

**HARALEGA HOLDINGS BERHAD**

Registration No. 200601022130 (741883-X)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the third quarter ended 31 December 2020**

	Current Quarter Ended 31 Dec 2020 RM'000	Corresponding Quarter Ended 31 Dec 2019 RM'000	Current Year-To-Date 31 Dec 2020 RM'000	Corresponding Year-To-Date 31 Dec 2019 RM'000
Revenue	2,129,901	796,550	4,396,004	2,146,075
Operating expenses	(840,299)	(642,268)	(2,160,941)	(1,724,551)
<b>Operating Profit</b>	<b>1,289,602</b>	<b>154,282</b>	<b>2,235,063</b>	<b>421,524</b>
Other operating income	57,832	7,837	71,635	5,830
<b>Profit before interest and tax</b>	<b>1,347,434</b>	<b>162,119</b>	<b>2,306,698</b>	<b>427,354</b>
Finance costs	(1,561)	(2,422)	(5,045)	(8,676)
<b>Profit before tax</b>	<b>1,345,873</b>	<b>159,697</b>	<b>2,301,653</b>	<b>418,678</b>
Taxation	(338,046)	(38,036)	(523,068)	(98,557)
<b>Net profit for the period</b>	<b>1,007,827</b>	<b>121,661</b>	<b>1,778,585</b>	<b>320,121</b>
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference for foreign operations	3,328	124	5,727	(309)
<b>Total comprehensive income for the period</b>	<b>1,011,155</b>	<b>121,785</b>	<b>1,784,312</b>	<b>319,812</b>
<b>Profit attributable to:</b>				
Owners of the Company	1,001,640	121,273	1,766,317	319,203
Non-controlling interest	6,187	388	12,268	918
	<b>1,007,827</b>	<b>121,661</b>	<b>1,778,585</b>	<b>320,121</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	1,004,359	121,375	1,771,002	318,960
Non-controlling interest	6,796	410	13,310	852
	<b>1,011,155</b>	<b>121,785</b>	<b>1,784,312</b>	<b>319,812</b>
EPS - Basic ( sen )	29.31	3.60	51.68	9.49
- Diluted ( sen )	29.31	3.58	51.68	9.42

(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 2020 and the accompanying notes attached to this interim financial report.)

# HARALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Condensed Consolidated Statement of Financial Position as at 31 December 2020

	<i>Unaudited</i> <i>At 31 Dec 2020</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2020</i> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, Plant & Equipment	2,033,353	2,002,197
Capital work in progress	295,386	188,910
Intangible assets	27,328	28,836
Right-of-use assets	3,988	4,488
Deferred tax assets	1,236	971
	<u>2,361,291</u>	<u>2,225,402</u>
<b>Current assets</b>		
Inventories	360,323	273,909
Trade receivables	943,401	429,895
Other receivables, deposits and prepayments	106,210	72,160
Tax assets	15	7,397
Derivatives	51,606	-
Cash & cash equivalents	2,143,315	305,161
	<u>3,604,870</u>	<u>1,088,522</u>
<b>TOTAL ASSETS</b>	<u><u>5,966,161</u></u>	<u><u>3,313,924</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,692,061	1,509,591
Reserves	2,490,410	1,030,208
<b>Equity attributable to owners of the Company</b>	<u>4,182,471</u>	<u>2,539,799</u>
<b>Non-controlling interests</b>	<u>16,634</u>	<u>3,324</u>
<b>Total Equity</b>	<u><u>4,199,105</u></u>	<u><u>2,543,123</u></u>
<b>Non current liabilities</b>		
Loans and borrowings	253,147	188,572
Lease liabilities	2,403	2,714
Deferred tax liabilities	213,014	172,475
	<u>468,564</u>	<u>363,761</u>
<b>Current liabilities</b>		
Trade payables	146,638	112,125
Other payables and accruals	746,360	161,750
Loans and borrowings	104,847	85,416
Lease liabilities	1,659	1,830
Derivatives	-	39,008
Tax payables	298,988	6,911
	<u>1,298,492</u>	<u>407,040</u>
<b>Total Liabilities</b>	<u><u>1,767,056</u></u>	<u><u>770,801</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>5,966,161</u></u>	<u><u>3,313,924</u></u>
Net assets per share attributable to the owners of the Company (RM)	1.22	0.75

(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 2020 and the accompanying notes attached to this interim financial report.)

# HARTELEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Unaudited Condensed Consolidated Statement of Changes in Equity For the third quarter ended 31 December 2020

	← 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>9 Months Ended 31 December 2020</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 period	-	-	-	1,766,317	1,766,317	12,268	1,778,585
<b>Other comprehensive income</b>							
Foreign currency translation	-	4,685	-	-	4,685	1,042	5,727
Total comprehensive income for the period	-	4,685	-	1,766,317	1,771,002	13,310	1,784,312
<b>Transaction with owners</b>							
Dividends	-	-	-	(273,397)	(273,397)	-	(273,397)
Share-based payment granted under ESOS	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to ESOS	145,067	-	-	-	145,067	-	145,067
Transfer from Share-based payment upon exercise/lapse of ESOS	37,403	-	(38,751)	1,348	-	-	-
Total transaction with owners	182,470	-	(38,751)	(272,049)	(128,330)	-	(128,330)
<b>Balance as at 31 December 2020</b>	<b>1,692,061</b>	<b>2,341</b>	<b>-</b>	<b>2,488,069</b>	<b>4,182,471</b>	<b>16,634</b>	<b>4,199,105</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 2020 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 third quarter ended 31 December 2020

	← 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>9 Months Ended 31 December 2019</b>							
<b>Balance as at 1 April 2019</b>	1,400,986	(1,173)	47,423	809,186	2,256,422	2,809	2,259,231
Effect of adoption of MFRS 16	-	-	-	(15)	(15)	-	(15)
<b>Balance as at 1 April 2019 (Restated)</b>	1,400,986	(1,173)	47,423	809,171	2,256,407	2,809	2,259,216
<b>Comprehensive income</b>							
Profit for the financial period	-	-	-	319,203	319,203	918	320,121
<b>Other comprehensive (loss)/income</b>							
Foreign currency translation	-	(243)	-	-	(243)	(66)	(309)
Total comprehensive (loss)/income for the period	-	(243)	-	319,203	318,960	852	319,812
<b>Transaction with owners</b>							
Dividends	-	-	-	(188,116)	(188,116)	-	(188,116)
Share-based payment granted under ESOS	-	-	11,703	-	11,703	-	11,703
Issuance of ordinary shares pursuant to ESOS	65,835	-	-	-	65,835	-	65,835
Transfer from Share-based payment upon exercise of ESOS	19,364	-	(19,364)	-	-	-	-
Total transaction with owners	85,199	-	(7,661)	(188,116)	(110,578)	-	(110,578)
<b>Balance as at 31 December 2019</b>	<b>1,486,185</b>	<b>(1,416)</b>	<b>39,762</b>	<b>940,258</b>	<b>2,464,789</b>	<b>3,661</b>	<b>2,468,450</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 2020 and the accompanying notes attached to this interim financial report.)

# HARALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Unaudited Condensed Consolidated Statement of Cash Flows For the third quarter ended 31 December 2020

	Current Year-To-Date 31 Dec 2020 RM'000	Corresponding Year-To-Date 31 Dec 2019 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before tax	2,301,653	418,678
Adjustments for:		
Depreciation and amortisation	101,595	93,025
Income from fixed income fund	(6,327)	(4,298)
Interest received	(3,739)	(2,296)
Other adjustments	(63,359)	20,312
<b>Operating profit before changes in working capital</b>	<b>2,329,823</b>	<b>525,421</b>
<b>Changes in working capital</b>		
Net change in inventories	(86,414)	(511)
Net change in receivables	(557,999)	(11,769)
Net change in payables	619,122	(21,869)
<b>Cash generated from operations</b>	<b>2,304,532</b>	<b>491,272</b>
Tax paid (net)	(183,206)	(46,184)
<b>Net cash from operating activities</b>	<b>2,121,326</b>	<b>445,088</b>
<b>Cash Flows used in Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	717	667
Addition to:		
Property, plant and equipment	(212)	(2,025)
Capital work-in-progress	(236,702)	(171,823)
Intangible assets	(9)	(329)
Income received from fixed income fund	6,327	4,298
Interest received	3,739	2,296
<b>Net cash used in investing activities</b>	<b>(226,140)</b>	<b>(166,916)</b>
<b>Cash Flows used in Financing Activities</b>		
Draw down of term loan	172,344	28,707
Repayment of term loans	(49,274)	(86,773)
Repayment of lease liabilities	(1,366)	(1,177)
Net change in bank borrowings	(14,548)	(33,341)
Interest paid	(4,957)	(8,675)
Proceeds from issuance of shares-ESOS	145,067	65,835
Dividend paid	(273,397)	(188,116)
<b>Net cash used in financing activities</b>	<b>(26,131)</b>	<b>(223,540)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>1,869,055</b>	<b>54,632</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>(30,901)</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>305,161</b>	<b>150,391</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,143,315</b>	<b>205,023</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Licensed Fund Management Companies-Fixed income fund	802,804	100,094
Cash in hand and at banks	1,340,511	104,929
	<b>2,143,315</b>	<b>205,023</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 2020 and the accompanying notes attached to this interim financial report.)



