

**HARTALEGA HOLDINGS BERHAD**

Registration No. 200601022130 (741883-X)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the fourth quarter ended 31 March 2022**

	Current Quarter Ended 31 Mar 2022 RM'000	Corresponding Quarter Ended 31 Mar 2021 RM'000	Current Year-To-Date 31 Mar 2022 RM'000	Corresponding Year-To-Date 31 Mar 2021 RM'000
Revenue	968,693	2,307,481	7,888,286	6,703,485
Operating expenses	(762,021)	(738,214)	(3,317,849)	(2,899,155)
<b>Operating Profit</b>	<u>206,672</u>	<u>1,569,267</u>	<u>4,570,437</u>	<u>3,804,330</u>
Other operating income/(expenses)	12,712	(56,050)	71,550	15,585
<b>Profit before interest and tax</b>	<u>219,384</u>	<u>1,513,217</u>	<u>4,641,987</u>	<u>3,819,915</u>
Finance costs	(1,008)	(1,487)	(4,774)	(6,532)
<b>Profit before tax</b>	<u>218,376</u>	<u>1,511,730</u>	<u>4,637,213</u>	<u>3,813,383</u>
Taxation	(408,113)	(386,568)	(1,394,595)	(909,636)
<b>Net (loss)/profit for the period</b>	<u>(189,737)</u>	<u>1,125,162</u>	<u>3,242,618</u>	<u>2,903,747</u>
<b>Other comprehensive income/(loss)</b>				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference for foreign operations	3,012	5,609	(1,883)	11,336
<b>Total comprehensive (loss)/income for the period</b>	<u>(186,725)</u>	<u>1,130,771</u>	<u>3,240,735</u>	<u>2,915,083</u>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(197,904)	1,119,196	3,234,701	2,885,513
Non-controlling interest	8,167	5,966	7,917	18,234
	<u>(189,737)</u>	<u>1,125,162</u>	<u>3,242,618</u>	<u>2,903,747</u>
<b>Total comprehensive (loss)/ income attributable to:</b>				
Owners of the Company	(195,442)	1,123,193	3,233,112	2,894,195
Non-controlling interest	8,717	7,578	7,623	20,888
	<u>(186,725)</u>	<u>1,130,771</u>	<u>3,240,735</u>	<u>2,915,083</u>
 (Loss)/Earnings per share (sen)	 (5.79)	 32.75	 94.64	 84.43

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021 and the accompanying notes attached to this interim financial report.)

# HARTALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Condensed Consolidated Statement of Financial Position as at 31 March 2022

	<i>Unaudited</i> <i>At 31 Mar 2022</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2021</i> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, Plant & Equipment	2,367,049	2,156,368
Capital work in progress	743,728	255,897
Intangible assets	30,801	32,591
Right-of-use assets	4,923	3,670
Deferred tax assets	3,567	3,256
	<u>3,150,068</u>	<u>2,451,782</u>
<b>Current assets</b>		
Inventories	396,967	633,455
Trade receivables	338,739	974,399
Other receivables, deposits and prepayments	79,909	136,252
Tax assets	2,236	1,339
Derivatives	1,576	-
Cash and cash equivalents	2,378,127	2,668,741
	<u>3,197,554</u>	<u>4,414,186</u>
<b>TOTAL ASSETS</b>	<u><u>6,347,622</u></u>	<u><u>6,865,968</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,692,061	1,692,061
Treasury shares	(97,474)	-
Reserves	3,526,964	3,282,839
<b>Equity attributable to owners of the Company</b>	<u>5,121,551</u>	<u>4,974,900</u>
<b>Non-controlling interests</b>	<u>23,657</u>	<u>24,212</u>
<b>Total Equity</b>	<u><u>5,145,208</u></u>	<u><u>4,999,112</u></u>
<b>Non current liabilities</b>		
Loans and borrowings	136,658	250,141
Lease liabilities	3,190	2,127
Deferred tax liabilities	245,832	197,986
	<u>385,680</u>	<u>450,254</u>
<b>Current liabilities</b>		
Trade payables	117,910	183,236
Other payables and accruals	260,196	908,042
Loans and borrowings	102,110	92,913
Lease liabilities	1,829	1,621
Derivatives	160	74,548
Tax payables	334,529	156,242
	<u>816,734</u>	<u>1,416,602</u>
<b>Total Liabilities</b>	<u><u>1,202,414</u></u>	<u><u>1,866,856</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>6,347,622</u></u>	<u><u>6,865,968</u></u>
Net assets per share attributable to the owners of the Company (RM)	1.50	1.45

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021 and the accompanying notes attached to this interim financial report.)

# HARTALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Unaudited Condensed Consolidated Statement of Changes in Equity For the fourth quarter ended 31 March 2022

	←	Attributable to Owners of the Company			→		
	<i>Share Capital RM'000</i>	<i>Treasury Shares RM'000</i>	<i>Translation Reserve RM'000</i>	<i>Retained Profits RM'000</i>	<i>Sub Total RM'000</i>	<i>Non-controlling Interest RM'000</i>	<i>Total Equity RM'000</i>
<b>12 Months Ended 31 March 2022</b>							
<b>Balance as at 1 April 2021</b>	1,692,061	-	6,338	3,276,501	4,974,900	24,212	4,999,112
<b>Comprehensive income/(loss)</b>							
Profit for the financial year	-	-	-	3,234,701	3,234,701	7,917	3,242,618
<b>Other comprehensive loss</b>							
Foreign currency translation	-	-	(1,589)	-	(1,589)	(294)	(1,883)
Total comprehensive income for the year	-	-	(1,589)	3,234,701	3,233,112	7,623	3,240,735
<b>Transaction with owners</b>							
Dividends	-	-	-	(2,988,987)	(2,988,987)	(8,178)	(2,997,165)
Acquisition of treasury shares	-	(97,474)	-	-	(97,474)	-	(97,474)
Total transaction with owners	-	(97,474)	-	(2,988,987)	(3,086,461)	(8,178)	(3,094,639)
<b>Balance as at 31 March 2022</b>	<b>1,692,061</b>	<b>(97,474)</b>	<b>4,749</b>	<b>3,522,215</b>	<b>5,121,551</b>	<b>23,657</b>	<b>5,145,208</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021 and the accompanying notes attached to this interim financial report.)

# HARTALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Unaudited Condensed Consolidated Statement of Changes in Equity For the fourth quarter ended 31 March 2022

	← Attributable to Owners of the Company →				<i>Sub Total</i> <i>RM'000</i>	<i>Non-controlling</i> <i>Interest</i> <i>RM'000</i>	<i>Total</i> <i>Equity</i> <i>RM'000</i>
	<i>Share</i> <i>Capital</i> <i>RM'000</i>	<i>Translation</i> <i>Reserve</i> <i>RM'000</i>	<i>Share-based</i> <i>Payment Reserve</i> <i>RM'000</i>	<i>Retained</i> <i>Profits</i> <i>RM'000</i>			
<b>12 Months Ended 31 March 2021</b>							
<b>Balance as at 1 April 2020</b>	1,509,591	(2,344)	38,751	993,801	2,539,799	3,324	2,543,123
<b>Comprehensive income</b>							
Profit for the financial year	-	-	-	2,885,513	2,885,513	18,234	2,903,747
<b>Other comprehensive income</b>							
Foreign currency translation	-	8,682	-	-	8,682	2,654	11,336
Total comprehensive income for the year	-	8,682	-	2,885,513	2,894,195	20,888	2,915,083
<b>Transaction with owners</b>							
Dividends	-	-	-	(604,161)	(604,161)	-	(604,161)
Issuance of ordinary shares pursuant to ESOS	145,067	-	-	-	145,067	-	145,067
Transfer from Share-based payment upon exercise of ESOS	37,403	-	(38,751)	1,348	-	-	-
Total transaction with owners	182,470	-	(38,751)	(602,813)	(459,094)	-	(459,094)
<b>Balance as at 31 March 2021</b>	<b>1,692,061</b>	<b>6,338</b>	<b>-</b>	<b>3,276,501</b>	<b>4,974,900</b>	<b>24,212</b>	<b>4,999,112</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021 and the accompanying notes attached to this interim financial report.)

# HARTALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Unaudited Condensed Consolidated Statement of Cash Flows For the fourth quarter ended 31 March 2022

	Current Year-To-Date 31 Mar 2022 RM'000	Corresponding Year-To-Date 31 Mar 2021 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before tax	4,637,213	3,813,383
Adjustments for:		
Depreciation and amortisation	151,873	137,813
Income from fixed income fund	(25,660)	(9,185)
Interest received	(10,494)	(5,653)
Interest expense	4,774	6,532
Other adjustments	(50,298)	22,598
<b>Operating profit before changes in working capital</b>	<b>4,707,408</b>	<b>3,965,488</b>
<b>Changes in working capital</b>		
Net change in inventories	236,488	(359,546)
Net change in receivables	147,260	(604,452)
Net change in payables	(201,349)	817,404
<b>Cash generated from operations</b>	<b>4,889,807</b>	<b>3,818,894</b>
Tax paid	(1,168,899)	(730,714)
<b>Net cash from operating activities</b>	<b>3,720,908</b>	<b>3,088,180</b>
<b>Cash Flows used in Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	1,076	1,072
Addition to:		
Property, plant and equipment	(57,191)	(7,173)
Capital work-in-progress	(789,504)	(354,198)
Intangible assets	(563)	(256)
Income received from fixed income fund	25,660	9,185
Interest received	10,494	5,653
<b>Net cash used in investing activities</b>	<b>(810,028)</b>	<b>(345,717)</b>
<b>Cash Flows used in Financing Activities</b>		
Draw down of term loan	-	172,344
Repayment of term loans	(108,786)	(75,254)
Repayment of lease liabilities	(2,224)	(1,955)
Net change in bank borrowings	-	(14,290)
Interest paid	(4,631)	(6,413)
Acquisition of treasury shares	(97,474)	-
Proceeds from issuance of shares pursuant to exercise of ESOS	-	145,067
Dividend paid	(2,988,987)	(604,161)
<b>Net cash used in financing activities</b>	<b>(3,202,102)</b>	<b>(384,662)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(291,222)</b>	<b>2,357,801</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>607</b>	<b>5,779</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,668,741</b>	<b>305,161</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,378,126</b>	<b>2,668,741</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Licensed Fund Management Companies-Fixed income fund	1,549,506	1,739,586
Cash in hand and at banks	828,621	929,155
	<b>2,378,127</b>	<b>2,668,741</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021 and the accompanying notes attached to this interim financial report.)

**Notes to the Interim financial report for the Fourth Quarter ended 31 March 2022**
**A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING**
**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with requirements of paragraph 9.22 (Appendix 9B part A) of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and complies with requirements of the Malaysian Financial Reporting Standards 134 (MFRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”), Companies Act 2016 in Malaysia.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2021 except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

Amendments to MFRS9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2 Insurance contracts
Amendments to MFRS 16	COVID-19 – Related Rent Concessions beyond 30 June 2021

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

**Standards in issue but not yet effective**

At the date of authorisation for issue of these financial statements, the new and revised MFRS and amendments to MFRS which were in issue but not yet effective and not early adopted by the Company are as listed below:

Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020 <sup>1</sup>
Amendments to MFRS 3	Reference to Conceptual Framework <sup>1</sup>
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use <sup>1</sup>
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract <sup>1</sup>
MFRS 17	Insurance Contracts <sup>2</sup>
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 <sup>2</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to MFRS 101	Disclosure of Accounting Policies <sup>2</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>2</sup>
Amendments to MFRS 112	Deferred Tax relate to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
- <sup>3</sup> Effective date deferred to a date to be determined and announced.

The directors anticipate that the adoption of the abovementioned standards, amendments and interpretations when they become effective, are not expected to have material impact on the financial statements of the Group in the period of initial application.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

**A2. Auditors' Report**

The auditors' report for the immediate preceding annual financial statements of the Group for the financial year ended 31 March 2021 is not subject to any qualification.

**A3. Seasonal and Cyclical Factors**

The principal business operations of the Group were not affected by any seasonal and cyclical factors.

**A4. Items of Unusual Nature and Amount**

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence for the current quarter and financial year-to-date.

**A5. Changes in Estimates of amount reported previously**

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year or changes in the estimates of amounts reported in the prior financial years that have a material effect in the current quarter or financial year-to-date.

**A6. Issuances, Repurchases and Repayments of Debt and Equity Securities**

During the financial year under review, the Company purchased 10,145,000 ordinary shares of its issued shares from the open market at the average price paid of RM9.61 per share. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act, 2016.

