock exchange in Malaysia, to the relevant stock exchange in Malaysia,

of such matters which are necessary to correct the false or misleading matter of the omission.

If the circumstances require, we shall send a supplementary IAL to the non-interested shareholders in accordance with subparagraph 11.07(2) of the Rules and the disclosures and announcements of such facts or statements shall be made before 9 a.m. on the next market day, pursuant to subparagraph 11.07(3) of the Rules.

4. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

DWA Advisory confirms that it is not aware of any circumstances which exist or are likely to give rise to a possible conflict of interest situation for DWA Advisory to carry out the role as the Independent Adviser in relation to the Proposed Exemption.

Save for our role as the Independent Adviser for the Proposed Exemption as at the LPD, DWA Advisory has not had any professional relationship with HLT at any time during the past two (2) years.

DWA Advisory is an advisory firm incorporated in Malaysia and licensed by the SC (License No. CMSL/A0315/2013) to carry out the regulated activity of advising on corporate finance pursuant to section 58 of the CMSA. DWA Advisory has also obtained approval from the SC to act as Independent Adviser under the Rules. DWA Advisory has undertaken the role as an Independent Adviser for corporate exercises in the past three (3) years prior to the Proposed Exemption, which include the following:

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(i) selective capital reduction and repayment exercise of KAF-Seagroatt & Campbell Berhad pursuant to Section 116 of the Act, where our IAL was issued on 3 March 2022;

(ii) conditional mandatory take-over offer by Dato' Lim Kian Onn through Mercury Securities Sdn Bhd to acquire all the remaining ordinary shares in ECM Libra Group Berhad not already held by Dato' Lim Kian Onn and persons acting in concert with him, where our independent advice circular was issued on 7 July 2022;

(iii) related party transaction by Al-'Aqar Healthcare REIT involving the acquisition and leaseback of a building known as TMC Health Centre, a building forming part of KPJ Seremban Specialist Hospital and KPJ Pasir Gudang Specialist Hospital by AmanahRaya Trustees Berhad, acting solely in its capacity as trustee for and on behalf of Al-'Aqar Healthcare REIT, from several subsidiaries of KPJ Healthcare Berhad, where our IAL was issued on 21 November 2022;

(iv) unconditional mandatory take-over offer by TIZA Global Sdn Bhd (formerly known as Citaglobal Sdn Bhd) through KAF IB to acquire all the remaining ordinary shares, warrants A, warrants B and irredeemable convertible preference shares in Citaglobal Berhad (formerly known as WZ Satu Berhad) not already owned by the TIZA Global Sdn Bhd, Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria and persons acting in concert, where our independent advice circular was issued on 9 December 2022;

(v) related party transaction by CIC Construction Sdn Bhd, a wholly-owned subsidiary of Central Global Berhad, involving the acquisition of the remaining 30.00% equity interest in RYRT International Sdn Bhd from RYRT Holdings Sdn Bhd, where our IAL was issued on 4 September 2023;

(vi) exemption for Dato Ir. Tee Chai Seng and person acting in concert with him, from the obligation to undertake a mandatory take-over offer for the remaining ordinary shares in TCS Group Holdings Berhad and warrants B not already owned by them pursuant to subparagraph 4.08(1)(b) of the Rules, where our IAL was issued on 12 March 2024;

(vii) unconditional mandatory take-over offer by KUB Malaysia Berhad through Maybank Investment Bank Berhad to acquire all the remaining ordinary shares in Central Cables Berhad not already owned by KUB Malaysia Berhad, where our independent advice circular was issued on 1 April 2024;

(viii) unconditional mandatory take-over offer by Exsim Hospitality Holdings Sdn Bhd through AmInvestment Bank Berhad to acquire all the remaining ordinary shares in Pan Malaysia Holdings Berhad not already owned by Exsim Hospitality Holdings Sdn Bhd , as well as Lim Aik Hoe, Lim Aik Kiat and Lim Aik Fu, where our independent advice circular was issued on 8 April 2024; and

(ix) unconditional mandatory take-over offer by Khidmat Kejora Sdn Bhd and Neo Pixel Sdn Bhd through M & A Securities Sdn Bhd to acquire all the remaining ordinary shares in Turiya Berhad not already owned by them, as well as Tan Sri Datuk Dr Mohan A/L M.K. Swami and Dato Sri Shamir Kumar Nandy, where our independent advice circular was issued on 27 May 2024.

Premised on the foregoing, DWA Advisory is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the non-interested directors and non-interested shareholders of the company in relation to the Proposed Exemption.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECT WITH THEM

The interests of the directors, major shareholders, chief executive and/or persons connected with them are set out in Section 9 of Part A of the Circular. Save for those disclosed in Section 9 of Part A of the Circular, none of the directors, major shareholders, chief executive and/or persons connected with them have any interests in the Proposals.

6. EVALUATION OF THE PROPOSED EXEMPTION

DWA Advisory has assessed various aspects of the Proposed Exemption in accordance with Paragraph 8 of Schedule 2: Part III of the Rules including the rationale and financial effects of the Proposed Exemption as its implications to the non-interested directors and non-interested shareholders. Hence, DWA Advisory's opinion on the fairness and reasonableness of the Proposed Exemption is rendered on a holistic approach. In forming our opinion to the non-interested directors and non-interested shareholders, we have considered the following factors in our evaluation of the Proposed Exemption:

No.	Item	Sections in this IAL
(a)	Rationale for the Proposed Rights Issue	**6.1**
(b)	Rationale for the Proposed Exemption	**6.2**
(c)	Evaluation of the Issue Price of the Rights Shares	**6.3**
(d)	Evaluation of the Exercise Price of the Warrants	**6.4**
(e)	Effects of the Proposals	**6.5**
(f)	Economic outlook, industry overview and prospects of the Group	**6.6**
(g)	Implications of the Proposed Exemption	**6.7**

6.1 Rationale for the Proposed Rights Issue

As disclosed in Section 4.1 of Part A of the Circular, we noted that the Board is of the view that the Proposed Rights Issue is the most suitable means for fund-raising.

We also noted from Section 3 of Part A of the Circular that the total proceeds to be raised from the Proposed Rights Issue and their proposed utilisation are summarised as follows:

Utilisation of proceeds	Expected timeframe for utilisation	Minimum Scenario (RM'000)	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)
Part-finance the infrastructure and engineering costs of the New Plant	Within 24 months	7,400	7,400	7,400
Part-finance the installation cost of two (2) new production lines in the New Plant	Within 24 months	5,000	5,000	5,000
Working capital for the Group	Within 24 months	4,440	4,793	18,556
Estimated expenses	Immediate	1,000	1,000	1,000
Total		**17,840**	**18,193**	**31,956**

The contribution of the respective business segments to HLT Group's financial performance for FYE 2021, FYE 2022, FYE 2023 and 9-month FPE 30 September are set out below:

Business Segment	Audited FYE 2021				Audited FYE 2022				Audited FYE 2023				Unaudited 9-month FPE 30 September			
	Revenue		Profit before tax ("PBT")/ Loss before tax ("LBT")		Revenue		PBT/(LBT)		Revenue		PBT/(LBT)		Revenue		PBT/(LBT)	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Manufacture of glove-dipping lines machines and fabrication works ("**Glove-Dipping Lines**")	103,914	38.44	10,761	32.04	62,134	82.11	6,334	11.79	52,647	85.28	5,430	13.10	21,975	60.44	1,400	21.51
Manufacture and trading of nitrile rubber gloves ("**Rubber-Gloves**")	166,400	61.56	26,706	79.52	13,536	17.89	(55,461)	(103.25)	9,085	14.72	(45,934)	(110.82)	14,381	39.56	(10,335)	(158.76)
Corporate[1]	-	-	(3,881)	(11.56)	-	-	(4,586)	(8.54)	-	-	(946)	(2.28)	-	-	2,425	37.25
Total	**270,314**	**100.00**	**33,586**	**100.00**	**75,670**	**100.00**	**(53,713)**	**100.00**	**61,732**	**100.00**	**(41,450)**	**100.00**	**36,356**	**100.00**	**(6,510)**	**100.00**

Note:

(1) *Refers to the provision of corporate services to the entities within the Group.*

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Pursuant thereto, our comments on the rationale for the Proposed Rights Issue are as follows:

(i) Contribute positively to the business operations and future financial performance of the Company

We noted that the New Plant refers to the Group's new glove manufacturing plant constructed over the Group's owned leasehold industrial land located at Villaraya Industrial Park 2, Semenyih, Selangor Darul Ehsan, measuring approximately 653,400 square feet in total land area. The construction of the New Plant began in May 2021 and is expected to be completed by the 2nd half of 2025. As at the LPD, the New Plant is approximately 85.00% completed. The New Plant is intended to be equipped with up to 20 new double former production lines for the manufacturing of nitrile rubber gloves over a period of three (3) years, as follows:

(a) Up to four (4) new double former production lines by the 2nd half of 2025;

(b) Up to four (4) new double former production lines by the 2nd half of 2026; and

(c) Up to twelve (12) new double former production lines by the 2nd half of 2028.

Presently, the Group operates a glove manufacturing plant located in Kuala Pilah, Negeri Sembilan Darul Khusus ("**Kuala Pilah Plant**"). The Kuala Pilah Plant is equipped with 16 production lines with a total production capacity of 1 billion pieces of rubber glove per annum. The Kuala Pilah Plant mainly manufactures high density gloves and household gloves.

The New Plant, upon completion in the 2nd half of 2025, will be equipped with four (4) new double former production lines with a total production capacity of 1 billion rubber gloves per annum and will increase the total production capacity of the Group to over 2 billion gloves per annum and will mainly manufacture low density nitrile rubber gloves. Upon completion of the 20 double former production lines in the New Plant, the total production capacity of the Group will increase by approximately 5 billion gloves per annum to a total of approximately 6 billion gloves per annum.

We noted that the Group intends to utilise RM5.00 million of the proceeds raised from the Proposed Rights Issue to part-finance the installation cost of two (2) new double former production lines in the New Plant. We have been made to understand that the remaining two (2) new double former production lines will be financed through internally generated funds and/or bank borrowings.

The Group is committed to operating in a more cost-effective manner as the new double former production lines improve efficiency through higher production rates and reduced waste. Furthermore, newer machinery will benefit from fewer breakdowns and lower maintenance downtime, thus strengthening their position as a reliable industry player.

We further noted that presently the Kuala Pilah Plant manufactures high density gloves and household gloves and as at the LPD, the Group's actual production is approximately 51 million rubber gloves, representing a utilisation rate of approximately 5.00%. Upon completion of the New Plant and the four (4) new double former production lines, the Group will be positioned to increase its production capacity to manufacture low density nitrile rubber gloves, which carries a higher demand in view of its application in industries where safety is paramount. As per Section 5.2 of the Circular, MARGMA anticipates that global demand for rubber gloves will increase to 450 billion pieces in 2027, driven by increased demand in key markets such as the United States, the European Union and Japan, as well as the expanding usage of gloves in non-medical sectors post-COVID-19, including hotels, restaurants, cafes and semiconductor industries. As such, the Group has taken such steps to ensure that they are positioned to take advantage of such prospects of the rubber glove industry as well as the prospects detailed in Section 6.6.3 of this IAL.

In addition to the above, we also noted that the Group intends to utilise part of the proceeds raised from the Proposed Rights Issue for working capital purposes, namely, operating expenses, staff costs and repayment of trade creditors. Under the Maximum Scenario, an additional RM12.00 million has been allocated by the Group to purchase raw materials such as nitrile butadiene rubber, compounding chemical and processing chemical as well as parts for the Glove-Dipping Lines operations namely, steel pipes, plates and hollows, conveyor chains, former holders, heat exchangers, gas burners and blower fans.

The Group's financial performance for the FYE 2021, FYE 2022, FYE 2023 and FPE 30 September 2024 are as follows:

	Audited			Unaudited
	FYE 2021	**FYE 2022**	**FYE 2023**	**FPE 30 September 2024**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**
Revenue	270,314	75,670	61,732	36,356
PBT/(LBT)	33,586	(53,713)	(41,450)	(6,510)

Based on the table above, we noted that the revenue of the Group has been trending downward since FYE 2021.

The Group's financial performance for the FYE 2022 was significantly affected as the rubber glove industry experienced the effects of normalisation after the surge in demand for rubber gloves and higher average selling price during the COVID-19 pandemic, where the Group registered a decline of 72.01% in revenue as compared to the FYE 2021. The loss for the FYE 2022 was attributable to the loss from the Rubber Gloves segment. The decline in revenue of the Rubber Gloves segment was in tandem with the decrease in sales volume and lower average selling price of gloves, as well as an impairment of property, plant and equipment of RM20.13 million (approximately 41.45% of the carrying amount as at the beginning of the FYE 2022 of RM48.56 million). The decline in revenue of the Glove-Dipping Lines segment was primarily due to adverse fluctuations in raw material prices and a general decline in capital expenditure in the rubber gloves manufacturing industry.

For FYE 2023, the financial performance of the Group continued to decline, affected by the slowdown in demand and the normalising of average selling price, where the Group registered a decline of 18.42% in revenue as compared to FYE 2022. The loss for the FYE 2023 was attributable to the loss from the Rubber Gloves segment. The decline in revenue of the Rubber Gloves segment was mainly due to the decrease in sales volume and lower average selling price of rubber gloves. While the decline in revenue of the Glove-Dipping Lines segment was in view of lower sales as rubber gloves manufacturers remain conservative in capital expenditure.

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The Group's cash flows for FYE 2021, FYE 2022, FYE 2023 and FPE 30 September 2024 are as follows:

	Audited			Unaudited
	FYE 2021	FYE 2022	FYE 2023	FPE 30 September 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net cash from operating activities	(17,993)	27,472	(14,665)	(10,968)
Net cash for investing activities	(64,827)	(30,674)	(8,115)	(2,318)
Net cash for financing activities	132	18,250	1,042	(119)
Net increase/ (decrease) in cash and cash equivalents	(82,688)	15,048	(21,738)	(13,405)
Effects of foreign exchange translation	9	2,455	1,033	(1,929)
Cash and cash equivalents at beginning of the financial years	115,732	33,053	50,557	29,852
Cash and cash equivalents at end of the financial years	33,053	50,557	29,852	14,518

We further noted that the Group had generated negative operating cash flow for the FYE 2023 as a result of losses sustained during the financial year. The negative operating cash flow is partly impacted by a reduction in new contracts received for the manufacture of Glove Dipping Lines, which is consistent with the general decline in sales for the segment.

Nevertheless, we noted that the Company has taken the necessary measures to address its loss-making position through the expansion of its New Plant.

The Board is of the view that the Proposed Rights Issue would be the most appropriate avenue to raise funds considering the current financial situation of the Group, which has been loss-making since FYE 2022 and operating in a negative operating cash flow based on its latest audited consolidated financial statements for FYE 2023. As such, to fund the construction of the New Plant and the installation of two (2) new double former production lines in the New Plant as to turnaround its business performance, any additional bank borrowings would expose the Group to risk of debt servicing obligations (i.e. additional interest expense), which in turn may affect its cash flow obligation as well as the Group's earnings.

Premised on the above, the Proposed Rights Issue would enable the Group to raise funds without incurring additional risk of debt servicing obligations (i.e. cash flow availability to cover interest and principal on debt obligations), to fund the aforementioned investments and working capital of the Group.

(ii) Raise intended funds without incurring interest cost

The Proposed Rights Issue will provide the Group with additional cash without a corresponding debt service burden for ease of its working capital. Alternatively, if the working capital were funded via debt, the Group would have to shoulder additional interest expenses, which would negatively impact the cash flows and earnings of the Group over the period when it needs to incur new capital expenditure to bolster its future prospects. The net operating loss incurred by the Group for unaudited FPE 30 September 2024 was RM6.99 million. For the same period, the Group's interest expense was RM700.

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For illustrative purposes, if the Group were to rely entirely on bank borrowings as alternative to raise up to RM31.96 million for its funding needs (equivalent to the amount of Proposed Rights Issue under the Maximum Scenario) based on the cost of debt of approximately 5.45% per annum (being the interest rate of a banking facility that was offered to the Group in 2022 for capital expenditure purposes), the Group would need to incur an additional RM1.74 million in annual interest expenses.

As at 30 September 2024, the Group had borrowings of RM0.23 million or approximately 0.34% of the total liabilities of the Group of RM66.77 million. The Group's borrowings comprise non-current borrowings of RM0.08 million and current borrowings of RM0.15 million representing 34.78% and 65.22% of the Group's total borrowings, respectively.