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## Notes to the Interim financial report for the Third Quarter ended 31 December 2020

### 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 2020 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”) and Issue Committee Interpretations (“IC Interpretations”):

#### MFRSs

Amendments to MFRS 3	Definition of Business
Amendments to MFRS 7, MFRS 9 and MFRS139	Interest rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of these standards, amendments and interpretations 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, amendments to MFRS and Issue Committee Interpretations (“IC Interpretations”) which were in issue but not yet effective and not early adopted by the Company are as listed below:

MFRS 17	Insurance contracts <sup>1</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current <sup>2</sup>
Amendments to MFRS 10 and 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 2021, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022, 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 2020 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 2020 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.



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

- (a) During the current quarter ended 31 December 2020, no new ordinary shares were allotted and issued pursuant to the Company's Employees Share Option Scheme. The Employees Share Option Scheme of the Company has expired on 22 July 2020.
- (b) For the financial year-to-date ended 31 December 2020, a total of 44,193,335 new ordinary shares were allotted and issued pursuant to the Company's Employees Share Option Scheme.

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 for the current quarter and financial year-to-date.

## **A7. Dividends Paid**

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

- (a) Third interim single tier dividend of 2.05 sen per share amounting to RM69,454,126 in respect of the financial year ended 31 March 2020, declared on 18 May 2020 and paid on 26 June 2020; and
- (b) Final single tier dividend of 2.1 sen per share amounting to RM71,979,744 in respect of the financial year ended 31 March 2020, approved at the last Annual General Meeting on 15 September 2020 and paid on 16 October 2020.
- (c) First interim single tier dividend of 3.85 sen per share amounting to RM131,962,865 in respect of the financial year ending 31 March 2021, declared on 27 October 2020 and paid on 18 December 2020.

## **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: -

	31 Dec 2020
	RM'000
Approved and contracted for	644,594





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

There were no material events subsequent to 31 December 2020 up to latest practicable date 20 January 2021 that have not been reflected in the financial statements for the current quarter and financial year-to-date.

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

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

During the financial year-to-date, the Company has incorporated a wholly-owned subsidiary, Hartalega NSM Sdn Bhd.

Other than the above-mentioned, there is no other significant change 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.



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## B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

### B1. Review of Performance of the Company and its Subsidiaries

	3 <sup>rd</sup> Quarter Ended 31 Dec 2020	3 <sup>rd</sup> Quarter Ended 31 Dec 2019	Variance		Year-To- Date 31 Dec 2020	Year-To- Date 31 Dec 2019	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	2,129,901	796,550	1,333,351	167.4	4,396,004	2,146,075	2,249,929	104.8
Operating profit	1,289,602	154,282	1,135,320	735.9	2,235,063	421,524	1,813,539	430.2
Profit before interest and tax	1,347,434	162,119	1,185,315	731.1	2,306,698	427,354	1,879,344	439.8
Profit before tax	1,345,873	159,697	1,186,176	742.8	2,301,653	418,678	1,882,975	449.7
Profit after tax	1,007,827	121,661	886,166	728.4	1,778,585	320,121	1,458,464	455.6
Profit attributable to ordinary equity holders of the parents	1,001,640	121,273	880,367	725.9	1,766,317	319,203	1,447,114	453.4

#### Q3 FY2021 vs Q3 FY2020 9M FY2021 vs 9M FY2020

For the current quarter ended 31 December 2020 (Q3FY21), the Group achieved significantly higher sales revenue of RM2.13 billion, an increase of RM1.33 billion or 167.4% from corresponding quarter in preceding year (Q3FY20). Profit before tax in turn has also surged to RM1.35 billion, an increase of RM1.19 billion or 742.8% from RM159.7 million.

