

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 2021**

	Current Quarter Ended 31 Dec 2021 RM'000	Corresponding Quarter Ended 31 Dec 2020 RM'000	Current Year-To-Date 31 Dec 2021 RM'000	Corresponding Year-To-Date 31 Dec 2020 RM'000
Revenue	1,005,429	2,129,901	6,919,593	4,396,004
Operating expenses	(674,095)	(840,299)	(2,555,828)	(2,160,941)
Operating Profit	<u>331,334</u>	<u>1,289,602</u>	<u>4,363,765</u>	<u>2,235,063</u>
Other operating income	22,174	57,832	58,838	71,635
Profit before interest and tax	<u>353,508</u>	<u>1,347,434</u>	<u>4,422,603</u>	<u>2,306,698</u>
Finance costs	(1,115)	(1,561)	(3,766)	(5,045)
Profit before tax	<u>352,393</u>	<u>1,345,873</u>	<u>4,418,837</u>	<u>2,301,653</u>
Taxation	(96,338)	(338,046)	(986,482)	(523,068)
Net profit for the period	<u>256,055</u>	<u>1,007,827</u>	<u>3,432,355</u>	<u>1,778,585</u>
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference for foreign operations	648	3,328	(4,895)	5,727
Total comprehensive income for the period	<u>256,703</u>	<u>1,011,155</u>	<u>3,427,460</u>	<u>1,784,312</u>
Profit/(loss) attributable to:				
Owners of the Company	259,060	1,001,640	3,432,605	1,766,317
Non-controlling interest	(3,005)	6,187	(250)	12,268
	<u>256,055</u>	<u>1,007,827</u>	<u>3,432,355</u>	<u>1,778,585</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	259,578	1,004,359	3,428,554	1,771,002
Non-controlling interest	(2,875)	6,796	(1,094)	13,310
	<u>256,703</u>	<u>1,011,155</u>	<u>3,427,460</u>	<u>1,784,312</u>
EPS - Basic/diluted (sen)	7.58	29.31	100.43	51.68

(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.)

HARTELEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

Condensed Consolidated Statement of Financial Position as at 31 December 2021

	<i>Unaudited</i> <i>At 31 Dec 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	2,190,194	2,156,368
Capital work in progress	847,460	255,897
Intangible assets	31,864	32,591
Right-of-use assets	5,013	3,670
Deferred tax assets	3,201	3,256
	<u>3,077,732</u>	<u>2,451,782</u>
Current assets		
Inventories	515,398	633,455
Trade receivables	353,377	974,399
Other receivables, deposits and prepayments	70,608	136,252
Tax assets	1,913	1,339
Derivatives	3,821	-
Cash and cash equivalents	3,047,430	2,668,741
	<u>3,992,547</u>	<u>4,414,186</u>
TOTAL ASSETS	<u>7,070,279</u>	<u>6,865,968</u>
EQUITY AND LIABILITIES		
Share capital	1,692,061	1,692,061
Treasury shares	(97,474)	-
Reserves	4,228,190	3,282,839
Equity attributable to owners of the Company	<u>5,822,777</u>	<u>4,974,900</u>
Non-controlling interests	<u>14,940</u>	<u>24,212</u>
Total Equity	<u>5,837,717</u>	<u>4,999,112</u>
Non current liabilities		
Loans and borrowings	159,494	250,141
Lease liabilities	3,841	2,127
Deferred tax liabilities	223,327	197,986
	<u>386,662</u>	<u>450,254</u>
Current liabilities		
Trade payables	102,166	183,236
Other payables and accruals	289,835	908,042
Loans and borrowings	98,786	92,913
Lease liabilities	1,259	1,621
Derivatives	-	74,548
Tax payables	353,854	156,242
	<u>845,900</u>	<u>1,416,602</u>
Total Liabilities	<u>1,232,562</u>	<u>1,866,856</u>
TOTAL EQUITY AND LIABILITIES	<u>7,070,279</u>	<u>6,865,968</u>
Net assets per share attributable to the owners of the Company (RM)	1.70	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.)

HARTEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the third quarter ended 31 December 2021

	←	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>
9 Months Ended 31 December 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/(loss)							
Profit/(loss) for the financial period	-	-	-	3,432,605	3,432,605	(250)	3,432,355
Other comprehensive loss							
Foreign currency translation	-	-	(4,051)	-	(4,051)	(844)	(4,895)
Total comprehensive income/(loss) for the period	-	-	(4,051)	3,432,605	3,428,554	(1,094)	3,427,460
Transaction with owners							
Dividends	-	-	-	(2,483,203)	(2,483,203)	(8,178)	(2,491,381)
Acquisition of treasury shares	-	(97,474)	-	-	(97,474)	-	(97,474)
Total transaction with owners	-	(97,474)	-	(2,483,203)	(2,580,677)	(8,178)	(2,588,855)
Balance as at 31 December 2021	1,692,061	(97,474)	2,287	4,225,903	5,822,777	14,940	5,837,717