(iii) Potential impact on the cost of capital and gearing level of the Group

The Board is of the view that the Proposed Rights Issue is the most suitable means of fund raising as it enables the Group to raise the intended funds without incurring interest costs, which will in turn enable the Group to manage its cash flows more efficiently.

After taking into consideration the possible resultant changes to the capital structure, we have compared the pro forma effect of the Group's weighted average cost of capital ("**WACC**") based on the following scenarios:

(a) the Group's existing capital structure as at 30 September 2024 ("**Existing Scenario**");

(b) with the implementation of the Proposed Rights Issue ("**Equity Scenario**"); and

(c) without the implementation of the Proposed Rights Issue and assuming that HLT Group utilises bank borrowings to raise RM31.96 million (equivalent to maximum proceeds expected from the Proposed Rights Issue under the Maximum Scenario) in absence of the Proposed Rights Issue ("**Debt Scenario**").

WACC is the minimum required rate of return that all capital providers (shareholders and lenders) should demand for from a cash flow stream generated by the business, given the riskiness of the cash flows. WACC is computed by summing up the cost of each capital component (equity or debt) multiplied by its proportional weight. The WACC of the Group is derived as follows:

$$\text{WACC} = \frac{E}{D + E}(K_e) + \frac{D}{D + E}(K_d)(1 - t)$$

Where:

E : Market value of HLT's equity is as follows:

<u>**Existing Scenario**</u>

Based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0973 and the issued share capital of HLT as at the LPD of 838,799,842 HLT Shares.

<u>**Equity Scenario**</u>

Based on the TERP of RM0.0862 computed based on the five (5)-day VWAMP of HLT Shares up to and including the LPD RM0.0973 and the enlarged share capital of HLT of 1,278,239,013 HLT Shares based on the Maximum Scenario.

Debt Scenario

Based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0973 and the issued share capital of HLT as at the LPD of 838,799,842 HLT Shares.

D : Market value of HLT's debt is as follows:

Existing Scenario/ Equity Scenario

Based on the latest unaudited consolidated financial statements of HLT as at 30 September 2024, the Group's borrowings amounted to RM0.23 million.

Debt Scenario

Based on the latest unaudited consolidated financial statements of HLT as at 30 September 2024, the Group's borrowings amounted to RM0.23 million and assuming an additional debt financing of RM31.96 million (equivalent to maximum proceeds expected from the Proposed Rights Issue under the Maximum Scenario).

K_e : The K_e represents the required rate of return by an equity investor on the cash flow stream generated by HLT, given the risk associated with the cash flow.

The K_e was derived based on capital asset pricing model, using the following formula:

$$K_e = R_f + \beta (R_m - R_f)$$

The K_e was adopted after taking into consideration the following variables:

(a) Risk free rate of return ("**R_f**")

Risk-free rate of return represents the expected rate of return from a risk-free investment. The closest available approximation of the risk-free rate of return is the yield of 10-year Malaysia Government Securities. As extracted from the Bank Negara Malaysia website, the said yield is 3.81% as at the LPD.

(b) Beta ("**β**")

Beta is the sensitivity of an asset's returns to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than one (1) signifies that the asset is riskier than the market and vice versa.

In deriving the estimated beta for HLT, we have relied on the five (5)-year raw historical beta of the comparable companies listed on Bursa Securities up to the LPD. As at LPD, the five (5)-year raw historical beta for HLT was 2.286.

There are no companies which are exactly similar or directly comparable to HLT in terms of, amongst others, the composition of business activities, geographical location of operations, historical performance, risk profile, customer profile and future prospect. However, we are of the view that the identified companies are reasonable to be adopted for the purpose of deriving the estimated beta of HLT.

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As the historical beta was extracted from Bloomberg based on the capital structure of the comparable companies, we have unlevered the raw beta of the comparable companies and derived a simple average beta for the comparable companies of HLT which we then re-levered it based on the capital structure of HLT.

As HLT is principally involved in the provision of manufacturing and fabrication services to the glove industry as well as the manufacturing and trading of gloves, in arriving of the estimated beta of HLT, we have selected public listed comparable companies involved in the rubber glove industry as comparable companies which we view as broadly comparable to HLT.

We have selected the comparable companies based on the following criteria:

- involvement in the manufacturing and fabrication for the gloves industry, and manufacturing and trading of gloves;
- more than 80.00% of the comparable companies' latest financial year's consolidated revenue is derived from the manufacturing and trading of rubber gloves and provision of services related to the gloves industry; and
- companies that are listed on Bursa Securities with a market capitalisation of between RM50.00 million and RM300.00 million based on HLT's market capitalisation of RM79.69 million as at LPD.

The comparable companies identified are as follows:

No.	Company	Market Capitalisation as at LPD (RM' million)	Percentage of revenue contribution from gloves[2] (%)	Un-levered beta
(i)	Comfort Gloves Berhad[1]	227.35	100.00	1.314
(ii)	Careplus Group Berhad[2]	168.04	100.00	1.609
(iii)	Flexidynamic Holdings Berhad[3]	50.95	100.00	0.660
	Average un-levered beta			1.194

(Source: Bloomberg)

Notes:

(1) *The company is an investment holding company which manufactures and sells powdered and powder-free examination gloves.*

(2) *The company is an investment holding company. The company's subsidiaries manufacture, process, and trade gloves, including latex, nitrile, and vinyl gloves. The company also provides other disposable protection products such as facemasks, respirators, gowns, and caps.*

(3) *The company operates as a holding company. The company, through its subsidiaries, focuses on designing, engineering, installation, and commissioning of glove chlorination systems for the glove manufacturing industry.*

The un-levered beta is then re-levered based on the capital structure of HLT according to the following scenarios:

Scenario	**Debt-to-equity Ratio (times)**	**Re-levered beta of HLT (times)**
Existing Scenario	0.003	1.197
Equity Scenario	0.002	1.196
Debt Scenario	0.394	1.552

(c) Expected market rate of return ("$\mathbf{R_m}$")

Expected market rate of return represents the expected rate of return of investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.

In our opinion, the expected market rate of return for the FTSE Bursa Malaysia Top 100 Index is a good indicator of the equity market return in Malaysia as it is a forward-looking estimate of market return. As extracted from Bloomberg, the expected market rate of return for the FTSE Bursa Malaysia Top 100 Index as at LPD is 10.929%.

The rate of return required by the equity investors of HLT, Ke as at the LPD under respective scenarios after taking into consideration the R_f, B and R_m discussed above are as follows:

Scenario	**Cost of equity, K_e (%)**
Existing Scenario	12.330
Equity Scenario	12.325
Debt Scenario	14.860

k_d : 4.52% being the pre-tax weighted average cost of debt of the Group as at 30 September 2024.

t : The corporate tax rate, being the latest statutory tax rate of 24.00%.

For illustrative purposes, the WACC and gearing of the Group as at the LPD after taking into account the abovementioned pro forma changes are set out below:

Scenario	**WACC (%)**	**Gearing (times)**
Existing Scenario	12.305	0.003
Equity Scenario	12.307	0.002
Debt Scenario	11.629	0.394

As illustrated in the Equity Scenario above, the Group's WACC marginally increases from 12.305% to 12.307% while the Group's gearing marginally decreases from 0.003 times to 0.002 times.

For comparison purposes, should the Group utilise borrowings to raise RM31.96 million (equivalent to the maximum proceeds expected from the Proposed Rights Issue under the Maximum Scenario) as illustrated in the Debt Scenario above, the Group's WACC would decrease from 12.305% to 11.629%. Additionally, gearing ratio of the Group would significantly increase from 0.003 times to 0.394 times under the Debt Scenario.

As at 30 September 2024, the Group's bank borrowings of RM0.23 million comprise non-current borrowings of RM0.08 million and current borrowings of RM0.15 million.

We are of the view that the Proposed Rights Issue is justifiable and appropriate to raise the necessary funds to the Group at this juncture due to the following (based on the Maximum Scenario):

(a) under the Equity Scenario, the Group's gearing marginally decreases from 0.003 times to 0.002 times while the WACC marginally increases from 12.305% to 12.307%; and

(b) in the absence of the Proposed Rights Issue, the Debt Scenario is expected to significantly increase the gearing of the Group from 0.003 times to 0.394 times while the Group's WACC is lower at 11.629% under the Debt Scenario as compared to 12.307% under the Equity Scenario. However, equity financing will outweigh debt financing in terms of benefits, as the Group will not have to incur additional interest expenses from the additional bank borrowings from the debt financing, which would have resulted in a higher cash outflow and potentially reduce the Group's earnings. Furthermore, a high gearing ratio may limit the Group's accessibility to creditors' funds in the future.

(iv) Providing opportunity for all the Entitled Shareholders to participate in an equity offering of HLT Shares on a pro-rata basis without diluting the Entitled Shareholders' percentage shareholding.

Based on Section 2.1.2 of Part A of the Circular, we noted that the Issue Price will be determined at a later date with due consideration to the following:

(a) the prevailing market conditions and market prices of HLT Shares preceding the price-fixing date;

(b) the amount of proceeds to be raised from the Proposed Rights Issue which is to be channelled towards the purposes as detailed in Section 3 of Part A of the Circular; and

(c) the TERP calculated based on the five (5)-day VWAMP of HLT Shares immediately before the price-fixing date of the Rights Share.

We also noted that the Board intends to fix the Issue Price at a discount ranging from 10.00% to 30.00% to the TERP to make the Rights Shares attractive for the purpose of enhancing the subscription level. By setting the Issue Price closer to the implementation of the Proposed Rights Issue, it would provide the Board with greater flexibility to determine the Issue Price in view of the volatility of historical market prices of HLT Shares, where during the past six (6) months up to the LPD, HLT Shares have been trading between a low of RM0.085 and a high of RM0.175.

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The Proposed Rights Issue is an equity offering by HLT to all the Entitled Shareholders on a pro-rata basis at a pre-determined ratio and pre-determined Issue Price of the Rights Shares without diluting the shareholders' percentage of shareholdings in HLT (provided that all the Entitled Shareholders subscribe in full for their respective entitlements). Nonetheless, as HLT intends to raise a Minimum Subscription Level of RM17.84 million from the Proposed Rights Issue to meet the funding requirements of the Group, and given that the Proposed Rights Issue is not underwritten, the Minimum Subscription Level will be met via the Undertakings from the Undertaking Shareholders (i.e. Wong Kok Wah, Chan Yoke Chun) to apply and subscribe in full for their Rights Share entitlement.

However, if only the Undertaking Shareholders subscribe for the Proposed Rights Issue on a Minimum Subscription Level, the public shareholding spread could potentially be diluted from **52.18% to 40.66%** after the Proposed Rights Issue, and further diluted to **33.29%** after the exercise of the Warrants by the Undertaking Shareholders and to **33.19%** after the exercise of the ESOS Options by the Undertaking Shareholders.

The free Warrants attached to the Rights Shares will provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares while providing additional funds to the Group in the event it is exercised. Such gross proceeds raised from the exercise of the Warrants will be utilised to meet the Group's working capital requirements such as operating expenses, payment for staff salaries and repayment of trade creditors. Furthermore, the Warrants will be listed on the ACE Market, which will allow the Entitled Shareholders to either further increase their equity participation in HLT by exercising the Warrants or monetise the Warrants via disposal in the open market.

6.2 Rationale for the Proposed Exemption

The rationale for the Proposed Exemption is set out in Section 4.2 of Part A of the Circular.

Based on the rationale for the Proposed Exemption, the Proposed Exemption will relieve the Undertaking Shareholders and their PACs from the obligation to undertake the Mandatory Offer under the Proposed Rights Issue and upon exercise of their Warrants, as it is not the intention of the Undertaking Shareholders and their PACs to undertake the Mandatory Offer.

We noted that the entitlements to the Rights Shares are renounceable and will be provisionally allotted on a proportionate basis in accordance with the shareholding of the Entitled Shareholders and are fair to all shareholders. Should the Entitled Shareholders decide not to participate in the Proposed Rights Issue, the Entitled Shareholders have the option to sell the rights entitlements in the open market when quoted on Bursa Securities. In this respect, the Undertaking Shareholders would not gain any advantage over the non-interested shareholders who are accorded the rights to subscribe for the Rights Shares at the same Issue Price and in proportion with their shareholding in HLT on the Entitlement Date. However, the Entitled Shareholders should note that such rights' entitlements may not be traded at its theoretical value or intrinsic value.

The Proposed Exemption is not intended to dilute the shareholding of the other Entitled Shareholders as the collective shareholdings percentage of the Undertaking Shareholders in HLT will only increase if the Rights Shares are not subscribed for by the other Entitled Shareholders and/or their renouncee(s). Should all the Rights Shares be subscribed for by the other Entitled Shareholders and/or their renouncee(s), the collective shareholdings percentage of the Undertaking Shareholders in HLT will remain unchanged.

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Given that the Proposed Rights Issue and Proposed Exemption are inter-conditional upon each other, the approval for the Proposed Exemption is necessary to facilitate and ensure the successful implementation of the Proposed Rights Issue. Without the Proposed Exemption, HLT would not be able to implement the Proposed Rights Issue and thus, the Group may need to raise the necessary funding required via new borrowings or other alternative options to part-finance the infrastructure and engineering costs of the New Plant, the installation cost of two (2) new production lines in the New Plant and working capital, which may result in additional interest expense and thereby, potentially reducing the Group's earnings.

Furthermore, you should note that should you choose not to subscribe for your entitlement to the Rights Shares or choose to renounce your entitlement pursuant to the Proposed Rights Issue, your existing percentage shareholding in HLT would be diluted accordingly.

For avoidance of doubt, the Proposed Exemption, if approved by the non-interested shareholders of HLT and the SC, is only valid throughout the tenure of the Warrants which is 5 years from the date of the issuance of the Warrants.

Premised on the above, we are of the view that the rationale for the Proposed Exemption is justifiable.

6.3 Evaluation of the Issue Price of the Rights Shares

As disclosed in Section 2.1.2 of Part A of the Circular, we noted that the Issue Price will be determined and immediately announced by the Company at a later date (including the basis and justifications for the Issue Price), prior to the announcement of the Entitlement Date following the receipt of all the requisite approvals for the Proposals with due consideration to the following:

(a) the prevailing market conditions and market prices of HLT Shares preceding the price-fixing date;

(b) the amount of proceeds to be raised from the Proposed Rights Issue which is to be channelled towards the purposes as detailed in Section 3 of Part of the Circular; and

(c) the TERP calculated based on the five (5)-day VWAMP of HLT Shares immediately before the price-fixing date of the Rights Share.

We also noted that the Board intends to fix the Issue Price at a discount ranging between 10.00% to 30.00% to the TERP.

For the purpose of illustration only, the Rights Shares are assumed to be issued at the Indicative Issue Price, which represents a discount of RM0.0112 or 12.99% to the TERP of RM0.0862 per Share, calculated based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0973 per Share.

In evaluating the Indicative Issue Price, we have considered the following:

(i) Discount to the closing market prices and VWAMP of HLT Shares

The table below sets out the discount of the Indicative Issue Price of the Rights Shares to the TERP of HLT Shares up to the LPD:

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	Closing price/ VWAMP	TERP[1]	(Discount) of the Indicative Issue Price to the TERP	
	(RM)	(RM)	(RM)	(%)
Up to and including LPD				
Closing market price	0.0950	0.0850	(0.0100)	(11.76)
Five (5)-day VWAMP	0.0973	0.0862	(0.0112)	(12.99)
One (1)-month VWAMP	0.1079	0.0915	(0.0165)	(17.99)
Three (3)-month VWAMP	0.1114	0.0932	(0.0182)	(19.53)
Six (6)-month VWAMP	0.1313	0.1032	(0.0282)	(27.29)

Note:

[1] *TERP is computed based on the Proposed Rights Issue as follows:*

$$TERP = \frac{(A \times W) + (B \times X) + (C \times Y \times Z)}{A + B + C}$$

Where:

A	:	*Number of existing Shares*
B	:	*Number of Rights Shares*
C	:	*Number of Warrants*
W	:	*VWAMP of Shares up to LPD*
X	:	*Indicative Issue Price of the Rights Shares*
Y	:	*Warrant ratio*
Z	:	*Indicative Exercise Price of the Warrants*

Based on the above, we noted that the Indicative Issue Price represents discounts ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD.