As at the end of the financial year under review, the number of ordinary shares in issue after deducting treasury shares is 3,417,461,863 ordinary shares.

Other than the above, there were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations and shares held as treasury shares.



# Hartalega

Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

## A7. Dividends Paid

Dividends paid by the Company during the financial year were as follows:

- (a) Third interim single tier exempt dividend of 17.70 sen per share amounting to RM605,307,585 in respect of the financial year ended 31 March 2021, declared on 4 May 2021 and paid on 9 June 2021;
- (b) Final single tier exempt dividend of 19.75 sen per share amounting to RM674,948,718 in respect of the financial year ended 31 March 2021, approved at the last Annual General Meeting on 7 September 2021 and paid on 8 October 2021;
- (c) First interim single tier exempt dividend of 35.20 sen per share amounting to RM1,202,946,576 in respect of the financial year ended 31 March 2022, declared on 2 November 2021 and paid on 2 December 2021; and
- (d) Second interim single tier exempt dividend of 14.80 sen per share amounting to RM505,784,356 in respect of the financial year ended 31 March 2022, declared on 8 February 2022 and paid on 9 March 2022.

## A8. Segment Information

The Group's business mainly comprises the manufacturing and sale of latex gloves and its manufacturing activities are operated solely in Malaysia. On this basis, the Chief Executive Officer reviews the operating results of the Group as a whole. Accordingly, no reportable operating segment is presented.

## A9. Valuation of property, plant and equipment

The valuations of property plant and equipment have been brought forward without amendment from the previous annual financial statements.

## A10. Capital Commitments

Capital commitment in respect of Property, Plant and Equipment as at end of the current quarter and financial year-to-date are as follows: -

	<b>31 Mar 2022</b>
	<b>RM'000</b>
Approved and contracted for	871,613
	<hr/>

## A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 31 March 2022 up to latest practicable date 29 April 2022 that have not been reflected in the financial statements for the current quarter and financial year-to-date.





Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter under review.

On 18 January 2022, the Company entered into a share sale and purchase agreement to acquire 100% of the issued and paid-up shares capital of Sentinel Engineering (M) Sdn Bhd (“SEMSB”) from a subsidiary, Hartalega Sdn Bhd (“HSB”) for a total consideration of RM7.6 million. The acquisition was completed on 27 January 2022.

Other than the above, there were no other changes in the composition of the Group.

**A13. Contingent liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets that had arisen since the last annual statement of financial position date.

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS**
**B1. Review of Performance of the Company and its Subsidiaries**

	4 <sup>th</sup> Quarter Ended				Year-To-Date			
	31 Mar 2022	31 Mar 2021	Variance		31 Mar 2022	31 Mar 2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	968,693	2,307,481	(1,338,788)	(58.0)	7,888,286	6,703,485	1,184,801	17.7
Operating profit	206,672	1,569,267	(1,362,595)	(86.8)	4,570,437	3,804,330	766,107	20.1
Profit before interest and tax	219,384	1,513,217	(1,293,833)	(85.5)	4,641,987	3,819,915	822,072	21.5
Profit before tax	218,376	1,511,730	(1,293,354)	(85.6)	4,637,213	3,813,383	823,830	21.6
(Loss)/Profit after tax	(189,737)	1,125,162	(1,314,899)	(116.9)	3,242,618	2,903,747	338,871	11.7
(Loss)/profit attributable to ordinary equity holders of the parents	(197,904)	1,119,196	(1,317,100)	(117.7)	3,234,701	2,885,513	349,188	12.1

**Q4 FY2022 vs Q4 FY2021**

For the final quarter ended 31 March 2022 (Q4FY22), the Group registered a lower revenue of RM 968.7 million, recording a decrease of RM 1.34 billion or 58% from the corresponding quarter in the preceding year (Q4FY21). The lower revenue was mainly due to the normalising average selling price (ASP) mitigated by the increase in sales volume by 9%.

Profit before tax has decreased by RM 1.29 billion or 85.6% to RM 218.4 million, as compared to RM 1.51 billion in Q4FY21. The decrease in profit before tax was mainly due to the decrease in sales revenue coupled with higher operating cost.

The Group recorded loss after tax of RM 189.7 million during the quarter which was due to the provision of Prosperity Tax (Cukai Makmur).

