

HARTALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the second quarter ended 30 September 2021**

	Current Quarter Ended 30 Sep 2021 RM'000	Corresponding Quarter Ended 30 Sep 2020 RM'000	Current Year-To-Date 30 Sep 2021 RM'000	Corresponding Year-To-Date 30 Sep 2020 RM'000
Revenue	2,011,330	1,346,016	5,914,164	2,266,103
Operating expenses	(830,043)	(669,092)	(1,881,733)	(1,320,642)
Operating Profit	<u>1,181,287</u>	<u>676,924</u>	<u>4,032,431</u>	<u>945,461</u>
Other operating income	7,340	7,682	36,664	13,803
Profit before interest and tax	<u>1,188,627</u>	<u>684,606</u>	<u>4,069,095</u>	<u>959,264</u>
Finance costs	(1,276)	(1,645)	(2,651)	(3,484)
Profit before tax	<u>1,187,351</u>	<u>682,961</u>	<u>4,066,444</u>	<u>955,780</u>
Taxation	(273,316)	(133,263)	(890,144)	(185,022)
Net profit for the period	<u>914,035</u>	<u>549,698</u>	<u>3,176,300</u>	<u>770,758</u>
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference for foreign operations	(4,155)	950	(5,543)	2,399
Total comprehensive income for the period	<u>909,880</u>	<u>550,648</u>	<u>3,170,757</u>	<u>773,157</u>
Profit attributable to:				
Owners of the Company	914,009	544,958	3,173,545	764,677
Non-controlling interest	26	4,740	2,755	6,081
	<u>914,035</u>	<u>549,698</u>	<u>3,176,300</u>	<u>770,758</u>
Total comprehensive income attributable to:				
Owners of the Company	910,594	545,733	3,168,976	766,643
Non-controlling interest	(714)	4,915	1,781	6,514
	<u>909,880</u>	<u>550,648</u>	<u>3,170,757</u>	<u>773,157</u>
EPS - Basic/diluted (sen)	26.74	15.95	92.84	22.38

(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 30 September 2021

	<i>Unaudited</i> <i>At 30 Sep 2021</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2021</i> <i>RM'000</i>
ASSETS		
Non current assets		
Property, Plant & Equipment	2,151,306	2,156,368
Capital work in progress	617,920	255,897
Intangible assets	30,233	32,591
Right-of-use assets	4,098	3,670
Deferred tax assets	3,314	3,256
	<u>2,806,871</u>	<u>2,451,782</u>
Current assets		
Inventories	471,755	633,455
Trade receivables	685,162	974,399
Other receivables, deposits and prepayments	102,456	136,252
Tax assets	1,643	1,339
Cash and cash equivalents	5,009,587	2,668,741
	<u>6,270,603</u>	<u>4,414,186</u>
TOTAL ASSETS	<u>9,077,474</u>	<u>6,865,968</u>
EQUITY AND LIABILITIES		
Share capital	1,692,061	1,692,061
Treasury shares	(97,474)	-
Reserves	5,171,559	3,282,839
Equity attributable to owners of the Company	<u>6,766,146</u>	<u>4,974,900</u>
Non-controlling interests	<u>25,993</u>	<u>24,212</u>
Total Equity	<u>6,792,139</u>	<u>4,999,112</u>
Non current liabilities		
Loans and borrowings	200,344	250,141
Lease liabilities	2,832	2,127
Deferred tax liabilities	191,564	197,986
	<u>394,740</u>	<u>450,254</u>
Current liabilities		
Trade payables	95,359	183,236
Other payables and accruals	474,430	908,042
Loans and borrowings	102,191	92,913
Dividend payables	674,948	-
Lease liabilities	1,351	1,621
Derivatives	3,733	74,548
Tax payables	538,583	156,242
	<u>1,890,595</u>	<u>1,416,602</u>
Total Liabilities	<u>2,285,335</u>	<u>1,866,856</u>
TOTAL EQUITY AND LIABILITIES	<u>9,077,474</u>	<u>6,865,968</u>
Net assets per share attributable to the owners of the Company (RM)	1.98	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.)

HARTELEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

Unaudited Condensed Consolidated Statement of Changes in Equity For the second quarter ended 30 September 2021

	← Attributable to Owners of the Company →				Sub Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Retained Profits RM'000			
6 Months Ended 30 September 2021							
Balance as at 1 April 2021	1,692,061	-	6,338	3,276,501	4,974,900	24,212	4,999,112
Comprehensive income							
Profit for the financial period	-	-	-	3,173,545	3,173,545	2,755	3,176,300
Other comprehensive loss							
Foreign currency translation	-	-	(4,569)	-	(4,569)	(974)	(5,543)
Total comprehensive income for the period	-	-	(4,569)	3,173,545	3,168,976	1,781	3,170,757
Transaction with owners							
Dividends	-	-	-	(1,280,256)	(1,280,256)	-	(1,280,256)
Acquisition of treasury shares	-	(97,474)	-	-	(97,474)	-	(97,474)
Total transaction with owners	-	(97,474)	-	(1,280,256)	(1,377,730)	-	(1,377,730)
Balance as at 30 September 2021	1,692,061	(97,474)	1,769	5,169,790	6,766,146	25,993	6,792,139

(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 second quarter ended 30 September 2021

	← Attributable to Owners of the Company →				<i>Non-controlling Interest</i> RM'000	<i>Total Equity</i> RM'000	
	<i>Share Capital</i> RM'000	<i>Translation Reserve</i> RM'000	<i>Share-based Payment Reserve</i> RM'000	<i>Retained Profits</i> RM'000			<i>Sub Total</i> RM'000
6 Months Ended 30 September 2020							
Balance as at 1 April 2020	1,509,591	(2,344)	38,751	993,801	2,539,799	3,324	2,543,123
Comprehensive income							
Profit for the financial period	-	-	-	764,677	764,677	6,081	770,758
Other comprehensive income							
Foreign currency translation	-	1,966	-	-	1,966	433	2,399
Total comprehensive income for the period	-	1,966	-	764,677	766,643	6,514	773,157
Transaction with owners							
Dividends	-	-	-	(69,454)	(69,454)	-	(69,454)
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 of ESOS	37,403	-	(38,751)	1,348	-	-	-
Total transaction with owners	182,470	-	(38,751)	(68,106)	75,613	-	75,613
Balance as at 30 September 2020	1,692,061	(378)	-	1,690,372	3,382,055	9,838	3,391,893

(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 second quarter ended 30 September 2021

	Current Year-To-Date 30 Sep 2021 RM'000	Corresponding Year-To-Date 30 Sep 2020 RM'000
Cash Flows from Operating Activities		
Profit before tax	4,066,444	955,780
Adjustments for:		
Depreciation and amortisation	74,495	66,931
Income from fixed income fund	(15,519)	(3,298)
Interest received	(5,275)	(2,161)
Other adjustments	(33,058)	(27,534)
Operating profit before changes in working capital	4,087,087	989,718
Changes in working capital		
Net change in inventories	161,700	2,469
Net change in receivables	(121,019)	(189,536)
Net change in payables	(115,855)	491,133
Cash generated from operations	4,011,913	1,293,784
Tax paid	(514,726)	(29,591)
Net cash from operating activities	3,497,187	1,264,193
Cash Flows used in Investing Activities		
Proceeds from disposal of property, plant and equipment	320	281
Addition to:		
Property, plant and equipment	(17,388)	(190)
Capital work-in-progress	(410,919)	(115,044)
Intangible assets	(92)	(9)
Income received from fixed income fund	15,519	3,298
Interest received	5,275	2,161
Net cash used in investing activities	(407,285)	(109,503)
Cash Flows used in Financing Activities		
Draw down of term loan	-	172,344
Repayment of term loans	(43,630)	(31,726)
Repayment of lease liabilities	(1,067)	(813)
Net change in bank borrowings	-	(14,290)
Interest paid	(2,587)	(3,484)
Acquisition of treasury shares	(97,474)	-
Proceeds from issuance of shares pursuant to exercise of ESOS	-	145,067
Dividend paid	(605,308)	(69,454)
Net cash (used in)/from financing activities	(750,066)	197,644
Net increase in cash & cash equivalents	2,339,836	1,352,334
Effect of exchange rate fluctuations on cash and cash equivalents	1,010	(6,947)
Cash and cash equivalents at beginning of period	2,668,741	305,161
Cash and cash equivalents at end of period	5,009,587	1,650,548
Cash and cash equivalents at end of period comprise:		
Licensed Fund Management Companies-Fixed income fund	2,726,259	849,839
Cash in hand and at banks	2,283,328	800,709
	5,009,587	1,650,548

(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 Second Quarter ended 30 September 2021
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 ¹
Amendments to MFRS 3	Reference to Conceptual Framework ¹
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to MFRS 137	Onerous Contracts – Costs of Fulfilling a Contract ¹
MFRS 17	Insurance Contracts ²
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 ²
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ²
Amendments to MFRS 101	Disclosure of Accounting Policies ²
Amendments to MFRS 108	Definition of Accounting Estimates ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

- ¹ Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
- ³ 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-to-date under review, the Company had 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-to-date 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 for the current quarter and financial year-to-date under review.