(ii) Comparison against the audited and pro forma consolidated NA per HLT Share

The comparison of the Indicative Issue Price to the audited and pro forma consolidated NA per HLT Share pursuant to the Proposed Rights Issue are as follows:

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	Consolidated NA per HLT Share	Pro forma consolidated NA per HLT Share	(Discount) of the Indicative Issue Price to the pro forma consolidated NA per HLT Share	
	(RM)	(RM)	(RM)	(%)
Audited as at 31 December 2023	0.11	0.12[(1)]	(0.05)	(41.67)
Unaudited as at 30 September 2024	0.11	0.11	(0.04)	(36.36)
Based on the Minimum Scenario	-	0.11	(0.04)	(36.36)
Based on the Base Case Scenario	-	0.11	(0.04)	(36.36)
Based on the Maximum Scenario	-	0.11	(0.04)	(36.36)

Note:

[(1)] *Kindly refer to Section 6.5.3 of this IAL for the details of the adjustments.*

Based on the above, we noted that the Indicative Issue Price represents a discount of 41.67% to the pro forma consolidated NA per HLT Share of RM0.12 as at 31 December 2023, a discount of 36.36% to the pro forma consolidated NA per HLT Share of RM0.11 as at 30 September 2024 and a discount of 36.36% based on the Minimum, Base Case and Maximum Scenarios.

If non-interested shareholders do not subscribe to their rights entitlements under the Proposed Rights Issue, there will be a significant dilution of the collective shareholdings of the non-interested shareholders from 63.42% to 49.42% after the Proposed Rights Issue under the Minimum Scenario, or from 63.42% to 49.20% after the Proposed Rights Issue under the Base Case Scenario, and would cause a significant transfer of value in the form of Rights Shares at a discount of 12.99% to the TERP of HLT Shares of RM0.0862 based on five (5)-day VWAMP up to and including the LPD to the participating shareholders in the Proposed Rights Issue based on the Indicative Issue Price of RM0.075.

However, it is pertinent to note that the Rights Shares will be allotted on a pro-rata basis to all the Entitled Shareholders and such discount is also intended to encourage the Entitled Shareholders and/or their renouncee(s), if applicable, to subscribe for the Rights Shares.

Premised on the above, we are of the view that the Indicative Issue Price of the Rights Share is **justifiable** in view of the following:

(i) the entitlements for the Proposed Rights Issue are proportionate to the respective shareholding of all the Entitled Shareholders on the Entitlement Date;

(ii) the Entitled Shareholders who choose not to subscribe for the Rights Shares can trade their rights' entitlements to the Rights Shares on the open market, and as such, those that choose to renounce their entitlements to the Rights Shares can sell all or part of their rights' entitlements to the Rights Shares in the open market. However, the Entitled Shareholders should note that such rights' entitlements may not be traded at its theoretical value or intrinsic value;

(iii) the pricing mechanism of the Rights Shares is acceptable as it is based on market-based approach;

(iv) the Entitled Shareholders have the same right to subscribe for their entitlements to the Rights Shares at the same Issue Price, of which the final Issue Price of the Rights Shares will be determined at a later date at a discount range of 10.00% to 30.00% to the TERP; and

(v) the Indicative Issue Price represents the following:

(a) **discounts** ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD, and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD;

(b) a **discount** of 41.67% to the pro forma consolidated NA per HLT Share as at 31 December 2023, a discount of 36.36% to the pro forma consolidated NA per HLT Share as at 30 September 2024 and a discount of 36.36% based on the Minimum, Base Case and Maximum Scenarios.

Nevertheless, it should also be noted that the Indicative Issue Price is purely for illustration purpose and the Issue Price of the Rights Shares will be determined and immediately announced by the Company at a later date, prior to the announcement of the Entitlement Date. As such, the discounts stated above are variable figures and may increase or decrease, depending on the Issue Price of the Rights Shares.

6.4 Evaluation of the Exercise Price of the Warrants

As disclosed in Section 2.1.3 of Part A of the Circular, we noted that the Exercise Price will be determined and immediately announced by the Company at a later date, prior to the announcement of the Entitlement Date following the receipt of all the requisite approvals for the Proposals with due consideration to the following:

(i) the Warrants will be issued at no cost to the Entitled Shareholders and/or their renounce(s) who successfully subscribe for the Rights Shares;

(ii) historical price movement of HLT Shares; and

(iii) the TERP calculated based on the five (5)-day VWAMP of HLT Shares immediately before the price-fixing date of the Rights Share.

For purpose of illustration only, the Exercise Price is assumed to be at the Indicative Exercise Price, which represents a discount of RM0.0112 or 12.99% to the TERP of RM0.0862 per Share, calculated based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0973 per Share.

In evaluating the Indicative Exercise Price, we have considered the following:

(i) Theoretical value of the Warrants

We have applied the Trinomial Option Pricing Model to compute the theoretical value of the Warrants. The main parameters used in the model are as follows:

(a) the value of the underlying HLT Shares of RM0.0862 being the TERP of HLT Shares computed based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0973 per Share;

(b) the Indicative Exercise Price of RM0.075;

(c) tenure of the Warrants of five (5) years;

(d) risk-free interest rate is assumed to be 3.62% based on the five (5)-year Malaysia Government Securities as at the LPD; and

(e) HLT Shares' historical volatility for the past one (1)-year up to the LPD of 68.95%.

Based on the above, the theoretical value of the Warrants as at the LPD is RM0.04 (based on Trinomial Option Pricing Model) under the Minimum, Base Case and Maximum Scenarios.

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Non-interested shareholders should note that the theoretical value of the Warrants is for illustration purpose only and may not correspond to the actual market price of the Warrants upon listing on the ACE Market of Bursa Securities. There can also be no assurance that an active market for the Warrants will develop, or if developed, that such market can be sustained.

(ii) Discount to the closing market prices and VWAMP of HLT Shares

The table below sets out the discount of the Indicative Exercise Price of the Warrants to the TERP of HLT Shares up to the LPD:

	Closing price/ VWAMP	**TERP[1]**	**(Discount) of the Indicative Exercise Price to the TERP**	
	(RM)	**(RM)**	**(RM)**	**(%)**
<u>Up to and including LPD</u>				
Closing market price	0.0950	0.0850	(0.0100)	(11.76)
Five (5)-day VWAMP	0.0973	0.0862	(0.0112)	(12.99)
One (1)-month VWAMP	0.1079	0.0915	(0.0165)	(17.99)
Three (3)-month VWAMP	0.1114	0.0932	(0.0182)	(19.53)
Six (6)-month VWAMP	0.1313	0.1032	(0.0282)	(27.29)

Note:

(1) *Computation of the TERP is explained in Section 6.3 of this IAL.*

Based on the above, we noted that the Indicative Exercise Price represents discounts ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD.

(iii) Comparison against the audited and pro forma consolidated NA per HLT Share

The comparison of the Indicative Exercise Price to the audited and pro forma consolidated NA per HLT Share pursuant to the Proposed Rights Issue are as follows:

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	Consolidated NA per HLT Share	Pro forma consolidated NA per HLT Share	(Discount) to the adjusted consolidated NA per HLT Share	
	(RM)	(RM)	(RM)	(%)
Audited as at 31 December 2023	0.11	0.12[(1)]	(0.05)	(41.67)
Unaudited as at 30 September 2024	0.11	0.11	(0.04)	(36.36)
Based on the Minimum Scenario	-	0.11	(0.04)	(36.36)
Based on the Base Case Scenario	-	0.11	(0.04)	(36.36)
Based on the Maximum Scenario	-	0.11	(0.04)	(36.36)

Note:

(1) Kindly refer to Section 6.5.3 of this IAL for the details of the adjustments.

Based on the above, we noted that the Indicative Exercise Price represents a discount of 41.67% to the pro forma consolidated NA per HLT Share of RM0.12 as at 31 December 2023, a discount of 36.36% to the pro forma consolidated NA per HLT Share of RM0.11 as at 30 September 2024 and a discount of 36.36% based on the Minimum, Base Case and Maximum Scenarios.

If non-interested shareholders do not subscribe to their rights entitlements under the Proposed Rights Issue, there will be a significant dilution of the collective shareholdings of the non-interested shareholders from 63.42% to 49.42% after the Proposed Rights Issue under the Minimum Scenario, or from 63.42% to 49.20% after the Proposed Rights Issue under the Base Case Scenario, and would cause a significant transfer of value in the form of the Warrants at a discount of 12.99% to the TERP of HLT Shares of RM0.0862 based on the five (5)-day VWAMP up to and including the LPD to the participating shareholders in the Proposed Rights Issue based on the Indicative Exercise Price of RM0.075.

In our evaluation of the exercise price of the Warrants, we are of the view that a period of not more than six (6) months up to the LPD is more reasonable assessment period as it reflects the current market sentiment and the more recent market prices of HLT Shares.

Based on the analysis above, we noted that the Indicative Exercise Price represents:

(a) a **theoretical value** of RM0.04 computed based on the Trinomial Option Pricing Model as at the LPD;

(b) **discounts** ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD, and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD; and

(c) a **discount** of 41.67% to the pro forma consolidated NA per HLT Share as at 31 December 2023, a discount of 36.36% to the pro forma consolidated NA per HLT Share as at 30 September 2024 and a discount of 36.36% based on the Minimum, Base Case and Maximum Scenarios.

Based on the Indicative Exercise Price, the Warrants are **in-the-money** by RM0.0112 (i.e. the difference between the Indicative Exercise Price of RM0.075 and the TERP based on the five (5)-day VWAMP of HLT Shares up to and including the LPD of RM0.0862) and accordingly, holders of the Warrants are in a net gain position immediately after exercising the Warrants.

Nevertheless, it should also be noted that the Indicative Exercise Price is purely for illustration purpose and the Exercise Price of the Warrants will be determined and immediately announced by the Company at a later date, prior to the announcement of the Entitlement Date. As such, the discounts stated above are variable figures and may increase or decrease, depending on the Exercise Price of the Warrants.

Premised on the above, we are of the opinion that the Board's basis of arriving at the Exercise Price of the Warrants is justifiable in view that the Warrants are to be issued for free to the shareholders who successfully subscribe for the Rights Shares.

6.5 Effects of the Proposals

The Proposed Exemption, on a standalone basis, will not have any effect on the Group's issued share capital, earnings, NA, NA per HLT Share, gearing and substantial shareholders' shareholdings. However, due to the inter-conditionality of the Proposed Rights Issue and the Proposed Exemption, we take note of the effects of the Proposed Rights Issue on the Minimum Scenario and Maximum Scenario as set out in Section 6 of Part A of the Circular. The Proposed Exemption is necessary to facilitate the implementation of the Proposed Rights Issue.

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6.5.1 Issued share capital

The pro forma effects of the Proposed Rights Issue on the issued share capital of the Company as set out in Section 6.1 of Part A of the Circular are as follows:

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of HLT Shares	RM	No. of HLT Shares	RM	No. of HLT Shares	RM
As at the LPD	838,799,842	99,688,429	838,799,842	99,688,429	838,799,842	99,688,429
To be issued upon exercise of the ESOS Options	-	-	-	-	13,359,500[(1)]	16,966,565
	838,799,842	**99,688,429**	**838,799,842**	**99,688,429**	**852,159,342**	**116,654,994**
To be issued pursuant to the Proposed Rights Issue	237,861,600	10,260,975[(2)]	242,578,675	10,476,545[(2)]	426,079,671	18,862,540[(2)]
	1,076,661,442	**109,949,404**	**1,081,378,517**	**110,164,974**	**1,278,239,013**	**135,517,534**
To be issued upon exercise of the Warrants	237,861,600	24,418,265[(3)]	242,578,675	24,910,257[(3)]	426,079,671	44,049,410[(3)]
	1,314,523,042	**134,367,669**	**1,323,957,192**	**135,075,231**	**1,704,318,684**	**179,566,944**
To be issued upon exercise of the Undertaking Shareholders' Warrants	4,000,000	5,080,000[(4)]	4,000,000	5,080,000[(4)]	4,000,000	5,080,000[(4)]
Enlarged issued share capital	**1,318,523,042**	**139,447,669**	**1,327,957,192**	**140,155,231**	**1,708,318,684**	**184,646, 943**

Notes:

(1) *Assuming the issuance of 13,359,500 outstanding ESOS Options (excluding 4,000,000 ESOS Options held by the Undertaking Shareholders) into new HLT Shares at an exercise price of RM0.70 per ESOS Option and the amount is fully credited to the share capital account of HLT in accordance with the Act.*

(2) *After adjusted for the following:*

(a) *computed based on the Indicative Issue Price and accounting for the warrant reserve at the fair value of RM0.0293 per Warrant computed based on the Black-Scholes Option Pricing model with data sourced from Bloomberg as at the LPD; and*

(b) *deducting the apportioned estimated expenses incidental to the Proposals of approximately RM0.61 million. This was derived based on the apportionment of the allocated fair value of the Rights Shares against the total allocated fair value of the Rights Shares and Warrants.*

(3) *After adjusted for the following:*

(a) *computed based on the Indicative Exercise Price and fair value of RM0.0293 per Warrant; and*

(b) *deducting the apportioned estimated expenses incidental to the Proposals of approximately RM0.39 million. This was derived based on the apportionment of the allocated fair value of the Rights Shares against the total allocated fair value of the Rights Shares and Warrants.*

(4) *After adjusted for the following: Assuming the issuance of 4,000,000 ESOS Options into new HLT Shares at an exercise price of RM0.70 per ESOS Option and the amount is fully credited to the share capital account of HLT in accordance with the Act.*

Under the Minimum Scenario and based on the Indicative Issue Price, the issued share capital of HLT will increase from RM99.69 million to RM109.95 million after the Proposed Rights Issue and subsequently to RM134.37 million upon exercise of the Warrants and to RM139.45 million upon exercise of the Warrants by the Undertaking Shareholders.

Under the Base Case Scenario and based on the Indicative Issue Price, the issued share capital of HLT will increase from RM99.69 million to RM110.16 million after the Proposed Rights Issue and subsequently to RM135.08 million upon exercise of the Warrants and to RM140.16 million upon exercise of the Warrants by the Undertaking Shareholders.

Under the Maximum Scenario and based on the Indicative Issue Price, the issued share capital of HLT after assuming exercise of the ESOS Options will increase from RM116.66 million to RM135.52 million after the Proposed Rights Issue and subsequently to RM179.57 million upon exercise of the Warrants and to RM184.65 million upon exercise of the Warrants by the Undertaking Shareholders.

However, the pro forma effects of the Proposed Rights Issue on the issued share capital of the Company may vary depending on the actual Issue Price and Exercise Price.

6.5.2 Earnings and EPS

Barring any unforeseen circumstances, the realisation of the benefits from the utilisation of proceeds of the Proposed Rights Issue as disclosed in Section 3 of Part A of the Circular is expected to contribute positively to the future earnings of the Group. However, there is no certainty on the realisation of the benefits arising from the utilisation of the proceeds from the Proposed Rights Issue.

The EPS of HLT is expected to be diluted upon completion of the Proposed Rights Issue as a result of the increase in the number of HLT Shares arising from the issuance of the Rights Shares and the new Shares from the exercise of the Warrants.