(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 third quarter ended 31 December 2021

	← Attributable to Owners of the Company →				<i>Sub Total</i> RM'000	<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			
9 Months Ended 30 December 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	-	-	-	1,766,317	1,766,317	12,268	1,778,585
Other comprehensive income							
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
Transaction with owners							
Dividends	-	-	-	(273,397)	(273,397)	-	(273,397)
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)	(272,049)	(128,330)	-	(128,330)
Balance as at 31 December 2020	1,692,061	2,341	-	2,488,069	4,182,471	16,634	4,199,105

(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 third quarter ended 31 December 2021

	Current Year-To-Date 31 Dec 2021 RM'000	Corresponding Year-To-Date 31 Dec 2020 RM'000
Cash Flows from Operating Activities		
Profit before tax	4,418,837	2,301,653
Adjustments for:		
Depreciation and amortisation	112,384	101,595
Income from fixed income fund	(24,575)	(6,327)
Interest received	(9,448)	(3,739)
Interest expense	3,766	5,045
Other adjustments	(42,050)	(68,404)
Operating profit before changes in working capital	4,458,914	2,329,823
Changes in working capital		
Net change in inventories	118,057	(86,414)
Net change in receivables	163,722	(557,999)
Net change in payables	(214,067)	619,122
Cash generated from operations	4,526,626	2,304,532
Tax paid	(764,174)	(183,206)
Net cash from operating activities	3,762,452	2,121,326
Cash Flows used in Investing Activities		
Proceeds from disposal of property, plant and equipment	1,031	717
Addition to:		
Property, plant and equipment	(27,721)	(212)
Capital work-in-progress	(708,361)	(236,702)
Intangible assets	(92)	(9)
Income received from fixed income fund	24,575	6,327
Interest received	9,448	3,739
Net cash used in investing activities	(701,120)	(226,140)
Cash Flows used in Financing Activities		
Draw down of term loan	-	172,344
Repayment of term loans	(86,792)	(49,274)
Repayment of lease liabilities	(1,677)	(1,366)
Net change in bank borrowings	-	(14,548)
Interest paid	(3,663)	(4,957)
Acquisition of treasury shares	(97,474)	-
Proceeds from issuance of shares pursuant to exercise of ESOS	-	145,067
Dividend paid	(2,483,203)	(273,397)
Net cash used in financing activities	(2,672,809)	(26,131)
Net increase in cash & cash equivalents	388,523	1,869,055
Effect of exchange rate fluctuations on cash and cash equivalents	(9,834)	(30,901)
Cash and cash equivalents at beginning of period	2,668,741	305,161
Cash and cash equivalents at end of period	3,047,430	2,143,315
Cash and cash equivalents at end of period comprise:		
Licensed Fund Management Companies-Fixed income fund	2,396,828	802,804
Cash in hand and at banks	650,602	1,340,511
	3,047,430	2,143,315

(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 Third Quarter ended 31 December 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 112	Deferred Tax relate to Assets and Liabilities arising from a Single Transaction 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;
- (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; and
- (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.

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 2021
	RM'000
Approved and contracted for	1,147,835

A11. Material Events Subsequent to the End of Period Reported

The special one-off "Prosperity Tax" (Cukai Makmur) has been gazetted in the Finance Act 2021 and the Group anticipates that the Prosperity Tax adjustment would have a material impact on the earnings of the last quarter of current financial year (FY2022).

Other than the above, there were no material events subsequent to 31 December 2021 up to latest practicable date 28 January 2022 that have not been reflected in the financial statements for the current quarter and financial year-to-date under review.



Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

A12. Changes in the Composition of the Group

On 18 January 2022, the Company has 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 has been completed on 27 January 2022.

Other than the above, there were no other changes in the composition of the Group during the current quarter and financial year-to-date 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

	3 rd Quarter Ended				Year-To-Date			
	31 Dec 2021	31 Dec 2020	Variance		31 Dec 2021	31 Dec 2020	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	1,005,429	2,129,901	(1,124,472)	(52.8)	6,919,593	4,396,004	2,523,589	57.4
Operating profit	331,334	1,289,602	(958,268)	(74.3)	4,363,765	2,235,063	2,128,702	95.2
Profit before interest and tax	353,508	1,347,434	(993,926)	(73.8)	4,422,603	2,306,698	2,115,905	91.7
Profit before tax	352,393	1,345,873	(993,480)	(73.8)	4,418,837	2,301,653	2,117,184	92.0
Profit after tax	256,055	1,007,827	(751,772)	(74.6)	3,432,355	1,778,585	1,653,770	93.0
Profit attributable to ordinary equity holders of the parents	259,060	1,001,640	(742,580)	(74.1)	3,462,605	1,766,317	1,666,288	94.3

Q3 FY2022 vs Q3 FY2021

For the quarter ended 31 December 2021 (Q3FY22), the Group registered a lower revenue of RM 1.01 billion, recording a decrease of RM 1.12 billion or 52.8% from the corresponding quarter in the preceding year (Q3FY21). The lower revenue was mainly due to the decline in both average selling price (ASP) and sales volume, attributable to the lower sales demand and increased supply from major and new glovemakers.