A7. Dividends Paid

Dividend 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; and
- (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.

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: -

	30 Sep 2021
	RM'000
Approved and contracted for	1,436,089

A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 30 September 2021 up to latest practicable date 27 October 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.

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

	2 nd Quarter Ended				Year-To-Date			
	30 Sep 2021	30 Sep 2020	Variance		30 Sep 2021	30 Sep 2020	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	2,011,330	1,346,016	665,314	49.4	5,914,164	2,266,103	3,648,061	161.0
Operating profit	1,181,287	676,924	504,363	74.5	4,032,431	945,461	3,086,970	326.5
Profit before interest and tax	1,188,627	684,606	504,021	73.6	4,069,095	959,264	3,109,831	324.2
Profit before tax	1,187,351	682,961	504,390	73.9	4,066,444	955,780	3,110,664	325.5
Profit after tax	914,035	549,698	364,337	66.3	3,176,300	770,758	2,405,542	312.1
Profit attributable to ordinary equity holders of the parents	914,009	544,958	369,051	67.7	3,173,545	764,677	2,408,868	315.0

Q2 FY2022 vs Q2 FY2021

For the current quarter ended 30 September 2021 (Q2FY22), the Group achieved higher sales revenue of RM 2.01 billion, an increase of RM 665.3 million or 49.4% from corresponding quarter in preceding year (Q2FY21). The higher sales revenue was mainly due to the increase in average selling price (ASP).

Profit before tax has increased by RM 504.4 million or 73.9% to RM 1.18 billion, as compared to RM 683.0 million in Q2FY21. The increase in profit before tax was mainly due to the higher sales revenue which was partially offset by the higher raw material cost.

6M FY2022 vs 6M FY2021

For the 6 months ended 30 September 2021 (6MFY22), the Group achieved higher revenue of RM 5.91 billion, an increase of RM 3.65 billion or 161.0% from the corresponding period in preceding year (6MFY21). The higher sales revenue was mainly contributed by the increase in ASP as compared to 6MFY21, after offsetting the increased raw material cost coupled with the impact on reduction in sales volume by 11%.

Profit before tax has increased significantly by RM 3.11 billion or 325.5% to RM 4.07 billion, as compared to RM 955.8 million for 6MFY21. The higher profit before tax was mainly driven by higher sales revenue.

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

	Current Quarter Ended 30 Sep 2021	Preceding Quarter Ended 30 Jun 2021	Variance	
	RM'000	RM'000	RM'000	%
Revenue	2,011,330	3,902,834	(1,891,504)	(48.5)
Operating profit	1,181,287	2,851,144	(1,669,857)	(58.6)
Profit before interest and tax	1,188,627	2,880,468	(1,691,841)	(58.7)
Profit before tax	1,187,351	2,879,093	(1,691,742)	(58.8)
Profit after tax	914,035	2,262,265	(1,348,230)	(59.6)
Profit attributable to ordinary equity holders of the parents	914,009	2,259,536	(1,345,527)	(59.5)

Q2 FY2022 vs Q1 FY2022

Revenue for the quarter amounted to RM 2.01 billion, decreased by RM 1.89 billion or 48.5% as compared with preceding quarter (Q1FY22). The lower sales revenue was due to the decrease of 27% in ASP as compared to Q1FY22. Sales volume has also dropped 34% from Q1FY22 as the plants were shut down due to the Enhanced Movement Control Order (EMCO) in July '21 and subsequently operating at only 60% workforce restriction following the National Recovery Plan (NRP).

Profit before tax for the quarter decreased by RM 1.69 billion or 58.8% to RM1.18 billion as compared to Q1FY22. On top of the decrease in sales revenue, the profit margin was also affected by higher raw material cost where the drop in raw material prices was not in tandem with the drop in ASP. Operating cost was also higher due to lower plant utilisation rate as compared to Q1FY22.

B3. Commentary on Prospects and Targets

In line with the growing rubber glove demand globally, the Group will continue to expand its capacity in NGC, Sepang. To date, 8 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. The construction for the upcoming expansion under NGC 1.5, is currently underway and the Group targets to commission the first line by April 2022. NGC 1.5 include 4 additional production plants which will contribute 19 billion pieces to the annual installed capacity. With the completion of NGC 1.5, the Group's annual installed capacity will increase to 63 billion pieces per annum.