6.5.3 NA and gearing

The pro forma effects on the Proposed Rights Issue on the NA and gearing of the Group as set out in Section 6.3 of Part A of the Circular are as follows:

Minimum Scenario

	Audited as at 31 December 2023 (RM'000)	(I) After subsequent events up to LPD (RM'000)	(II) After (I) and the Proposed Rights Issue (RM'000)	(III) After (II) and upon exercise of their Warrants (RM'000)	(IV) After (III) and upon exercise of the Undertaking Shareholders' ESOS Options (RM'000)
Share capital	88,274	99,688(2)	109,949	134,368	139,448
Merger deficit	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)
Warrant reserves	-	-	6,579(6)	-	-
ESOS reserves	10,278	9,895(3)	9,895	9,895	7,615(7)
Retained profits	9,231	12,366(4)	12,366	12,366	12,366
Shareholders' equity / NA	**85,750**	**99,916**	**116,756**	**134,596**	**137,396**
Non-controlling interest	412	-(5)	-	-	-
Total equity	**86,162**	**99,916**	**116,756**	**134,596**	**137,396**
No. of Shares ('000)	775,388	838,800	1,076,661	1,314,523	1,318,523
NA per Share (RM)	0.11	0.12	0.11	0.10	0.10
Borrowings (RM'000)	351	351	351	351	351
Gearing (times)	-(1)	-(1)	-(1)	-(1)	-(1)

Base Case Scenario

	Audited as at 31 December 2023 (RM'000)	(I) After subsequent events up to LPD (RM'000)	(II) After (I) and the Proposed Rights Issue (RM'000)	(III) After (II) and upon exercise of their Warrants (RM'000)	(IV) After (III) and upon exercise of the Undertaking Shareholders' ESOS Options (RM'000)
Share capital	88,274	99,688(2)	110,165	135,075	140,155
Merger deficit	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)
Warrant reserve	-	-	6,717(6)	-	-
ESOS reserves	10,278	9,895(3)	9,895	9,895	7,615(7)
Retained profits	9,231	12,366(4)	12,366	12,366	12,366
Shareholders' equity / NA	**85,750**	**99,916**	**117,110**	**135,303**	**138,103**
Non-controlling interest	412	-(5)	-	-	-
Total equity	**86,162**	**99,916**	**117,110**	**135,303**	**138,103**
No. of Shares ('000)	775,388	838,800	1,081,379	1,323,957	1,327,957
NA per Share (RM)	0.11	0.12	0.11	0.10	0.10
Borrowings (RM'000)	351	351	351	351	351
Gearing (times)	-(1)	-(1)	-(1)	-(1)	-(1)

Maximum Scenario

	Audited as at 31 December 2023 (RM'000)	(I) After subsequent events up to LPD (RM'000)	(II) After (I) and upon full exercise of ESOS Options (RM'000)	(III) After (II) and the Proposed Rights Issue (RM'000)	(IV) After (III) and upon full exercise of Warrants (RM'000)	(V) After (IV) and upon exercise the Undertaking Shareholders' ESOS Options (RM'000)
Share capital	88,274	99,688(2)	116,655(7)	135,518	179,567	184,647
Merger deficit	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)	(22,033)
Warrant reserve	-	-	-	12,093(6)	-	-
ESOS reserves	10,278	9,895(3)	2,280(8)	2,280	2,280	-
Retained profits	9,231	12,366(4)	12,366	12,366	12,366	12,366
Shareholders' equity / NA	**85,750**	**99,916**	**109,268**	**140,224**	**172,180**	**174,980**
Non-controlling interest	412	-(5)	-	-	-	-
Total equity	**86,162**	**99,916**	**109,268**	**140,224**	**172,180**	**174,980**
No. of Shares ('000)	775,388	838,800	852,159	1,278,239	1,704,319	1,708,319
NA per Share (RM)	0.11	0.12	0.13	0.11	0.10	0.10
Borrowings (RM'000)	351	351	351	351	351	351
Gearing (times)	-(1)	-(1)	-(1)	-(1)	-(1)	-(1)

Notes:

[(1)] *Negligible.*

[(2)] *After adjusted for the following proposals which were completed on 7 June 2024 ("**Previous Proposals**"):*

[(a)] *the issuance of 33,000,434 Shares at the fair value of RM0.18 each, pursuant to the capitalisation of all existing shareholders' advances from the vendors of Triple Care ("**Capitalisation of Shareholders' Advances**");*

[(b)] *the issuance of 27,806,062 Shares at the fair value of RM0.18 each, pursuant to the settlement of the amount owing by the Group to the identified creditors ("**Settlement of Identified Creditors**"); and*

[(c)] *the issuance of 2,605,297 Shares at the fair value of RM0.18 each, pursuant to the Acquisition.*

[(3)] *After deducting RM0.38 million pertaining to the lapsed of 672,500 ESOS Options.*

[(4)] *After adjusted for the following:*

[(a)] *the reversal of RM0.38 million pertaining to the lapsed of 672,500 ESOS Options;*

[(b)] *incorporating the gain from the Capitalisation of Shareholders' Advances of approximately RM1.66 million;*

[(c)] *incorporating the gain from the Settlement of Identified Creditors of approximately RM1.40 million;*

[(d)] *deducting the loss pursuant to the Acquisition of approximately RM0.06 million; and*

[(e)] *deducting the estimated expenses incidental to the Previous Proposals of approximately RM0.25 million.*

[(5)] *After deducting the non-controlling interest of approximately RM0.41 million pursuant to the completion of the Acquisition.*

[(6)] *After taking into account the warrant reserves of RM6.97 million, RM7.11 million and RM12.48 million arising from the Proposed Rights Issue under Minimum Scenario, Base Case Scenario and Maximum Scenario respective and the apportioned estimated expenses incidental to the Proposals of approximately RM0.39 million for Warrants. This was derived based on the apportionment of the allocated fair value of the Rights Shares against the total allocated fair value of the Rights Shares and Warrants.*

[(7)] *After adjusted for the exercise of 4,000,000 ESOS Options at an exercise price of RM0.70 per ESOS Option as well as the fair value of RM2.28 million for the 4,000,000 ESOS Options exercised by the Undertaking Shareholders;*

[(8)] *After adjusted for the full exercise of 13,359,500 ESOS Options at an exercise price of RM0.70 per ESOS Option as well as the fair value of RM7.61 million for the 13,359,500 ESOS Options exercised.*

[(9)] *After adjusted for the reversal of RM7.61 million pertaining to the full exercise of 13,359,500 ESOS Options.*

Under the Minimum Scenario, the pro forma NA will increase from RM85.75 million to RM99.92 million pursuant to the adjustment for subsequent events. Subsequently, the pro forma NA will increase to RM116.76 million, RM134.60 million and RM137.40 million, upon completion of the Proposed Rights Issue, exercise of the Warrants by the Undertaking Shareholders and exercise of the ESOS Options by the Undertaking Shareholders, respectively. Based on the Indicative Issue Price and Indicative Exercise Price, the pro forma NA per Share of RM0.12 is expected to reduce to RM0.11 upon completion of the Proposed Rights Issue and further reduce to RM0.10 subsequent to the exercise of the Warrants and ESOS Options by the Undertaking Shareholders.

Under the Base Case Scenario, the pro forma NA will increase from RM85.75 million to RM99.92 million pursuant to the adjustment for subsequent events. Subsequently, the pro forma NA will increase to RM117.11 million, RM135.30 million and RM138.10 million, upon completion of the Proposed Rights Issue, exercise of the Warrants by the Undertaking Shareholders and their PACs and exercise of the ESOS Options by the Undertaking Shareholders, respectively. Based on the Indicative Issue Price and Indicative Exercise Price, the pro forma NA per Share of RM0.12 is expected to reduce to RM0.11 upon completion of the Proposed Rights Issue and further reduce to RM0.10 subsequent to the exercise of the Warrants and ESOS Options by the Undertaking Shareholders.

Under the Maximum Scenario, the pro forma NA will increase from RM85.75 million to RM99.92 million pursuant to the adjustment for subsequent events. Subsequently, the pro forma NA will increase to RM109.27 million, RM140.22 million, RM172.18 million and RM174.98 million, upon exercise of the ESOS Options, completion of the Proposed Rights Issue, full exercise of the Warrants and exercise of the ESOS Options by the Undertaking Shareholders, respectively. The pro forma NA per Share of RM0.12 is expected to increase to RM0.13 upon exercise of the ESOS Options and reduce to RM0.11 upon completion of the Proposed Rights Issue and further reduce to RM0.10 upon full exercise of the Warrants and exercise of the ESOS Options by the Undertaking Shareholders.

The reduction of the NA per share based on the abovementioned scenarios are in view of the Indicative Issue Price and Indicative Exercise Price which are set below the pro forma NA per share of RM0.12 after the adjustment for the subsequent events.

Based on the audited consolidated financial statements of HLT as at 31 December 2023, HLT has marginal borrowings of RM0.35 million compared to its shareholders' equity of RM85.75 million. Hence, the gearing ratio of HLT under all scenarios is negligible.

However, the pro forma effects on the Proposed Rights Issue on the NA and gearing of the Group may vary depending on the actual Issue Price and Exercise Price.

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6.5.4 Shareholdings of the Undertaking Shareholders, PACs and substantial shareholders

The pro forma effects of the Proposed Rights Issue on the shareholdings of the Undertaking Shareholders, PACs and substantial shareholders as set out in Section 6.4 of Part A of the Circular are as follows:

Minimum Scenario

	As at LPD				(I) After the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%
Undertaking Shareholders/ Substantial Shareholders								
Wong Kok Wah	139,965,000	16.69	157,362,000[(1)]	18.76	251,937,000	23.40	283,251,600[(1)]	26.31
Chan Yoke Chun	157,362,000	18.76	139,965,000[(1)]	16.69	283,251,600	26.31	251,937,000[(1)]	23.40
	297,327,000	**35.45**			**535,188,600**	**49.71**		
PACs								
Wong Kok Mun	2,314,150	0.28	7,120,000[(1)]	0.85	2,314,150	0.21	7,120,000[(1)]	0.66
Teng Moi Bee	6,720,000	0.80	2,714,150[(1)]	0.33	6,720,000	0.62	2,714,150[(1)]	0.25
AMLSB	400,000	0.05	-	-	400,000	0.04	-	-
	9,434,150	**1.13**			**9,434,150**	**0.87**		
Total Undertaking Shareholders and PACs	**306,761,150**	**36.58**			**544,622,750**	**50.58**		
Substantial Shareholder								
Suntel International Co. Ltd	81,907,500	9.76	-	-	81,907,500	7.61	-	-

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	(II) After (I) and assuming exercise of the Warrants by the Undertaking Shareholders				(III) After (II) and assuming exercise of the ESOS Options by the Undertaking Shareholders			
	Direct No. of HLT Shares	%	Direct No. of HLT Shares	%	Direct No. of HLT Shares	%	Direct No. of HLT Shares	%
Undertaking Shareholders/ Substantial Shareholders								
Wong Kok Wah	363,909,000	27.68	409,141,200(1)	31.12	365,909,000	27.75	411,141,200(1)	31.18
Chan Yoke Chun	409,141,200	31.12	363,909,000(1)	27.68	411,141,200	31.18	365,909,000(1)	27.75
	773,050,200	**58.80**			**777,050,200**	**58.93**		
PACs								
Wong Kok Mun	2,314,150	0.18	7,120,000(1)	0.54	2,314,150	0.18	7,120,000(1)	0.54
Teng Moi Bee	6,720,000	0.51	2,714,150(1)	0.21	6,720,000	0.51	2,714,150(1)	0.21
AMLSB	400,000	0.03	-	-	400,000	0.03	-	-
	9,434,150	**0.72**			**9,434,150**	**0.72**		
Total Undertaking Shareholders and PACs	**782,484,350**	**59.52**			**786,484,350**	**59.65**		
Substantial Shareholder								
Suntel International Co., Ltd	81,907,500	6.23	-	-	81,907,500	6.21	-	-

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Base Case Scenario

	As at LPD				(I) After Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%
Undertaking Shareholders/ Substantial Shareholders								
Wong Kok Wah	139,965,000	16.69	157,362,000[(1)]	18.76	251,937,000	23.30	283,251,600[(1)]	26.19
Chan Yoke Chun	157,362,000	18.76	139,965,000[(1)]	16.69	283,251,600	26.19	251,937,000[(1)]	23.30
	297,327,000	**35.45**			**535,188,600**	**49.49**		
PACs								
Wong Kok Mun	2,314,150	0.28	7,120,000[(1)]	0.85	3,471,225	0.32	10,680,000[(1)]	0.99
Teng Moi Bee	6,720,000	0.80	2,714,150[(1)]	0.33	10,080,000	0.93	4,071,225[(1)]	0.38
AMLSB	400,000	0.05	-	-	600,000	0.06	-	-
	9,434,150	**1.13**			**14,151,225**	**1.31**		
Total Undertaking Shareholders and PACs	**306,761,150**	**36.58**			**549,339,825**	**50.80**		
Substantial Shareholder								
Suntel International Co., Ltd	81,907,500	9.76	-	-	81,907,500	7.57	-	-

	(II) After (I) and assuming exercise of the Warrants by the Undertaking Shareholders				(III) After (II) and assuming exercise of the ESOS Options by the Undertaking Shareholders			
	Direct		Direct		Direct		Direct	
	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%
Undertaking Shareholders/ Substantial Shareholders								
Wong Kok Wah	363,909,000	27.49	409,141,200[(1)]	30.90	365,909,000	27.55	411,141,200[(1)]	30.96
Chan Yoke Chun	409,141,200	30.90	363,909,000[(1)]	27.49	411,141,200	30.96	365,909,000[(1)]	27.55
	773,050,200	**58.39**			**777,050,200**	**58.51**		
PACs								
Wong Kok Mun	4,628,300	0.35	14,240,000[(1)]	1.08	4,628,300	0.35	14,240,000[(1)]	1.07
Teng Moi Bee	13,440,000	1.02	5,428,300[(1)]	0.41	13,440,000	1.01	5,428,300[(1)]	0.41
AMLSB	800,000	0.06	-	-	800,000	0.06	-	-
	18,868,300	**1.43**			**18,868,300**	**1.42**		
Total Undertaking Shareholders and PACs	**791,818,500**	**59.82**			**795,918,500**	**59.93**		
Substantial Shareholder								
Suntel International Co., Ltd	81,907,500	6.19	-	-	81,907,500	6.17	-	-

Maximum Scenario

	As at LPD				(I) After full exercise of the ESOS Options (excluding the Undertaking Shareholders)			
	Direct		Indirect		Direct		Indirect	
	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%
Undertaking Shareholders/ Substantial Shareholders								
Wong Kok Wah	139,965,000	16.69	157,362,000[(1)]	18.76	139,965,000	16.42	157,362,000[(1)]	18.47
Chan Yoke Chun	157,362,000	18.76	139,965,000[(1)]	16.69	157,362,000	18.47	139,965,000[(1)]	16.42
	297,327,000	**35.45**			**297,327,000**	**34.89**		
PACs								
Wong Kok Mun	2,314,150	0.28	7,120,000[(1)]	0.85	2,314,150	0.27	7,120,000[(1)]	0.84
Teng Moi Bee	6,720,000	0.80	2,714,150[(1)]	0.33	6,720,000	0.79	2,714,150[(1)]	0.32
AMLSB	400,000	0.05	-	-	400,000	0.05	-	-
	9,434,150	**1.13**			**9,434,150**	**1.11**		
Total Undertaking Shareholders and PACs	**306,761,150**	**36.58**			**306,761,150**	**36.00**		
Substantial Shareholder								
Suntel International Co., Ltd	81,907,500	9.76	-	-	81,907,500	9.61	-	-

	(II) After (I) and Proposed Rights Issue				(III) After (II) and assuming full exercise of the Warrants by all the holders			
	Direct		Indirect		Direct		Indirect	
	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%	No. of HLT Shares	%
Undertaking Shareholders/ Substantial Shareholders								
Wong Kok Wah	209,947,500	16.42	239,043,000[(1)]	18.61	279,930,000	16.42	314,724,000[(1)]	18.47
Chan Yoke Chun	236,043,000	18.47	212,947,500[(1)]	16.58	314,724,000	18.47	279,930,000[(1)]	16.42
	445,990,500	**34.89**			**594,654,000**	**34.89**		
PACs								
Wong Kok Mun	3,471,225	0.27	10,680,000[(1)]	0.84	4,628,300	0.27	14,240,000[(1)]	0.84
Teng Moi Bee	10,080,000	0.79	4,071,225[(1)]	0.32	13,440,000	0.79	5,428,300[(1)]	0.32
AMLSB	600,000	0.05	-	-	800,000	0.05	-	-
	14,151,225	**1.11**			**18,868,300**	**1.10**		
Total Undertaking Shareholders and PACs	**460,141,725**	**36.00**			**613,522,300**	**36.00**		
Substantial Shareholder								
Suntel International Co., Ltd	122,861,250	9.61	-	-	163,815,000	9.61	-	-

	(II) After (III) and assuming exercise of the ESOS Options by the Undertaking Shareholders Direct		Indirect	
	No. of HLT Shares	%	No. of HLT Shares	%
Undertaking Shareholders/ Substantial Shareholders				
Wong Kok Wah	281,930,000	16.50	316,724,000[1]	18.54
Chan Yoke Chun	316,724,000	18.54	281,930,000[1]	16.50
	598,654,000	**35.04**		
PACs				
Wong Kok Mun	4,628,300	0.27	14,240,000[1]	0.84
Teng Moi Bee	13,440,000	0.79	5,428,300[1]	0.32
AMLSB	800,000	0.05	-	-
	18,868,300	**1.11**		
Total Undertaking Shareholders and PACs	**617,522,300**	**36.15**		
Substantial Shareholder				
Suntel International Co., Ltd	163,815,000	9.61	-	-

Note:

[1] *Deemed interest by virtue of the shares held by his/her spouse in HLT.*

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Under the Minimum Scenario and based on the Indicative Issue Price, after the completion of the Proposed Rights Issue, the collective shareholdings of the Undertaking Shareholders and their PACs will increase from 36.58% to 50.58%. Subsequently, assuming full exercise of the Warrants by the Undertaking Shareholders, the collective shareholdings of the Undertaking Shareholders and their PACs will further increase to 59.52%. Finally, assuming only the Undertaking Shareholders fully exercise their ESOS Options, the collective shareholdings of the Undertaking Shareholders and their PACs will further increase to 59.65%.