For the 9 months ended 31 December 2020 (9MFY21), the Group achieved higher sales revenue of RM4.40 billion, an increase of RM2.25 billion or 104.8% from the corresponding period in preceding year (9MFY20). Profit before tax has also increased significantly by RM1.88 billion or 449.7% to RM2.30 billion, as compared to RM418.7 million in corresponding period in preceding year.

The significantly improved performance for Q3FY21 and 9MFY21 as compared to the preceding year was mainly due to the higher sales revenue attributable to the higher sales volume and higher average selling price, as well as lower energy and upkeep expenses.

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

	Current Quarter ended	Preceding Quarter	Variance	
	31 Dec 2020	ended 30 Sep 2020	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	2,129,901	1,346,016	783,885	58.2
Operating profit	1,289,602	676,924	612,678	90.5
Profit before interest and tax	1,347,434	684,606	662,828	96.8
Profit before tax	1,345,873	682,961	662,912	97.1
Profit after tax	1,007,827	549,698	458,129	83.3
Profit attributable to ordinary equity holders of the parents	1,001,640	544,958	456,682	83.8

**Q3 FY2021 vs Q2 FY2021**

Revenue for the quarter amounted to RM 2.13 billion, increased by RM783.9 million or 58.2% as compared with preceding quarter. The higher sales revenue was attributable to the increase in average selling price for the quarter.

Profit before tax for the quarter increased by RM 662.9 million or 97.1% to RM1.35 billion as compared with preceding quarter mainly due to increase in sales revenue which partly offset by the increase in raw material price and one-off foreign worker remediation cost.

**B3. Commentary on Prospects and Targets**

In line with growing rubber glove demand globally, the Group will continue with its NGC capacity expansion plans. To date, all 12 production lines in Plant 6 of NGC facility have been fully commissioned. Four out of 10 lines in Plant 7 have been commissioned. Upon full commissioning, Plant 7 will have an annual installed capacity of 2.7 billion pieces. With the progressive commissioning of Plant 7, the Group's annual installed capacity is expected to increase to 44 billion pieces by FY2022.

On the global front, demand for medical supplies, such as gloves, remains strong due to the COVID-19 pandemic. With cases continuing to soar in US, UK, Latin America and other countries, the demand for gloves is expected to continue growing in the coming years. In addition, the sector is expected to undergo a structural step-up in demand on the back of increased glove usage from emerging markets with low gloves consumption per capita and heightened hygiene awareness. The overall projected growth in demand is expected to outstrip supply for the next few years.

To ensure the Group continues to deliver gloves to front liners globally without disruption, the Group will continue to enforce the COVID-19 preventive measures that were put in place in order to minimize the risk of infection within the operations in Malaysia. These include enforcing social distancing measures, awareness programme, entry screening procedure, installing thermal scanners at high traffic locations, staggered shift hours and frequent sanitizing at common areas. In addition, the Group has implemented periodic RTK testing as additional preventive measure to monitor for potential asymptomatic cases.

During the financial year, the Group entered into 2 separate Sales and Purchase Agreements for the acquisition of 2 pieces of land in Sepang (60 acres) and Banting (95 acres). These will serve as the future sites for NGC Sepang Plant 8 to 11 and NGC 2.0 Banting capacity expansion plan. The land acquisitions will enable the Group to progressively expand its annual installed capacity to 95 billion pieces upon completion by 2027.

Moving forward, the Group remains optimistic of the longer-term prospects underpinned by growing demand for rubber gloves and ongoing expansion plans.