The average selling prices for gloves has been declining from its peak in the 1st half of the financial year moving into 2nd half of the financial year. The tapering of average selling prices in recent months is due to the increasing supply from major glovemakers as well as moderating demand because of customers adjusting inventories in view of declining selling prices. Post pandemic, 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.

With the announcement of one-off special tax under “Cukai Makmur” (Prosperity Tax) during the Budget 2022 session, the Group anticipates that the one-off special tax could have a material impact on the earnings of the 2nd half of current financial year (FY2022) when the Prosperity Tax is gazetted.

To support the government’s initiative to increase the vaccination rate among the Malaysian workforce, the Group has commenced the immunisation programme for our Hartanians through the Public-Private Partnership COVID-19 Industry Immunisation Programme (PIKAS) with the support of the Ministry of International Trade and Industry (MITI). To date, over 90% of our Hartanians have been fully vaccinated.

Moving forward, the Group will continue to focus on improving efficiency and automation level across our operations. We remain 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):

	2nd Quarter Ended		Year-To- Date	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	RM'000	RM'000	RM'000	RM'000
Interest income	3,108	1,265	5,275	2,161
Other income including investment income	11,052	3,035	19,398	4,766
Interest expense	(1,276)	(1,645)	(2,651)	(3,484)
Depreciation and amortisation	(37,251)	(34,129)	(74,495)	(66,931)
Realised foreign exchange loss	(112)	(9,089)	(26,208)	(24,327)
Unrealised foreign exchange loss	(24,417)	(2,174)	(34,984)	(7,258)
Fair value gain on derivatives	16,109	14,548	70,815	38,400

B6. Taxation

	Current quarter	Current year-
	RM'000	to-date
		RM'000
Current tax expense	255,010	896,763
Deferred tax expense	18,306	(6,619)
	<u>273,316</u>	<u>890,144</u>

The effective tax rate of the Group during the current quarter is lower than the statutory tax rate mainly due to utilisation of tax incentives by certain local subsidiaries.

B7. Status of Corporate Proposal

As at the latest practicable date, 27 October 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 30 September 2021 are as follows:

	2nd Quarter Ended			2nd Quarter Ended		
	30 Sep 2021			30 Sep 2020		
	Foreign		RM	Foreign		RM
	denomination		'000	denomination		'000
<u>Short term borrowings</u>						
Term Loans – secured	USD	24,407	<u>102,191</u>	USD	24,582	<u>102,150</u>
			102,191			102,150
<u>Long term borrowings</u>						
Term Loans – secured	USD	47,849	<u>200,344</u>	USD	68,831	<u>286,027</u>
			200,344			286,027
<u>Total borrowings</u>						
Term Loans – secured	USD	72,256	<u>302,535</u>	USD	93,413	<u>388,177</u>
			302,535			388,177
Exchange Rate RM to USD1.00			4.19			4.16

B9. Financial Derivative Instruments

As at 30 September 2021, the outstanding foreign currency forward contracts are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value Liabilities RM'000
Foreign Exchange Contracts Less than 1 year		
- USD denominated	1,567,270	(3,733)

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.

During the current quarter and financial year-to-date ended 30 September 2021, the Group recognised a gain of RM 16.1 million and RM 70.8 million arising from the fair value changes of the derivative financial instruments.

B10. Material Litigation

As at the latest practicable date, 27 October 2021, there are no material litigations against the Group or taken by the Group.

B11. Dividend

On 2 November 2021, the Board has declared a first interim dividend of 35.20 sen per share single tier in respect of the financial year ending 31 March 2022 and payable on 2 December 2021. The entitlement date has been fixed on 18 November 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 18 November 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.

The Group is committed to its dividend policy of distributing a minimum 60% of the Group's annual net profit, after taking into consideration of the one-off special tax under Cukai Makmur as recently announced in the Budget 2022 for the financial year ending 31 March 2022.



Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

B12. Earnings per Share

Basic Earnings Per Share	Current Quarter Ended 30 Sep 2021	Corresponding Quarter Ended 30 Sep 2020	Current Year-To- Date 30 Sep 2021	Corresponding Year-To-Date 30 Sep 2020
Profit attributable to owners of the parent (RM'000)	914,009	544,958	3,173,545	764,677
Weighted average number of ordinary shares in issue ('000)	3,418,333	3,417,468	3,418,333	3,417,468
Basic earnings per share (sen)	26.74	15.95	92.84	22.38

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: 2 November 2021