Under the Base Case Scenario and based on the Indicative Issue Price, after the completion of the Proposed Rights Issue, the collective shareholdings of the Undertaking Shareholders and their PACs will increase from 36.58% to 50.80%. Subsequently, assuming full exercise of the Warrants by the Undertaking Shareholders and their PACs, the collective shareholdings of the Undertaking Shareholders and their PACs will further increase to 59.82%. Finally, assuming only the Undertaking Shareholders fully exercise their ESOS Options, the collective shareholdings of the Undertaking Shareholders and their PACs will further increase to 59.93%

Under the Maximum Scenario and based on the Indicative Issue Price, after the completion of the Proposed Rights Issue, the collective shareholdings of the Undertaking Shareholders and their PACs will reduce from 36.58% to 36.00%. Subsequently, assuming full exercise of the Warrants, the collective shareholdings of the Undertaking Shareholders and their PACs will remain at 36.00%. Finally, assuming the Undertaking Shareholders fully exercise their ESOS Options, the collective shareholdings of the Undertaking Shareholders and their PACs will further increase to 36.15%.

For the avoidance of doubt, the direct shareholdings of Wong Kok Wah and Chan Yoke Chun as well as the collective shareholdings of the Undertaking Shareholders and PACs, are subject to change. Such variations arise as the issue price of the Rights Shares will only be determined closer to the implementation of the Proposed Rights Issue, which may result in fluctuations in the number of Rights Shares and Warrants to be allocated to the Undertaking Shareholders pursuant to their Undertakings.

As such, the pro forma effects of the Proposed Rights Issue on the shareholdings of the Undertaking Shareholders, PACs and substantial shareholders may vary depending on the actual Issue Price and Exercise Price.

6.5.5 Convertible securities

As at the LPD, there are 17,359,500 outstanding ESOS Options. Based on the By-Laws, the Proposed Rights Issue may give rise to adjustments to the exercise price and/or number of outstanding ESOS Options ("**Adjustments**"). Any such Adjustment will only be finalised on the Entitlement Date and will be effective on the next Market Day after the Entitlement Date. The details of such Adjustments shall be notified to the holders of ESOS Options in accordance with the By-Laws.

Premised on the above, we are of the view that the overall effects of the Proposals are not detrimental to the interest of the non-interested shareholders.

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6.6 Economic outlook, industry overview and prospects of the Group

6.6.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.
During the quarter, both headline and core inflation remained stable at 1.9% (2Q 2024: 1.9%). Higher inflation was observed for diesel (20.1%; 2Q 2024: 5.3%) and vehicle insurance (0.8%; 2Q 2024: -0.1%), which was offset by broader moderation in inflation for food and beverages (1.6%; 2Q 2024: 1.9%), particularly food away from home, cereals, and fresh vegetables. On the whole, the share of Consumer Price Index (CPI) items recording monthly price increases was lower at 38.9% during the quarter (2Q 2024: 49.4%).

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2024, Bank Negara Malaysia)

Growth of the Malaysian economy in the second half of the year is expected to be driven by robust expansion in investment activity, strong exports and resilient household spending. Investment activities will be driven by continued progress of multi-year projects in both the private and public sectors, higher realisation of approved investments and the implementation of catalytic initiatives under the national master plans. Higher spillover from global tech upcycle and continued strength in demand for non-E&E goods will lift exports, while tourist spending is expected to improve further. Employment and wage growth, as well as policy measures would remain supportive of household spending.

The growth outlook faces downside risks from slower-than-expected external demand, further escalations in geopolitical tensions and protectionist measures as well as weaker-than-expected commodity production. Nevertheless, greater spillovers from the tech upcycle, faster implementation of investment projects and more robust tourism activities, provide upsides to Malaysia's economic outlook.

(Source: Bank Negara Malaysia Quarterly Bulletin – Third Quarter 2024, Bank Negara Malaysia)

6.6.2 Overview and outlook of the rubber glove industry

Despite normalisation in average selling price and improvement in demand as well as production, glove industry is still facing challenges as exports remain below pre-pandemic level (2019) coupled up with still high excess capacity of big glovemakers and stiff competition from China and Thailand. Global rubber glove demand is expected to rebound by 6.9% in 2024 (expected for 2023: -7.0%), but it is forecasted to expand moderately at a compound annual growth rate ("CAGR") of 3.9% up until 2030.

Around 1/3 of Malaysia's exports of rubber gloves were shipped to the United States of America (US) 35% in 2023, followed distantly by Japan 7.9%. Ongoing US-China trade skirmishes may continue to benefit Malaysia's players – a spike in US's import alerts for China's glove makers (2023: 16; 2022: 2). However, strict international labour standards and of the US's may pose some risks to exporting countries including Malaysia.

(Source: Industry Focus: Rubber Product, SME Bank Group)

The Malaysian glove sector is expected to experience a strong demand recovery this year, driven by inventory rebuilding, increased demand from the US due to higher tariffs on Chinese glove makers, and rising average selling prices, according to Kenanga Research, which has maintained its "overweight" stance on the sector.

Kenanga Research projects a 12% rise in global glove demand to 368 billion pieces this year, lifted by improved hygiene awareness and restocking by distributors. This growth is expected to alleviate oversupply pressures faced by the sector.

Glove players anticipate gloves' average selling prices ("ASPs") will increase by US$1 to US$2 per 1,000 pieces to reach US$20 to US$22 due to the uptick in demand, mitigated by the ringgit's appreciation against the US dollar. A US$1 increase in gloves ASP could boost net profit for glove makers by 50% to 70%.

Malaysian glove makers are also poised to gain from higher US tariffs on Chinese rubber gloves, which are set to rise to 50% in 2025 and 100% in 2026. The higher US import tariffs on Chinese gloves, expected to push prices to US$25 per 1,000 pieces, will bolster the competitiveness of Malaysian manufacturers with current ASPs of US$18 to US$21.

(Source: Malaysia's glove sector poised for strong demand recovery in 2025 — Kenanga Research, The Edge Malaysia)

6.6.3 Prospects of the Group

As disclosed in Section 5.3 of Part A of the Circular, we noted that the Group's operations comprise two (2) segments namely the Glove-Dipping Lines segment and the Rubber Gloves segment. The Glove-Dipping Lines segment is the largest revenue contributor to the Group.

The historical performance of the Group for FYE 2021, FYE 2022, FYE 2023 and unaudited 9-month FPE 30 September 2024 are as follows:

	Audited			Unaudited
	FYE 2021 (RM'000)	**FYE 2022 (RM'000)**	**FYE 2023 (RM'000)**	**9-month FPE 30 September 2024 (RM'000)**
Revenue	270,314	75,670	61,732	36,356
PBT/(LBT)	33,586	(53,713)	(41,450)	(6,510)
PAT/(LAT)	18,790	(53,533)	(41,288)	(6,989)

The financial performance of the Group has been severely impacted post COVID-19 pandemic particularly decrease in sales volume and lower average selling prices of rubber gloves caused by intense competition from Chinese manufacturers, which in turn has resulted in lower demand for glove-dipping lines.

However, as set out in Section 5.2 of Part A of the Circular, we noted that Malaysian glove manufacturers stand to benefit from the rise in tariffs on Chinese rubber medical and surgical gloves from 7.5% to 25.0% in 2026 imposed by the United States Government, rendering Malaysian-manufactured gloves more competitive in relation to the Chinese-manufactured gloves. Furthermore, the export of rubber gloves is expected to grow at a compound annual growth rate of 10.01% from 307.2 billion pieces in 2023 to 450.0 billion pieces in 2027.

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The Group intends to capitalise such prospects by expanding its manufacturing capabilities by constructing the New Plant which will be equipped with 20 new double former production lines for the nitrile rubber gloves, which upon completion will increase the total production capacity of the Group to approximately 6 billion gloves per annum. The Group is also looking for opportunities to expand through strategic investment, joint ventures, collaboration agreements and/or mergers and acquisition to businesses/ investment that are related to the Group's existing businesses.

The Proposed Rights Issue will enable the Group to raise funds and channel them towards, amongst others, the Group's immediate expansion plans namely, to complete the construction of the New Plant and the installation of two (2) new production lines in the New Plant.

If the Group were to undertake bank borrowings to fund its working capital, it would increase the cash outflows of the Group, as it would be tied down to principal repayments as well as interest servicing. Furthermore, the Proposed Rights Issue will enable the Group to preserve its cash flow for expansion, reinvestment and/or operational purposes and the Warrants attached to the Rights Shares will also provide the Group with additional funding when the Warrants are exercised.

Nevertheless, the overall prospect of HLT Group moving forward will be dependent on the outlook of the rubber glove industry in Malaysia and worldwide as well as the overall outlook of the Malaysian economy which is affected by global macroeconomic factors such as global inflationary pressure, rising interest rates and price volatility of raw materials. The Board remains cautiously optimistic on its future prospects.

Premised on the above, we are of the view that the outlook and prospects of HLT Group upon completion of the Proposals are positive.

6.7 Implications of the Proposed Exemption

Pursuant to subparagraph 4.08(2) of the Rules, the SC may consider granting the Proposed Exemption if the Undertaking Shareholders and their PACs have satisfied the following conditions:

(i) there is no acquisition of HLT Shares or instruments convertible into HLT Shares and options in respect of HLT Shares (other than subscription for new HLT Shares or new instruments convertible into or options in respect of new HLT Shares which have been disclosed in the Circular) by the Undertaking Shareholders and their PACs in the six (6) months prior to the announcement of the Proposals on 18 September 2024, but subsequent to the negotiation, discussion or the reaching of understandings or agreements with the Board in relation to the Proposals until completion of the subscription; and

(ii) approval has been obtained from independent holders of voting shares or voting rights of HLT at a meeting of the holders of the relevant class of voting shares or voting rights to waive their rights to receive the Mandatory Offer from the Undertaking Shareholders and their PACs. The voting at the forthcoming EGM in relation to the Proposals shall be conducted by way of poll.

Any exemption granted will be invalidated if the Undertaking Shareholders and/or their PACs have engaged or engage in a disqualifying transaction.

In addition, pursuant to paragraph 18.02 of the Rules, upon your approvals for the Proposals, the Undertaking Shareholders and their PACs shall not acquire any HLT Shares within a period of 6 months after the date of the EGM for the Proposals from a person who was a director or substantial shareholder of HLT at the time of the Proposed Exemption, as such acquisition will be deemed to be a favourable deal under Rule 18 of the Rules. The SC may consider granting a waiver to the Undertaking Shareholders and their PACs if such acquisition, if any, is *de minimis*.

The implication of the non-interested shareholders' votes on the Proposed Exemption to be tabled at the forthcoming EGM in relation to the Proposals are set out in Section 6.7.1 and Section 6.7.2 of this IAL.

6.7.1 If non-interested shareholders VOTE IN FAVOUR of the Proposed Exemption

(i) The Undertaking Shareholders and their PACs would be able to submit an application for the Proposed Exemption to the SC for its consideration. An approval from the SC for the Proposed Exemption would then exempt the Undertaking Shareholders and their PACs from the obligation to undertake the Mandatory Offer. Accordingly, the Proposed Exemption is valid only throughout the tenure of the Warrants which is 5 years from the date of the issuance of the Warrants.

(ii) The approval of the Proposed Exemption would imply that non-interested shareholders of HLT agree to waive their rights and exempt the Undertaking Shareholders and their PACs from the obligation to undertake the Mandatory Offer as a result of the Proposed Rights Issue (which shall be undertaken at a price no lower than the highest price paid by the Undertaking Shareholders and their PACs for HLT Shares in the past 6 months preceding the commencement of the offer). As such, the Undertaking Shareholders and their PACs will be able to increase their shareholdings in HLT without incurring an obligation to make a Mandatory Offer after completion of the Proposed Rights Issue.

Note:

Voting in favour of the Proposed Exemption does not in any way impede the Entitled Shareholders' right to participate in the Proposed Rights Issue. However, should the Entitled Shareholders decide not to subscribe for their entitlements under the Proposed Rights Issue, the Entitled Shareholders' percentage of shareholdings in HLT will be diluted accordingly.

(iii) Subject to the actual number and percentage of voting rights that the Undertaking Shareholders and their PACs will hold individually and/or collectively after the completion of the Proposed Rights Issue, the following thresholds pursuant to the Rules would be obliged to be observed by the Undertaking Shareholders and their PACs after the completion of the Proposals:

(a) should the collective shareholdings of the Undertaking Shareholders and their PACs in HLT be more than 33.00% but below 50.00% after the Proposed Rights Issue and they and their PACs subsequently trigger the 2.00% creeping threshold, they and their PACs would still be obligated to undertake the Mandatory Offer for the remaining shares not held by them and their PACs at the highest price paid by them and their PACs during the 6 months preceding the said offer; and

(b) should the collective shareholding of the Undertaking Shareholders and their PACs in HLT (including indirect interest held through any entity that the Undertaking Shareholders have statutory control over) increase to more than 50.00% after the Proposed Rights Issue and exercise of Warrants, any further increase in the individual or collective shareholdings of the Undertaking Shareholders and their PACs in HLT would not trigger an obligation to undertake a mandatory take-over offer provided that the Undertaking Shareholders and their PACs do not trigger such mandatory take-over offer obligation on an individual basis (i.e. individually increases his/her/its shareholding to above 33.00%).

(iv) The Undertaking Shareholders will subscribe in full for their respective entitlements under the Proposed Rights Issue based on their shareholdings as at the Entitlement Date pursuant to their Undertakings.

As a result of the above, under the Minimum Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.58% after the Proposed Rights Issue and subsequently to 59.52% upon full exercise of the Warrants by the Undertaking Shareholders. Correspondingly, the collective shareholdings of the non-interested shareholders are expected to decrease from 63.42% to 49.42% upon completion of the Proposed Rights Issue and subsequently to 40.48% upon full exercise of the Warrants by the Undertaking Shareholders.

Under the Base Case Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.80% after the Proposed Rights Issue and subsequently to 59.82% upon full exercise of the Warrants by the Undertaking Shareholders and their PACs. Correspondingly, the collective shareholdings of the non-interested shareholders are expected to decrease from 63.42% to 49.20% upon completion of the Proposed Rights Issue and subsequently to 40.18% upon full exercise of the Warrants by the Undertaking Shareholders and their PACs.

(v) Upon exercise of Warrants under the Minimum Scenario and Base Case Scenario, the Undertaking Shareholders and their PACs will have statutory control over HLT and will be able to determine the outcome of ordinary resolutions which require a simple majority of 50.00% plus 1 share and have significant influence on the outcome of any special resolutions which require a majority of 75.00% tabled at general meetings (unless the Undertaking Shareholders and their PACs are required to abstain from voting).

In view that the Proposed Rights Issue and the Proposed Exemption are inter-conditional as set out in Section 8 of Part A of the Circular, without the Proposed Exemption, the Proposed Rights Issue will not be implemented. Therefore, voting in favour of the Proposed Exemption will enable HLT to potentially benefit from the Proposed Rights Issue (if the Proposed Rights Issue is approved by the non-interested shareholders).

6.7.2 If the non-interested shareholders VOTE AGAINST the Proposed Exemption

(i) The Undertaking Shareholders and their PACs would not be able to submit an application for the Proposed Exemption to the SC; and

(ii) In view of the inter-conditionality of the Proposals as set out in Section 8 of Part A of the Circular, in the event the Proposed Exemption is not approved, HLT will not be able to undertake the Proposed Rights Issue. As such, HLT will not be able to realise the potential benefits of the Proposed Rights Issue.

Hence, the Board will have to deliberate on other possible alternatives including additional borrowings to raise funds for its working capital as well as to service any debt obligations arising from the new borrowings.

7. DIRECTORS' INTENTION TO VOTE

As at the LPD, save as disclosed below, none of the Directors have any interest (direct and indirect) in HLT. Accordingly, their intention to vote in relation to the Proposed Exemption are as follows:

Name	Direct		Indirect		Intention to vote in relation to the Proposed Exemption
	No. of HLT Shares	%	No. of HLT Shares	%	
Wong Wai Tzing	112,500	0.02	-	-	Vote in favour
Wong Kok Wah	139,965,000	16.69	157,362,000	18.76[(1)]	Abstain
Chan Yoke Chun	157,362,000	18.76	139,965,000	16.69[(1)]	Abstain
Chui Mee Chuen	750,000	0.09	-	-	Vote in favour
Yau Ming Teck	11,328,000	1.36	-	-	Vote in favour
Wong Koon Wai	100,000	0.02	-	-	Vote in favour

Note:

(1) *Deemed interest by virtue of the interest in HLT held by his/ her spouse.*

8. FUTURE PLANS OF THE GROUP AND ITS EMPLOYEES

In accordance with Paragraph 8, Schedule 2, Part II of the Rules, the Undertaking Shareholders and their PACs have confirmed that as at the LPD, they do not intend to effect any major change to the following:

(i) the continuation of the business of the Group;

(ii) the business of the Group, including any plans to liquidate any of the companies within the Group, sell any material assets or re-deploy the fixed assets of the Group or make any other major change in the business of the Group; and

(iii) the continued employment of the employees of the Group,

except where such changes are in the ordinary course of the Group's business or are necessary to rationalise or improve the Group's operations and/or financial performance and is in the best interest of the Group. The management of HLT is of the view that the commissioning of the New Plant would improve the Group's financial performance.