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

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

**B5. Profit For The Period**

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

	3 <sup>rd</sup> Quarter Ended 31 Dec 2020	3 <sup>rd</sup> Quarter Ended 31 Dec 2019	Year-To- Date 31 Dec 2020	Year-To- Date 31 Dec 2019
	RM'000	RM'000	RM'000	RM'000
Interest income	1,578	828	3,739	2,296
Other income including investment income	4,591	1,665	9,357	4,653
Interest expense	(1,561)	(2,421)	(5,045)	(8,675)
Depreciation and amortisation	(34,664)	(31,695)	(101,595)	(93,025)
Foreign exchange gain/(loss)-realised	14,434	(1,625)	(9,893)	(644)
Foreign exchange loss-unrealised	(15,158)	(5,481)	(22,417)	(4,066)
Fair value gain on derivatives	52,214	8,257	90,614	4,773

**B6. Taxation**

	Current quarter	Current year-to-date
	RM'000	RM'000
Current tax expense	328,965	479,793
Deferred tax expense	7,009	40,404
Under-provision in prior years	2,072	2,871
	<u>338,046</u>	<u>523,068</u>

The effective tax rate of the Group during the current quarter is higher than the statutory tax rate mainly due to certain local subsidiaries having fully utilised its tax incentives during the quarter.



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## B7. Status of Corporate Proposal

As at the latest practicable date, 20 January 2021, 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 December 2020 are as follows:

	3 <sup>rd</sup> Quarter Ended 31 Dec 2020		3 <sup>rd</sup> Quarter Ended 31 Dec 2019			
	Foreign denomination '000	RM '000	Foreign denomination '000	RM '000		
<u>Short term borrowings</u>						
<u>Secured</u>						
Term Loans (USD)	USD	26,101	104,847	USD	19,797	81,190
			<u>104,847</u>			<u>81,190</u>
<u>Unsecured</u>						
Bank Borrowings (USD)	USD	-	-	USD	-	-
			<u>-</u>			<u>-</u>
			<u>104,847</u>			<u>81,190</u>
<u>Long term borrowings</u>						
<u>Secured</u>						
Term Loans (USD)	USD	63,019	253,147	USD	41,998	172,231
			<u>253,147</u>			<u>172,231</u>
<u>Total borrowings</u>						
Term Loans (USD)	USD	89,120	357,994	USD	61,795	253,421
Bank Borrowings (USD)	USD	-	-	USD	-	-
			<u>357,994</u>			<u>253,421</u>
Exchange Rate RM to USD1.00			4.017			4.101



# Hartalega

Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

## **B9. Financial Derivative Instruments**

As at 31 December 2020, the outstanding foreign currency forward contracts are as follows:

Type of Derivatives	Contract/Notional Value (RM'000)	Fair Value (RM'000)
Foreign Exchange Contracts Less than 1 year		
- USD denominated	3,986,268	4,037,874

The Group enters into 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.

The fair value derivative assets amounting to RM51.6 million has been recognised in the financial statements.

## **B10. Material Litigation**

As at the latest practicable date, 20 January 2021, there are no material litigations against the Group or taken by the Group.

## **B11. Dividend**

On 25 January 2021, the Board has declared a second interim single tier dividend of 9.65 sen per share in respect of the financial year ending 31 March 2021 and payable on 26 February 2021. The entitlement date has been fixed on 10 February 2021.

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 10 February 2021 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.

**B12. Earnings per Share**

	Current Quarter Ended 31 Dec 2020	Corresponding Quarter Ended 31 Dec 2019	Current Year-To- Date 31 Dec 2020	Corresponding Year-To-Date 31 Dec 2019
<b>Basic Earnings Per Share</b>				
Profit attributable to owners of the parent (RM'000)	1,001,640	121,273	1,766,317	319,203
Number of shares in issue as at beginning of the year ('000)	3,383,414	3,345,187	3,383,414	3,345,187
Weighted average effect of exercise of ESOS ('000)	34,054	19,114	34,054	19,114
Weighted average number of ordinary shares in issue ('000)	3,417,468	3,364,301	3,417,468	3,364,301
Basic earnings per share (sen)	29.31	3.60	51.68	9.49
<b>Diluted Earnings Per Share</b>				
Profit attributable to owners of the parent (RM'000)	1,001,640	121,273	1,766,317	319,203
Weighted average number of ordinary shares in issue ('000)	3,417,468	3,364,301	3,417,468	3,364,301
Diluted weighted average effect of exercise of ESOS ('000)	-	22,765	-	22,765
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,417,468	3,387,066	3,417,468	3,387,066
Diluted earnings per share (sen)	29.31	3.58	51.68	9.42

**Date: 25 January 2021**