**12M FY2022 vs 12M FY2021**

For the 12 months ended 31 March 2022 (12MFY22), the Group achieved a higher revenue of RM7.89 billion, recording an increase of RM 1.19 billion or 17.7% from the corresponding period in the preceding year (12MFY21). The higher revenue was mainly contributed by higher ASP in the first half of the current financial year, after offsetting the impact of reduction in sales volume of 22%.

Profit before tax has increased by RM 823.8 million or 21.6% to RM 4.64 billion, as compared to RM 3.81 billion for 12MFY21. This was mainly driven by higher revenue which was partly offset by higher raw material and other operating costs.

**B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

	<b>Current Quarter Ended 31 Mar 2022</b>	<b>Preceding Quarter Ended 31 Dec 2021</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	968,693	1,005,429	(36,736)	(3.7)
Operating profit	206,672	331,334	(124,662)	(37.6)
Profit before interest and tax	219,384	353,508	(134,124)	(37.9)
Profit before tax	218,376	352,393	(134,017)	(38.0)
(Loss)/Profit after tax	(189,737)	256,055	(445,792)	(174.1)
(Loss)/Profit attributable to ordinary equity holders of the parents	(197,904)	259,060	(456,964)	(176.4)

**Q4 FY2022 vs Q3 FY2022**

Despite a 33% increase in sales volume, revenue for the current quarter decreased by RM 36.7 million (3.7%) as compared to the preceding quarter (Q3FY22). The lower revenue was due to the decline in ASP during the quarter, attributed to an overall surge in global glove supplies.

Profit before tax for the quarter decreased by RM 134.0 million or 38.0% to RM218.4 million as compared to Q3FY22. This was mainly due to the lower ASP, partly mitigated by the decrease in raw material price. Although the raw material price is on a downward trend, the decline in raw material price was not in tandem with the decline in ASP which caused a lower profit margin as compared to Q3FY22.

**B3. Commentary on Prospects and Targets**

Despite the challenges brought on by the pandemic in 2021, there were some signs of recovery in the manufacturing sector in Malaysia. Expectations are for an improved outlook as Malaysia moves to the endemic phase and markets and borders open. For the glove sector, the current average selling prices (ASPs) for gloves seem to have bottomed out and the opening of borders is expected to relieve the shortage of workers. Nonetheless, the Group remains cautious on the current market supply situation given the additional supplies from major players, and have scaled back on its pace of expansion.

In the longer term, the glove sector is expected to see a structural step-up in demand with increased glove usage from emerging markets that have low glove consumption base, complemented with higher awareness of hygiene and health consciousness among healthcare practitioners post-pandemic. As such, the Group will continue with the planned NGC 1.5 expansion project. The construction for this project is currently underway and the Group aims to commission the first line in the fourth quarter of 2022. The pace of commissioning will depend on the prevailing market situation.

On the external front, the ongoing Russia-Ukraine conflict and the lockdown in China's major cities as a result of the new wave of infections, would have repercussions for the already strained global supply chain. This has led to the rising global commodity and raw material prices as well as global logistic disruptions and soaring shipping costs amidst a high inflationary environment. Additionally, the recent implementation of the new minimum wage standard in Malaysia will result in higher operating costs for the manufacturing sector.

To ensure business sustainability and adaptability amidst the more challenging business landscape, the Group will continue to emphasise cost management, efficiency improvement and automation initiatives across our operations. The Group also continues to focus on its social compliance journey and has recently become one of the founding members of the Responsible Glove Alliance ("RGA") which was launched in March 2022 with the aim to ensure the rights of migrant workers are respected, promoted and protected through ethical recruitment and employment practices. The Group is cautiously optimistic of the longer-term prospects of the sector given the expected continued post-pandemic growth in demand for rubber gloves.

**B4. Variance of Profit Forecast/Profit Guarantee**

Not applicable as no profit forecast/profit guarantee was issued.