The Undertaking Shareholders and their PACs shall retain the flexibility at any time to consider any options which are in the best interest of the Group. The Undertaking Shareholders and their PACs intend to maintain the listing status of HLT on the ACE Market.

The Undertakings provided by the Undertaking Shareholders serve to provide continued financial support to the Group by enabling the Group to undertake the Proposed Rights Issue on a Minimum Subscription Level basis and raise up to RM17.84 million to meet the funding requirements of the Group without incurring interest expense and allow the Group to conserve its cash flows. The management of HLT believes that the Proposed Rights Issue is expected to place the Group in a better financial footing moving forward as well as deliver greater value to the shareholders of the Company and to facilitate the Group in turning around its current loss-making position.

Premised on the above, the Proposals are not detrimental to the business of the Group and to the interest of the non-interested shareholders.

9. DIRECTORS' RESPONSIBILITY STATEMENT

This IAL has been seen and approved by the Board, who collectively and individually accept full responsibility for the accuracy of the information given in this IAL and confirm that, after making all reasonable enquiries and to the best knowledge of the Board, all information relevant to the evaluation of the Proposed Exemption have been disclosed and that there is no omission of any material facts which would make any statement in this IAL false or misleading.

Further, the responsibility of the Board in respect of:

(i) the information related to the Undertaking Shareholders and their PACs (as provided by the Undertaking Shareholders and their PACs) is limited to ensuring that such information is accurately reproduced in this IAL; and

(ii) the independent advice and expression of opinion by DWA Advisory in relation to the Proposed Exemption is limited to ensuring that accurate information in relation to the Group was provided to DWA Advisory for its evaluation of the Proposed Exemption and to ensure that all information in relation to the Group that are relevant to DWA Advisory's evaluation of the Proposed Exemption have been completely disclosed to DWA Advisory and that there is no material fact, the omission of which would make any information provided to DWA Advisory false or misleading.

10. FURTHER INFORMATION

The non-interested directors and non-interested shareholders are advised to refer to Part A of the Circular as well as the attached appendices for further information.

11. CONCLUSION AND RECOMMENDATION

The non-interested directors and non-interested shareholders should carefully consider the merits and demerits of the Proposed Exemption based on all relevant and pertinent factors, including those set out in this IAL as well as those highlighted by the Board in its letter to the shareholders of HLT in relation to the Proposals as set out in Part A of the Circular, before voting on the resolution pertaining to the Proposed Exemption at HLT's forthcoming EGM.

It is pertinent to note that the entitlements for the Proposed Rights Issue are proportionate to the respective shareholdings of the Entitled Shareholders on the Entitlement Date. Should all the Entitled Shareholders and/or their renouncee(s) subscribe in full for their respective entitlements under the Proposed Rights Issue, there will not be any excess Rights Shares to be subscribed by the Undertaking Shareholders.

Further, the Undertaking Shareholders have given their Undertakings to subscribe in full for their respective entitlements and if required additional Rights Shares with Warrants by way of Excess Application to meet the Minimum Subscription Level.

In arriving at our conclusion and recommendation, we have assessed and evaluated the Proposed Exemption on a holistic basis, taking into consideration the various factors set out in Section 6 of this IAL and in accordance with Schedule 2: Part III of the Rules.

Non-interested shareholders should note that, if you do not subscribe to your rights entitlements under the Proposed Rights Issue, this would imply:

(i) a significant dilution of the collective shareholdings of the non-interested shareholders from 63.42% to 49.42% after the Proposed Rights Issue under the Minimum Scenario and based on the Indicative Issue Price or from 63.42% to 49.20% after the Proposed Rights Issue under the Base Case Scenario and based on the Indicative Issue Price;

(ii) significant transfer of value in the form of the Rights Shares at a discount of 12.99% to the TERP of HLT Shares of RM0.0862 based on five (5)-day VWAMP up to and including the LPD to the participating shareholders in the Proposed Rights Issue based on the Indicative Issue Price of RM0.075; and

(iii) significant transfer of value in the form of the Warrants at a discount of 12.99% to the TERP of HLT Shares of RM0.0862 based on the five (5)-day VWAMP up to and including the LPD to the participating shareholders in the Proposed Rights Issue based on the Indicative Exercise Price of RM0.075.

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Nevertheless, it should also be noted that the Indicative Issue Price and Indicative Exercise Price are purely for illustration purposes and the Issue Price and the Exercise Price will be determined and immediately announced by the Company at a later date, prior to the announcement of the Entitlement Date. As such, the discounts stated above are variable figures and may increase or decrease, depending on the Issue Price and Exercise Price.

For the avoidance of doubt, the direct shareholdings of Wong Kok Wah and Chan Yoke Chun as well as the collective shareholdings of the Undertaking Shareholders and PACs, are subject to change. Such variations arise as the issue price of the Rights Shares will only be determined closer to the implementation of the Proposed Rights Issue, which may result in fluctuations in the number of Rights Shares and Warrants to be allocated to the Undertaking Shareholders pursuant to their Undertakings.

In summary, the potential advantages and disadvantages of the Proposed Exemption are as follows:

Potential Advantages
(1) The Proposed Rights Issue and Proposed Exemption are inter-conditional. As such, voting in favour of the Proposed Exemption facilitates the implementation of the Proposed Rights Issue, which will in turn enable HLT to reap the potential benefits arising from the Proposed Rights Issue as follows: (i) Enable HLT Group to raise the required funding without incurring interest expense and a higher gearing ratio arising from the use of borrowings. This would allow HLT Group to conserve its cash flows for other business requirements such as working capital for the Group's operations and/or business expansion; (ii) Enable HLT Group to raise funds necessary to part-finance the infrastructure and engineering cost of the New Plant and the installation cost of two (2) glove production lines which are expected to be completed by the 2nd half of 2025; (iii) Provide an opportunity to all the Entitled Shareholders to participate in an equity offering in HLT on a pro-rata basis without diluting the Entitled Shareholders' percentage of shareholding in HLT (provided that all the Entitled Shareholders subscribe in full for their respective entitlement of the Rights Shares);
(2) The Entitled Shareholders would be able to subscribe for the Rights Shares at the Issue Price with a discount ranging from 10.00% to 30.00% to the TERP and be entitled to free Warrants pursuant to the Proposed Rights Issue. The Indicative Issue Price represents discounts ranging from 11.76% to 27.29% to the TERP based on the closing market price of HLT Shares as at the LPD and over the five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAMP of HLT Shares up to and including the LPD;
(3) The free Warrants attached to the Rights Shares will provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. Through the exercise of the Warrants, the Entitled Shareholders will be able to further increase their equity participation in HLT while also providing additional funds to HLT Group to fund the Group's working capital requirements such as operating expenses, payment for staff salaries and repayment of trade creditors. Alternatively, the Entitled Shareholders have the option to monetise their Warrants via disposal in the open market;

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Potential Advantages
(4) Pursuant to the Proposed Rights Issue, the WACC of the Company will marginally increase from 12.305% to 12.307%, compared to a lower WACC of 11.629% under the Debt Scenario. However, equity financing will outweigh debt financing in terms of benefits, as the Group will not have to incur additional interest expenses from the additional bank borrowings from the debt financing, which would have resulted in a higher cash outflow and potentially reduce the Group's earnings. It is pertinent to note that the additional bank borrowings of RM31.96 million (equivalent to maximum proceeds expected from the Proposed Rights Issue under Maximum Scenario) would result in an increase in gearing ratio from 0.003 to 0.394 times under the Debt Scenario; and;
(5) The Undertakings from the Undertaking Shareholders reaffirm the Undertaking Shareholders' confidence and commitment to the HLT Group and further align their interests to the HLT Group while providing certainty to HLT in raising the minimum level of funds the Company intends to raise from the Proposed Rights Issue. The Proposed Exemption enables the Undertaking Shareholders and their PACs to provide strong support for the Proposed Rights Issue as a viable equity fundraising option for the Company which does not depend on the availability of underwriters nor be subject to the uncertainties of equity offering subscription levels.
Potential Disadvantages
(1) Under the Minimum Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.58% after the Proposed Rights Issue and subsequently to 59.52% and 59.65% upon exercise of their Warrants and exercise of their ESOS Options, respectively. Under the Base Case Scenario and based on the Indicative Issue Price, the collective shareholdings of the Undertaking Shareholders and their PACs in HLT will potentially increase from 36.58% to 50.80% after the Proposed Rights Issue and subsequently to 59.82% and 59.93% upon exercise of their Warrants and exercise of their ESOS Options, respectively. Upon exercise of the Warrants under the Minimum Scenario and Base Case Scenario, the Undertaking Shareholders and their PACs will have statutory control over HLT and will be able to determine the outcome of ordinary resolutions which require a simple majority of 50.00% plus 1 share and have significant influence on the outcome of any special resolutions which require a majority of 75.00% tabled at general meetings (unless the Undertaking Shareholders and their PACs are required to abstain from voting);
(2) Non-interested shareholders who do not subscribe for or only partially subscribe for the Proposed Rights Issue entitlements will be significantly diluted given the Undertakings provided by the Undertaking Shareholders. The collective shareholding of the non-interested shareholders may potentially be diluted from **63.42%** to **49.42%** after the Proposed Rights Issue under the Minimum Scenario and based on the Indicative Issue Price, or from **63.42%** to **49.20%** after the Proposed Rights Issue under the Base Case Scenario and based on the Indicative Issue Price. However, the shareholdings of all the Entitled Shareholders will not be diluted if the Entitled Shareholders subscribe in full for their respective entitlements as the Proposed Rights Issue is an equity offering to all the Entitled Shareholders on the same terms and on a pro-rata basis; and

(3)	In view of the issuance of the Warrants pursuant to the Proposed Rights Issue, the non-interested shareholders of HLT should note that they could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the exercise of the Warrants into new HLT Shares.

Premised on the factors discussed above and our evaluation of the Proposed Exemption based on the information available to use, we are of the view that the Proposed Exemption is **FAIR AND REASONABLE**.

Accordingly, we recommend that the non-interested shareholders **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Exemption to be tabled at the forthcoming EGM.

NON-INTERESTED SHAREHOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAL TOGETHER WITH THE LETTER TO SHAREHOLDERS IN PART A OF THE CIRCULAR AND THE ACCOMPANYING ATTACHMENTS, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN BOTH LETTERS BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED EXEMPTION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

Yours faithfully,
For and on behalf of
DWA Advisory Sdn Bhd

Sharil Hanri Yuen	**Dato' Wan Asmadi Wan Ahmad**
Principal	Managing Principal

INFORMATION ON HLT

1.0 HISTORY AND PRINCIPAL ACTIVITIES

HLT was incorporated in Malaysia on 22 October 2015 and was listed on the ACE Market of Bursa Securities on 10 January 2017.

HLT is principally engaged in the business of investment holding. The principal activities of its subsidiaries are set in Section 5 of Attachment I.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, the issued share capital of HLT is as stated in the table below:

	No. of HLT Shares	Amount (RM)
Issued share capital	838,799,842	99,688,429

As at the LPD, there is only one class of ordinary shares in HLT. All HLT shares rank equally in all terms of voting rights and entitlements to any dividends, rights, allotments and/or distributions which may be declared, made or paid to the shareholders. HLT does not have any treasury shares.

2.2 Changes in the issued share capital

Save as disclosed below, there are no changes in HLT's issued share capital from the end of the FYE 2023 up to the LPD.

Date announced	No of HLT Shares allotted	Issue price per HLT Share (RM)	Type of issue	Cumulative no. of HLT Shares
10 June 2024	33,000,434	0.2303	Settlement shares	838,799,842
7 June 2024	27,806,062	0.2303	Settlement shares	805,799,408
7 June 2024	2,605,297	0.2303	Consideration shares	777,993,346
Total	**63,411,793**			

2.3 Convertible securities

Save as disclosed below, HLT does not have any convertible securities as at the LPD.

The Company has established the ESOS for eligible directors and employees of the Group and is governed by the ESOS By-Laws. The ESOS was implemented on 2 December 2016 and is in force until 2 December 2026. As at the LPD, there are 17,359,500 outstanding ESOS Options.

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3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of HLT are as follows:

Name	Country of incorporation/ Nationality	Direct		Indirect	
		No. of HLT Shares[(1)]	%	No. of HLT Shares[(1)]	%
Wong Kok Wah	Malaysian	139,965,000	16.69	157,362,000[(2)]	18.76
Chan Yoke Chun	Malaysian	157,362,000	18.76	139,965,000[(2)]	16.69
Suntel International Co., Ltd	Samoa	81,907,500	9.76	-	-

Notes:

(1) *Based on the issued share capital of 838,799,842 as at the LPD.*

(2) *Deemed interest by virtue of the interest in HLT held by his/ her spouse.*

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4. DIRECTORS OF HLT

As at the LPD, the details of the Board and their respective shareholdings in HLT are as follows:

Name	Nationality	Designation	Address	Direct		Indirect	
				No. of HLT Shares[1]	%	No. of HLT Shares[1]	%
Wong Wai Tzing	Malaysian	Independent Non-Executive Chairperson	c/o No. 6, Jalan Industri Mas 7, Taman Mas 47130 Puchong, Selangor	112,500	0.02	-	-
Wong Kok Wah	Malaysian	Deputy Chairman and Executive Director	c/o No. 6, Jalan Industri Mas 7, Taman Mas 47130 Puchong, Selangor	139,965,000	16.69	157,362,000	18.76[2]
Chan Yoke Chun	Malaysian	Chief Executive Officer and Executive Director	c/o No. 6, Jalan Industri Mas 7, Taman Mas 47130 Puchong, Selangor	157,362,000	18.76	139,965,000	16.69[2]
Chui Mee Chuen	Malaysian	Chief Financial Officer and Executive Director	c/o No. 6, Jalan Industri Mas 7, Taman Mas 47130 Puchong, Selangor	750,000	0.09	-	-
Yau Ming Teck	Malaysian	Non-Independent Non-Executive Director	c/o No. 6, Jalan Industri Mas 7, Taman Mas 47130 Puchong, Selangor	11,328,000	1.36	-	-
Wong Koon Wai	Malaysian	Independent Non-Executive Director	c/o No. 6, Jalan Industri Mas 7, Taman Mas 47130 Puchong, Selangor	100,000	0.02	-	-

Notes:

(1) *Based on the issued share capital of 838,799,842 as at the LPD.*

(2) *Deemed interest by virtue of the interest in HLT held by his/ her spouse.*

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5. SUBSIDIARY COMPANIES

As at the LPD, the subsidiary companies of HLT are as follows:

Name	Country of incorporation	Effective percentage of ownership (%)	Principal activities
<u>Subsidiaries of HLT:</u>			
HL Advance Technologies (M) Sdn Bhd	Malaysia	100.00	Manufacture of glove-dipping machines, fabrication works on metal and stainless-steel products and carry out all supporting services associated therewith.
HL Rubber Industries Sdn Bhd	Malaysia	100.00	Manufacture and trading of rubber gloves.
Triple Care	Malaysia	100.00	Intend to carry on manufacturing and trading of rubber gloves. Yet to commence business.

As at the LPD, HLT does not have any associate company.

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6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the Group based on the audited consolidated financial statements for the FYE 2021, FYE 2022 and FYE 2023, and the latest unaudited consolidated financial statements for the 9-month FPE 30 September 2024 are as follows:

	Audited			Unaudited
	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	9-month FPE 30 September 2024 (RM'000)
Revenue	270,314	75,670	61,732	36,356
PBT/(LBT)	33,586	(53,713)	(41,450)	(6,510)
PAT/(LAT)	18,790	(53,533)	(41,288)	(6,989)
Net PAT/(LAT) attributable to:				
- Owners of the Company	8.892	(53,461)	(41,211)	(6,957)
- Non-controlling interests	9,898	(72)	(77)	(32)
Weighted average number of HLT Shares in issue (units '000)	683,894	736,782	775,327	801,873
Net earnings/(loss) per share (sen)[(1)]	1.30	(7.26)	(5.32)	(0.87)
Net dividend per share (sen)	-	-	-	-

(Sources: Annual reports of HLT for the FYE 2021, FYE 2022 and FYE 2023, and the latest unaudited consolidated financial statements for the 9-month FPE 30 September 2024 of HLT.)

Note:

[(1)] *Based on the net PAT/(LAT) attributable to owners of the Company over the weighted average number of HLT Shares in issue for the respective FYEs and FPE.*

There were no material exceptional items in the audited consolidated financial statements of the Group for the FYE 2021, FYE 2022 and FYE 2023, and the latest unaudited consolidated financial statements for the 9-month FPE 30 September 2024 of HLT.

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7. STATEMENT OF ASSETS AND LIABILITIES

The statements of assets and liabilities of the Group based on the audited consolidated financial statements as at 31 December 2021, 31 December 2022, 31 December 2023 and the latest unaudited consolidated financial statements as at 30 September 2024 are as follows:

	Audited			Unaudited
	As at 31 December 2021 (RM'000)	**As at 31 December 2022 (RM'000)**	**As at 31 December 2023 (RM'000)**	**As at 30 September 2024 (RM'000)**
ASSETS				
Non-current assets				
Property, plant and equipment	48,562	52,954	34,920	36,871
Right-of-use assets	54,456	54,076	53,331	52,772
Goodwill	2,785	-	-	
Total non-current assets	**105,803**	**107,030**	**88,251**	**89,643**
Current assets				
Inventories	57,678	31,941	30,377	29,636
Trade receivables	14,279	17,995	18,222	9,930
Other receivables, deposits and prepayments	8,832	14,872	5,666	5,237
Contract assets	4,015	880	-	-
Amount owing by subsidiaries	33	-	-	126
Short-term investments	10,536	4,023	2,131	1,881
Current tax assets	-	5,368	6,352	6,156
Fixed deposits with licensed banks	1,539	37,800	26,054	10,383
Cash and bank balances	22,517	10,304	3,277	3,896
Total current assets	119,429	123,183	92,079	67,245
TOTAL ASSETS	**225,232**	**230,213**	**180,330**	**156,888**
EQUITY AND LIABILITIES				
Share capital	188,730	207,162	88,274	99,688
Merger deficit	(22,033)	(22,033)	(22,033)	(22,033)
Employee share option reserve	9,304	10,352	10,278	9,894
(Accumulated losses)/ Retained profits	(17,053)	(70,295)	9,231	2,569
Equity attributable to the owners of the Company	158,948	125,186	85,750	90,118
Non-controlling interests	561	489	412	-
TOTAL EQUITY	**159,509**	**125,675**	**86,162**	**90,118**

INFORMATION ON HLT *(cont'd)*

	Audited			Unaudited
	As at 31 December 2021 (RM'000)	**As at 31 December 2022 (RM'000)**	**As at 31 December 2023 (RM'000)**	**As at 30 September 2024 (RM'000)**
Non-current liabilities				
Term loan	539	371	205	80
Deferred tax liabilities	3,886	3,940	2,159	2,142
	4,425	4,311	2,364	2,222
Current Liabilities				
Trade payables	30,465	22,469	27,576	18,868
Other payables	20,995	21,120	22,723	10,398
Contract liabilities	8,569	56,352	41,173	34,947
Amount owing to related parties	6	148	185	183
Term loan	124	138	147	152
Current tax liabilities	1,139	-	-	
Total current liabilities	61,298	100,227	91,804	64,548
TOTAL LIABILITIES	**65,723**	**104,538**	**94,168**	**66,770**
TOTAL EQUITY AND LIABILITIES	**225,232**	**230,213**	**180,330**	**156,888**

(Sources: Annual reports of HLT for the FYE 2021, FYE 2022 and FYE 2023, and the latest unaudited consolidated financial statements for the 9-month FPE 30 September of HLT.)

As at the LPD, there is no known material change in the financial position of the Group, subsequent to the latest audited consolidated financial statements for the FYE 2023.

8. BORROWINGS

As at 31 December 2024, the total outstanding borrowings of the Group of approximately RM0.19 million are as set out below:

Borrowings	**(RM'000)**
Short-term borrowings:	
Term loan	153
Long-term borrowings:	
Term loan	39
Total borrowings	**192**

9. CHANGES IN ACCOUNTING POLICIES

Based on the audited consolidated financial statements of HLT for the FYE 2021, FYE 2022 and FYE 2023, the financial statements have been prepared in accordance with approved accounting standards and there was no audit qualification for HLT's financial statements for the respective years under review.

There is no change in the accounting standards adopted by HLT, which would result in a material variation to the comparable figures for the audited consolidated financial statements of HLT for the FYE 2021, FYE 2022 and FYE 2023.

10. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board confirms that there are no material commitments and contingent liabilities incurred or known to be incurred by HLT Group, which upon becoming enforceable, may have a material and adverse impact on the financial results/position of HLT Group:

	(RM'000)
Purchase of property, plant and equipment	10,404

11. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of HLT Group:

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

The Plaintiff commenced an action against HLA based on two (2) causes of action, namely, conspiracy and dishonest assistance, for HLA's alleged involvement in overpricing several factory lines. On 13 April 2022, the Plaintiff filed its Re-Amended Statement of Claim. The Plaintiff's claim against the 4th Defendant (Chan Yoke Chun) and the 5th Defendant (Wong Kok Wah) was struck out by the Court of Appeal on 30 March 2022.

The Plaintiff among others, prayed for the Defendants to be jointly and severally liable for a sum of RM49,954,578.84.

HLA counterclaimed against the Plaintiff and WRP Speciality Products Sdn Bhd ("WRP-SP") for, among others, the indemnity for the stamp duty and ancillary expenses relating to the settlement agreement, and in the event the settlement agreement is held to be null and void, the sums of RM10,080,444.57 against the Plaintiff and RM6,354,577.14 against WRP-SP. HLA counterclaim against the Plaintiff and WRP-SP was eventually withdrawn.

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

On 18 October 2023, the High Court of Malaya at Kuala Lumpur dismissed the Plaintiff's claim against HLA with costs of RM100,000.00 to be paid to HLA. The Plaintiff did not appeal against this decision.

(ii) Court of Appeal Appeal No. W-02(NCC)(W)-1894-11/2023 ("Appeal 1894")

Kuala Lumpur High Court Suit No: WA-22NCC-103-03/2022 ("Suit 103"): HLA v WRP Asia Pacific Sdn Bhd (1st Defendant), WRP Speciality Products Sdn Bhd (2nd Defendant), Sng Beng Hock Michael (3rd Defendant), Loong Mei Yin (4th Defendant) and Abinash Majhi (5th Defendant) (1st Defendant, 2nd Defendant, 3rd Defendant, 4th Defendant and 5th Defendant shall collectively be referred to as the "Defendants")

HLA filed a claim against the Defendants on 15 March 2022 for the following reliefs:

(a) judgment against the Defendants on a jointly and severally basis for the sum of RM16,435,021.71;

(b) interest in the sum of RM9,195,764.42 (as at 14 March 2022) and continuing at the rate of RM197,220.26 per month until full and final settlement of the judgment sum of RM16,435,021.71; and

(c) a declaration that the 3rd, 4th, and/or 5th Defendants are guilty of fraudulent trading under section 540 of the Act.

The 2nd Defendant, counterclaimed against HLA for the following reliefs:

(a) a declaration that this action is an abuse of the Court's process;

(b) a declaration that the settlement agreement dated 15 May 2019 is valid and enforceable;

(c) general damages for abuse of the court's process be assessed and paid by the Plaintiff to the 2nd Defendant;

(d) aggravated damages;

(e) exemplary damages;

(f) interest at a rate of 5% per annum from the Judgment date; and

(g) costs to be paid by HLA on an indemnity basis.

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

On 18 October 2023, the High Court of Malaya at Kuala Lumpur dismissed HLA's claim against the Defendants with costs of RM100,000.00 to be paid by HLA to the 1st, 3rd, 4th, and 5th Defendants and costs of RM50,000.00 to be paid by HLA to the 2nd Defendant. The High Court also dismissed the 2nd Defendant's counterclaim against HLA with costs of RM30,000.00 to be paid by the 2nd Defendant to HLA.

On 10 November 2023, HLA filed an appeal to the Court of Appeal via Appeal 1894. Appeal 1894 is fixed for hearing on 24 February 2025. The 2nd Defendant did not appeal against the dismissal of its counterclaim.

The solicitors representing the 2nd Defendant have filed a motion to withdraw as solicitors for the 2nd Defendant. The hearing initially scheduled for 24 February 2025, will now address the discharge motion. A new hearing date for Appeal 1894 will be set after the disposal of the discharge motion. The next case management for Appeal 1894 is scheduled for 5 March 2025.

HLA's solicitors are of the view that HLA has a reasonable chance of success in Appeal 1894, however they are unable to give an estimation of the amount of potential loss or gain at this juncture.

12. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered in the ordinary course of business of the Group) that the Group has entered during the 2 years prior the announcement of the Proposals on 18 September 2024:

(i) a shares sale agreement with Snicom Sdn Bhd, CWK & Mount Sing Sdn Bhd, Alcor Corporation (M) Sdn Bhd and Lordtech Specialty Sdn Bhd (collectively, the "Vendors") for the proposed acquisition of 600,000 ordinary shares in Triple Care ("Sale Shares"), representing the remaining 20.00% equity interest in Triple Care not owned by HLT, for a total purchase consideration of RM0.6 million to be fully satisfied via the issuance of 2,605,297 HLT Shares at an issue price of RM0.2303 each, entered into on 3 January 2024;

(ii) 4 separate shareholders' advances capitalisation agreements with Triple Care and the Vendors ("Capitalisation Agreements") for the proposed settlement by HLT of all existing shareholders' advances from the Vendors to Triple Care totaling RM7.6 million via the issuance of 33,000,434 new Shares at an issue price of RM0.2303 each, entered on 3 January 2024; and

(iii) 4 separate settlement agreements with Hasil Aneka Sdn Bhd, Unbros Construction Sdn Bhd, Brazer Engineering Sdn Bhd, and Hallmark Porcelain Sdn Bhd (collectively, the "Identified Creditors") for the proposed settlement by HLT of the identified amount owing by the HLT Group to the Identified Creditors totaling RM6.4 million via the issuance of 27,806,062 new Shares at an issue price of RM0.2303 each, entered on 3 January 2024.

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INFORMATION ON HLT *(cont'd)*

13. HISTORICAL PRICES

The highest and lowest closing market prices and closing price at the end of each month of HLT Shares for the past 12 months before the date of the IAL as set out below:

	High (RM)	Low (RM)
2024		
February	0.190	0.165
March	0.170	0.150
April	0.175	0.150
May	0.230	0.165
June	0.195	0.170
July	0.195	0.155
August	0.175	0.140
September	0.165	0.130
October	0.140	0.090
November	0.125	0.085
December	0.130	0.100
2025		
January	0.120	0.095
Last transacted market price on 17 September 2024 (being the latest Market Day preceding the announcement of the Proposals)		0.155
Last transacted market price on the LPD		0.095

During the period under review:

(i) the highest closing market price was RM0.230, which was transacted on 15 May 2024; and

(ii) the lowest closing market price was RM0.085, which was transacted on 1 November 2024.

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INFORMATION ON THE UNDERTAKING SHAREHOLDERS AND THEIR PACS

1. INFORMATION ON THE UNDERTAKING SHAREHOLDERS AND THEIR PACs

As disclosed in Section 2.2 of Part A of the Circular, the Undertaking Shareholders and their PACs will submit an application to the SC for the Proposed Exemption from a Mandatory Offer obligation after obtaining the approval for the Proposed Exemption from the non-interested shareholders of the Company at the forthcoming EGM of the Company.

Accordingly, the details of the Undertaking Shareholders and their PACs are as follows:

Name	Age	Country of incorporation/ Nationality	Nature of relationship
Wong Kok Wah	58	Malaysian	Being the director and substantial shareholder of HLT and an Undertaking Shareholder, as well as being the applicant seeking the Proposed Exemption.
Chan Yoke Chun	61	Malaysian	Being the director and substantial shareholder of HLT and an Undertaking Shareholder, as well as being the applicant seeking the Proposed Exemption.
Wong Kok Mun	50	Malaysian	Being the brother of Wong Kok Wah and brother-in-law of Chan Yoke Chun as well as being the director and substantial shareholder of AMLSB, and thus, is deemed as a PAC to them by virtue of paragraph 216(3)(h) of the CMSA.
Teng Moi Bee	49	Malaysian	Being the spouse of Wong Kok Mun (the brother of Wong Kok Wah and the brother-in-law of Chan Yoke Chun) as well as being the director and substantial shareholder of AMLSB, and thus, is deemed as a PAC to Wong Kok Wah and Chan Yoke Chun by virtue of paragraph 216(3)(h) of the CMSA.
AMLSB	-	Malaysia	Being a company owned and controlled by Wong Kok Mun and Teng Moi Bee. Thus, AMLSB is deemed as a PAC to Wong Kok Wah and Chan Yoke Chun by virtue of paragraph 216(3)(h) of the CMSA.

2. AMLSB

2.1 HISTORY AND PRINCIPAL ACTIVITIES

AMLSB was incorporated in Malaysia 12 October 2004 as a private limited company. The principal activities of AMLSB are manufacture and supply of product labels and media.

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INFORMATION ON THE UNDERTAKING SHAREHOLDERS AND THEIR PACS *(cont'd)*

2.2 SHARE CAPITAL

As at the LPD, the issued share capital of AMLSB is as follows:

	No. of Shares	RM
Issued share capital	300,000	300,000

As at the LPD, AMLSB does not have any convertible securities.

2.3 SHAREHOLDERS

As at the LPD, the shareholders of AMLSB and their respective shareholdings in AMLSB are as follows:

	Direct		Indirect	
	No. of Shares	(%)[1]	No. of Shares	(%)[1]
Wong Kok Mun	147,000	49.00	153,000	51.00[2]
Teng Moi Bee	153,000	51.00	147,000	49.00[2]

Notes:

[1] *Based on the issued share capital of 300,000 AMLSB Shares as at the LPD.*

[2] *Deemed interest by virtue of the interest in HLT held by his/ her spouse.*

2.4 DIRECTORS

As at the LPD, the directors of AMLSB and their respective shareholdings in AMLSB are as follows:

				Direct		Indirect	
Name	Nationality	Designation	Address	No. of Shares	(%)[1]	No. of Shares	(%)[1]
Wong Kok Mun	Malaysian	Company Director	16 Jalan Palma 1/1F, Taman Bukit Palma, Sungai Long, 43000 Kajang, Selangor	147,000	49.00	153,000	51.00[2]
Teng Moi Bee	Malaysian	Company Director	16 Jalan Palma 1/1F, Taman Bukit Palma, Sungai Long, 43000 Kajang, Selangor	153,000	51.00	147,000	49.00[2]

Notes:

[1] *Based on the issued share capital of 300,000 AMLSB Shares as at the LPD.*

[2] *Deemed interest by virtue of the interest in HLT held by his/ her spouse.*

2.5 SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURES

As at the LPD, AMLSB does not have any subsidiary, associate companies and joint ventures.

FURTHER INFORMATION

1. DISCLOSURE OF INTEREST AND DEALINGS IN SHARES

1.1 By HLT

(i) Dealing in own securities of HLT

HLT has not dealt, directly or indirectly, in its own voting shares or convertible securities of HLT during the period beginning 6 months before the date of the announcement of the Proposals on 18 September 2024 and ending on the LPD.

1.2 By the Directors of HLT

(i) Disclosure of interest in HLT

As at the LPD, save as disclosed in Section 4, Attachment I of this IAL, the Directors of HLT do not have any other interest, direct or indirect, in any voting shares or convertible securities in HLT.

(ii) Dealing in securities of HLT

The directors of HLT have not dealt, directly or indirectly, in any voting shares or convertible securities of HLT during the period beginning 6 months before the announcement of the Proposals on 18 September 2024 and ending on the LPD.

1.3 By the Undertaking Shareholders and their PACs

(i) Disclosure of interest in HLT

As at the LPD, save as disclosed below, the Undertaking Shareholders and their PACs do not have any other interest, direct or indirect, in any voting shares or convertible securities in HLT:

	Direct		Indirect	
	No. of Shares	**(%)[(1)]**	**No. of Shares**	**(%)[(1)]**
Wong Kok Wah	139,965,000	16.69	157,362,000	18.76[(2)]
Chan Yoke Chun	157,362,000	18.76	139,965,000	16.69[(2)]
PACs				
Wong Kok Mun	2,314,150	0.28	7,120,000	0.85[(2)(3)]
Teng Moi Bee	6,720,000	0.80	2,714,150	0.33[(2)(3)]
AMLSB	400,000	0.05	-	-

Notes:

(1) *Based on the issued share capital of 838,799,842 HLT Shares as at the LPD.*

(3) *Deemed interest by virtue of the interest in HLT held by his/ her spouse.*

(4) *Deemed interested by virtue of his/ her interest in AMLSB pursuant to Section 8(4) of the Act.*

(ii) Dealing in securities of HLT

As at the LPD, the Undertaking Shareholders and their PACs have not dealt, directly or indirectly, in any voting shares or convertible securities in HLT during the period beginning 6 months before the announcement of the Proposals on 18 September 2024 and ending on the LPD.