**B5. (Loss)/Profit For The Period**

(Loss)/Profit for the period is arrived at after crediting/(charging):

	4 <sup>th</sup> Quarter Ended		Year-To- Date	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	1,046	1,914	10,494	5,653
Other income including investment income	15,106	4,883	46,084	14,240
Interest expense	(1,008)	(1,487)	(4,774)	(6,532)
Depreciation and amortisation	(39,489)	(36,218)	(151,873)	(137,813)
Realised foreign exchange (loss)/gain	(960)	29,912	(34,681)	20,019
Unrealised foreign exchange gain/(loss)	4,589	35,309	(25,950)	12,893
Fair value (loss)/gain on derivatives	(2,405)	(126,154)	75,964	(35,540)

**B6. Taxation**

	<b>Current quarter</b>	<b>Current year-</b>
	<b>RM'000</b>	<b>to-date</b>
		<b>RM'000</b>
Current tax expense	385,077	1,356,781
Deferred tax expense	23,036	48,306
Over-provision in prior year	-	(10,492)
	<u>408,113</u>	<u>1,394,595</u>

The effective tax rate of the Group during the current quarter is higher than the statutory tax rate due to the provision of prosperity tax.

**B7. Status of Corporate Proposal**

As at the latest practicable date, 29 April 2022, there was no corporate proposal announced and not completed in the current quarter and financial year-to-date.

**B8. Group Borrowings and Debt Securities**

Total Group borrowings as at 31 March 2022 are as follows:

	<b>4<sup>th</sup> Quarter Ended</b>			<b>4<sup>th</sup> Quarter Ended</b>		
	<b>31 Mar 2022</b>			<b>31 Mar 2021</b>		
	<b>Foreign</b>		<b>RM</b>	<b>Foreign</b>		<b>RM</b>
	<b>denomination</b>		<b>'000</b>	<b>denomination</b>		<b>'000</b>
	<b>'000</b>		<b>'000</b>	<b>'000</b>		<b>'000</b>
<u>Short term borrowings</u>						
Term Loans – secured	USD	24,277	<u>102,110</u>	USD	22,410	<u>92,913</u>
			<u>102,110</u>			<u>92,913</u>
<u>Long term borrowings</u>						
Term Loans – secured	USD	32,491	<u>136,658</u>	USD	60,333	<u>250,141</u>
			<u>136,658</u>			<u>250,141</u>
<u>Total borrowings</u>						
Term Loans – secured	USD	56,768	<u>238,768</u>	USD	82,743	<u>343,054</u>
			<u>238,768</u>			<u>343,054</u>
Exchange Rate RM to USD1.00			4.21			4.15



## Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

### B9. Financial Derivative Instruments

As at 31 March 2022, the outstanding foreign currency forward contracts are as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value Asset RM'000</b>
Foreign Exchange Contracts Less than 1 year		
- USD denominated	1,064,889	1,416

The Group enters foreign currency forward contracts to hedge its estimated net exposure to movements in exchange rates arising mainly from sales and purchases.

As foreign currencies contracts are hedged with creditworthy financial institutions in line with the Group's policy, the Group does not foresee any significant credit risks.

There are also no cash requirement risks as the Group only uses forward foreign currencies contracts as its hedging instruments.

During the current quarter and financial year ended 31 March 2022, the Group recognised a loss of RM 2.4 million and a gain of RM 76.0 million respectively, arising from the fair value changes of the derivative financial instruments.

### B10. Material Litigation

As at the latest practicable date, 29 April 2022, there are no material litigations against the Group or taken by the Group.

### B11. Dividend

On 10 May 2022, the Board has declared a third interim dividend of 3.50 sen per share single tier in respect of the financial year ending 31 March 2022 and payable on 9 June 2022. The entitlement date has been fixed on 26 May 2022.

A depositor shall qualify for the entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 5.00 p.m. on 26 May 2022 in respect of ordinary shares; and
- (b) Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the rules of BMSB.



Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

**B12. Earnings per Share**

<b>Earnings Per Share</b>	<b>Current Quarter Ended 31 Mar 2022</b>	<b>Corresponding Quarter Ended 31 Mar 2021</b>	<b>Current Year-To- Date 31 Mar 2022</b>	<b>Corresponding Year-To-Date 31 Mar 2021</b>
(Loss)/Profit attributable to owners of the parent (RM'000)	(197,904)	1,119,196	3,234,701	2,885,513
Weighted average number of ordinary shares in issue ('000)	3,417,899	3,417,468	3,417,899	3,417,468
(Loss)/Earnings per share (sen)	(5.79)	32.75	94.64	84.43

The diluted earnings per share of the Group is the same as the basic earnings per share as the Group does not have any potential dilutive ordinary shares in issue.

**Date: 10 May 2022**