1.4 By the persons with whom HLT or any persons acting in concert with it has any arrangement

As at the LPD, there are no persons with whom HLT or any persons acting in concert with it have entered into any agreement including any arrangement involving rights over shares, any indemnity arrangement, any agreement or understanding, formal or informal, or whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing pursuant to the Proposals.

1.5 By the persons with whom HLT or any persons acting in concert with it has borrowed or lent

As at the LPD, there are no persons with whom HLT or any persons acting in concert with it have borrowed or lent any voting shares or convertible securities of HLT.

1.6 By DWA Advisory

(i) Disclosure of interest in HLT

As at the LPD, DWA Advisory does not have any interest, whether direct or indirect, in any voting shares or convertible securities of HLT.

(ii) Disclosure of dealings in securities of HLT

DWA Advisory has not dealt, directly or indirectly, in HLT Shares during the period beginning 6 months before the date of the announcement of the Proposals on 18 September 2024 and ending on the LPD.

(iii) Disclosure of interest in HLT by funds whose investments are managed by DWA Advisory on a discretionary basis

As at the LPD, DWA Advisory is not involved in management of funds on a discretionary basis.

1.7 By the persons with whom the Undertaking Shareholders and their PACs have any arrangement

As at the LPD, there are no persons with whom the Undertaking Shareholders and their PACs have entered into any agreement including any arrangement involving rights over shares, any indemnity arrangement, any agreement or understanding, formal or informal, or whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing pursuant to the Proposals.

1.8 By the persons with whom the Undertaking Shareholders and their PACs has borrowed or lent

As at the LPD, there are no persons with whom the Undertaking Shareholders and their PACs have borrowed or lent any voting shares or convertible securities of HLT.

1.9 By the persons who have irrevocably committed themselves to vote in favour or against the Proposals

As at the LPD, there is no person who has irrevocably committed himself to vote in favour or against the Proposals.

2. ARRANGEMENT AFFECTING DIRECTORS

(i) As at the LPD, no payments or other benefits will be made or given to any directors as compensation for loss of office or otherwise in connection with the Proposals.

(ii) As at the LPD, there are no agreements or arrangements between any director and any other person which is conditional on or dependent upon the outcome of the Proposals or otherwise connected with the outcome of the Proposals.

(iii) As at the LPD, the Undertaking Shareholders and their PACs have not entered into any material contract in which any director has a material personal interest.

(iv) As at the LPD, there are no agreements, arrangements or understanding existing between the Undertaking Shareholders and their PACs with any of the directors or recent directors, holders of voting shares or voting rights or recent holders of voting shares or voting rights of HLT having any connection with or dependence upon the Proposals.

3. SERVICE CONTRACTS

As at the LPD, neither HLT nor its subsidiaries have any service contracts with any Directors or proposed Directors, which have been entered into or amended within 6 months before the date of the announcement of the Proposals on 18 September 2024 or which are fixed term contracts more than 12 months to run.

For the purpose of this section, the term “service contracts” excludes those expiring or determinable by the employing company without payment of compensation within 12 months from the date of this IAL.

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FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and that they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT

KAF IB, as the Principal Adviser to HLT in relation to the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto, where relevant, in the form and context in which they appear.

DWA Advisory, as the Independent Adviser to HLT in relation to the Proposed Exemption, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular and the independent advice letter of its name and all references thereto, where relevant, in the form and context in which they appear.

3. DECLARATION

(i) KAF IB confirms that it is not aware of any conflict of interest that exist or likely to exist that affect or may affect its ability to act independently and objectively as the adviser in connection with the Proposals.

For information purpose, KAF IB was appointed as an adviser to HLT for the following proposals:-

(a) initial public offerings of HLT on ACE Market on 29 January 2015;

(b) bonus issue of up to 132,960,500 new Shares on the basis of one (1) Share for every two (2) existing Shares on 11 September 2017;

(c) acquisition of 55.0% of the issued share capital of HL Rubber Industries Sdn Bhd (“**HLRI**”) at the purchase consideration of RM33.0 million as well as diversification of the business of HLT Group into the business of manufacturing and trading of rubber gloves on 18 January 2018;

(d) private placement of up to twenty percent (20%) of the total number of issued Shares in HLT on 16 June 2020;

(e) acquisition of 45.0% of the issued share capital of HLRI at the purchase consideration of RM90.0 million on 14 December 2020;

(f) private placement of up to twenty percent (20%) of the total number of issued Shares in HLT on 30 December 2021; and

(g) capital reduction of the issued share capital of HLT pursuant to Section 116 of the Act on 3 March 2023.

(ii) DWA Advisory confirms that it is not aware of any conflict of interest that exist or likely to exist that affect or may affect its ability to act independently and objectively as the independent adviser in connection with the Proposed Exemption.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, save as disclosed below, there are no material commitments and contingent liabilities incurred or known to be incurred by the HLT Group, which upon becoming enforceable, may have a material and adverse impact on the financial results/position of the HLT Group:-

	RM'000
Purchase of property, plant and equipment	10,404

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, HLT Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of the HLT Group:-

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

The Plaintiff commenced an action against HLA based on two (2) causes of action, namely, conspiracy and dishonest assistance, for HLA's alleged involvement in overpricing several factory lines. On 13 April 2022, the Plaintiff filed its Re-Amended Statement of Claim. The Plaintiff's claim against the 4th Defendant (Chan Yoke Chun) and the 5th Defendant (Wong Kok Wah) was struck out by the Court of Appeal on 30 March 2022.

The Plaintiff among others, prayed for the Defendants to be jointly and severally liable for a sum of RM49,954,578.84.

HLA counterclaimed against the Plaintiff and WRP Speciality Products Sdn Bhd ("**WRP-SP**") for, among others, the indemnity for the stamp duty and ancillary expenses relating to the settlement agreement, and in the event the settlement agreement is held to be null and void, the sums of RM10,080,444.57 against the Plaintiff and RM6,354,577.14 against WRP-SP. HLA counterclaim against the Plaintiff and WRP-SP was eventually withdrawn.

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

On 18 October 2023, the High Court of Malaya at Kuala Lumpur dismissed the Plaintiff's claim against HLA with costs of RM100,000.00 to be paid to HLA. The Plaintiff did not appeal against this decision.

(ii) Court of Appeal Appeal No. W-02(NCC)(W)-1894-11/2023 ("Appeal 1894")

Kuala Lumpur High Court Suit No: WA-22NCC-103-03/2022 ("Suit 103"): HLA v WRP Asia Pacific Sdn Bhd (1st Defendant), WRP Speciality Products Sdn Bhd (2nd Defendant), Sng Beng Hock Michael (3rd Defendant), Loong Mei Yin (4th Defendant) and Abinash Majhi (5th Defendant) (1st Defendant, 2nd Defendant, 3rd Defendant, 4th Defendant and 5th Defendant shall collectively be referred to as the "Defendants")

HLA filed a claim against the Defendants on 15 March 2022 for the following reliefs:-

(a) judgment against the Defendants on a jointly and severally basis for the sum of RM16,435,021.71;

(b) interest in the sum of RM9,195,764.42 (as at 14 March 2022) and continuing at the rate of RM197,220.26 per month until full and final settlement of the judgment sum of RM16,435,021.71; and

(c) a declaration that the 3rd, 4th, and/or 5th Defendants are guilty of fraudulent trading under Section 540 of the Act.

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

(a) a declaration that this action is an abuse of the Court's process;

(b) a declaration that the settlement agreement dated 15 May 2019 is valid and enforceable;

(c) general damages for abuse of the court's process be assessed and paid by the Plaintiff to the 2nd Defendant;

(d) aggravated damages;

(e) exemplary damages;

(f) interest at a rate of 5% per annum from the Judgment date; and

(g) costs to be paid by HLA on an indemnity basis.

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

On 18 October 2023, the High Court of Malaya at Kuala Lumpur dismissed HLA's claim against the Defendants with costs of RM100,000.00 to be paid by HLA to the 1st, 3rd, 4th, and 5th Defendants and costs of RM50,000.00 to be paid by HLA to the 2nd Defendant. The High Court also dismissed the 2nd Defendant's counterclaim against HLA with costs of RM30,000.00 to be paid by the 2nd Defendant to HLA.

On 10 November 2023, HLA filed an appeal to the Court of Appeal via Appeal 1894. Appeal 1894 is fixed for hearing on 24 February 2025. The 2nd Defendant did not appeal against the dismissal of its counterclaim.

The solicitors representing the 2nd Defendant have filed a motion to withdraw as solicitors for the 2nd Defendant. The hearing initially scheduled for 24 February 2025, will now address the discharge motion. A new hearing date for Appeal 1894 will be set after the disposal of the discharge motion. The next case management for Appeal 1894 is scheduled for 5 March 2025.

HLA's solicitors are of the view that HLA has a reasonable chance of success in Appeal 1894, however they are unable to give an estimation of the amount of potential loss or gain at this juncture.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of HLT at Unit 521, 5th Floor, Lobby 6, Block A, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan during ordinary business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:-

(i) the Constitution of the Company;

(ii) the audited consolidated financial statements of HLT Group for FYE 2022 and FYE 2023;

(iii) the latest unaudited consolidated financial statements of HLT for the financial period ended 30 September 2024;

(iv) the letters of consent and conflict of interests referred to in Section 2 and Section 3 respectively of this Appendix I;

(v) the relevant cause papers in respect of the material litigations referred to in Section 5 of this Appendix I;

(vi) the draft Deed Poll; and

(vii) the Undertakings.

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HLT GLOBAL BERHAD
(Registration No.: 201501038003 (1163324-H))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**" or "**Meeting**") of HLT Global Berhad ("**HLT**" or the "**Company**") will be held at Langkawi Room, Second Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, on Monday, 3 March 2025 at 10:30 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without any modifications:-

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 426,079,671 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 426,079,671 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR ("PROPOSED RIGHTS ISSUE")

"**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or parties (if required) being obtained, the board of directors of HLT ("**Board**") be and is hereby authorised to:-

(i) provisionally allot and issue by way of a renounceable rights issue of up to 426,079,671 Rights Shares on the basis of one (1) Rights Share for every two (2) existing HLT Shares held by the shareholders of the Company ("**Entitled Shareholders**") whose names appear in the Record of Depositors at the close of business on an entitlement date to be determined and announced by the Board later and/or their renouncee(s)/transferee(s), together with up to 426,079,671 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for;

(ii) determine the issue price of the Rights Shares after all relevant approvals have been obtained for the Proposed Rights Issue and Ordinary Resolution 2; and

(iii) to allot and issue such number of new HLT Shares pursuant to the exercise of the Warrants during the tenure of the Warrants in accordance with the provisions of the deed poll constituting the Warrants to be executed by the Company;

THAT any unsubscribed Rights Shares together with the Warrants shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s)/transferee(s) as it is the intention of the Board to allocate the excess Rights Shares on a fair and equitable manner and on a basis to be determined by the Board and announced later by the Company;

THAT the Rights Shares, Warrants, and new HLT Shares to be issued arising from the exercise of the Warrants shall be listed on the ACE Market of Bursa Malaysia Securities Berhad;

THAT the Rights Shares shall, upon issuance and allotment, rank equally in all respects with the then existing HLT Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to shareholders of the Company, where the entitlement date is prior to the date of issuance and allotment of such new Rights Shares;

THAT the new HLT Shares to be issued arising from the exercise of the Warrants shall, upon issuance and allotment, rank equally in all respects with the then existing HLT Shares, save and except that the new HLT Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of the Company, where the entitlement date is prior to the date of issuance and allotment of such new HLT Shares;

THAT the proceeds of the Proposed Rights Issue to be utilised for the purposes as set out in Section 3.0, Part A of the circular to the shareholders of HLT in relation to the Proposed Rights Issue and Proposed Exemption (as defined herein) dated 14 February 2025 ("**Circular**"), and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities (where required);

THAT any fractional entitlements arising from the Proposed Rights Issue will be disregarded and shall be dealt with in such a manner as the Board shall in its absolute discretion deem fit, expedient and in the best interests of the Company;

THAT any one director of HLT (save for Wong Kok Wah and Chan Yoke Chun) be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue with full power to assent to and accept any conditions, variations, modifications and/or amendments in any manner as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be required by any relevant authorities, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he/she may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue.

AND THAT this Ordinary Resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an agreement, option or offer and shall continue in full force and effect until the Rights Shares together with the Warrants to be issued pursuant to or in connection with the Proposed Rights Issue have been duly issued and allotted in accordance with the terms of the Proposed Rights Issue."

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION FOR WONG KOK WAH, CHAN YOKE CHUN AND THE PERSONS ACTING IN CONCERT WITH THEM (WHO HOLD SHARES IN HLT PURSUANT TO SUBSECTIONS 216(2) AND 216(3) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA")), NAMELY WONG KOK MUN, TENG MOI BEE AND APPLIED MEDIA & LABELS SDN BHD ("PACS") UNDER SUBPARAGRAPHS 4.08(1)(B) AND 4.08(1)(C) OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS ISSUED BY THE SECURITIES COMMISSION MALAYSIA ("SC") PURSUANT TO SECTION 377 OF THE CMSA ("RULES") FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR THE REMAINING HLT SHARES NOT ALREADY OWNED BY THEM ("MANDATORY OFFER"), UNDER THE PROPOSED RIGHTS ISSUE AND UPON EXERCISE OF THEIR WARRANTS ("PROPOSED EXEMPTION")

"**THAT** subject to the passing of Ordinary Resolution 1 and the approval being obtained from the SC and all other relevant authorities, where relevant, and compliance with the Rules, approval be and is hereby given for the proposed exemption to Wong Kok Wah, Chan Yoke Chun and their PACs under subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules from the obligation to undertake a Mandatory Offer, under the Proposed Rights Issue and upon exercise of their warrants;

AND THAT any one director of HLT (save for Wong Kok Wah and Chan Yoke Chun) be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Exemption with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he/she may consider necessary or expedient to implement, finalise and give full effect to the Proposed Exemption."

BY ORDER OF THE BOARD

KHOO MING SIANG (MAICSA 7034037) (SSM Practising Cert. No.: 202208000150)
LAW WEI LENG (MAICSA 7064862) (SSM Practising Cert. No.: 202108000506)
Company Secretaries

Selangor Darul Ehsan
14 February 2025

Notes:-

(1) A member who is entitled to attend, participate, speak and vote at the EGM shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(2) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 24 February 2025. Only members whose names appear in the General Meeting Record of Depositors as at 24 February 2025 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.

(3) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(5) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(7) To be valid, the instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM at which the person named in the appointment proposes to vote.

(8) The resolutions set out in the Notice of EGM will be put to vote by poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

HLT GLOBAL BERHAD
(Registration No.: 201501038003 (1163324-H))
(Incorporated in Malaysia)

PROXY FORM
(Before completing this form please refer to the notes below)

No. of shares held	**:**	
CDS Account No.	**:**	

I/We * ______________________________ NRIC/Passport/Registration No.* ________________
(Full name in block)
of ____
(Address)
with email address ____________________________ mobile phone no. ________________

being a member/members* of **HLT GLOBAL BERHAD** ("**HLT**" or "**the Company**") hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

and/or

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairperson of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("**EGM**" or "**Meeting**") of the Company to be held at Langkawi Room, Second Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 3 March 2025 at 10:30 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

RESOLUTIONS	**FOR**	**AGAINST**
Ordinary Resolution 1 - Proposed Rights Issue		
Ordinary Resolution 2 - Proposed Exemption		

**** delete whichever not applicable***

Dated this ___________day of _____________ 2025

____
Signature of Member(s) / Common Seal

Notes:-

1) A member who is entitled to attend, participate, speak and vote at the EGM shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

2) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 24 February 2025. Only members whose names appear in the General Meeting Record of Depositors as at 24 February 2025 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.

3) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

5) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

7) To be valid, the instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM at which the person named in the appointment proposes to vote.

8) The resolutions set out in the Notice of EGM will be put to vote by poll.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar of
HLT Global Berhad

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

1st fold here