Profit before tax has decreased by RM 993.5 million or 73.8% to RM 352.4 million, as compared to RM 1.35 billion in Q3FY21. The decrease in profit before tax was mainly due to the lower revenue.

9M FY2022 vs 9M FY2021

For the 9 months ended 31 December 2021 (9MFY22), the Group achieved a higher revenue of RM 6.92 billion, recording an increase of RM 2.52 billion or 57.4% from the corresponding period in the preceding year (9MFY21). The higher revenue was mainly contributed by the higher ASP in the first half of the current financial year, after offsetting the increased raw material cost coupled with the impact on reduction in sales volume by 21%.

Profit before tax has increased by RM 2.12 billion or 92.0% to RM 4.42 billion, as compared to RM 2.30 billion for 9MFY21. This was mainly driven by higher revenue, partly offset by the higher raw material and other operating costs.

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

	Current Quarter Ended 31 Dec 2021 RM'000	Preceding Quarter Ended 30 Sep 2021 RM'000	Variance	
			RM'000	%
Revenue	1,005,429	2,011,330	(1,005,901)	(50.0)
Operating profit	331,334	1,181,287	(849,953)	(72.0)
Profit before interest and tax	353,508	1,188,627	(835,119)	(70.3)
Profit before tax	352,393	1,187,351	(834,958)	(70.3)
Profit after tax	256,055	914,035	(657,980)	(72.0)
Profit attributable to ordinary equity holders of the parents	259,060	914,009	(654,949)	(71.7)

Q3 FY2022 vs Q2 FY2022

Revenue for the quarter has decreased by RM 1.01 billion or 50.0% as compared to the preceding quarter (Q2FY22). The current quarter ASP has declined by 44% as compared to Q2FY22 mainly due to increased supply from major and new glovemakers. Sales volume has also dropped 17% from Q2FY22 which was attributed to customers continuing to adjust inventories due to declining ASP coupled with logistic challenges such as capacity constraints on vessels.

Profit before tax for the quarter decreased by RM 835.0 million or 70.3% to RM352.4 million as compared to Q2FY22. This was mainly due to the lower revenue, partly offset by the decrease in raw material price.

B3. Commentary on Prospects and Targets

In line with the growing rubber glove demand globally, the Group will continue to expand capacity in NGC, Sepang. To date, 8 out of 9 lines in Plant 7 have been commissioned. Upon full commissioning, Plant 7 will have an annual installed capacity of 2.6 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 October 2022. NGC 1.5 will house 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 rapidly from its peak in the first half of the financial year moving into the second half of the financial year. The tapering of the average selling prices in recent months is due to the increased supply from major and new glovemakers and moderating demand as customers continue to adjust 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.

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

	3rd Quarter Ended		Year-To- Date	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Interest income	4,173	1,578	9,448	3,739
Other income including investment income	11,580	4,591	30,978	9,357
Interest expense	(1,115)	(1,561)	(3,766)	(5,045)
Depreciation and amortisation	(37,889)	(34,664)	(112,384)	(101,595)
Realised foreign exchange (loss)/gain	(1,434)	14,434	(27,642)	(9,893)
Unrealised foreign exchange loss	(1,634)	(15,158)	(36,618)	(22,417)
Fair value gain on derivatives	7,554	52,214	78,369	90,614

B6. Taxation

	Current quarter	Current year-to-date
	RM'000	RM'000
Current tax expense	74,941	971,704
Deferred tax expense	31,889	25,270
Over-provision in prior year	(10,492)	(10,492)
	<u>96,338</u>	<u>986,482</u>

The effective tax rate of the Group during the current quarter is higher than the statutory tax rate due to certain expenses disallowed for taxation purpose.

B7. Status of Corporate Proposal

As at the latest practicable date, 28 January 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 December 2021 are as follows:

	3 rd Quarter Ended 31 Dec 2021		3 rd Quarter Ended 31 Dec 2020			
	Foreign denomination '000	RM '000	Foreign denomination '000	RM '000		
<u>Short term borrowings</u>						
Term Loans – secured	USD	23,718	98,786	USD	26,101	104,847
			<u>98,786</u>			<u>104,847</u>
<u>Long term borrowings</u>						
Term Loans – secured	USD	38,294	159,494	USD	63,019	253,147
			<u>159,494</u>			<u>253,147</u>
<u>Total borrowings</u>						
Term Loans – secured	USD	62,012	258,280	USD	89,120	357,994
			<u>258,280</u>			<u>357,994</u>
Exchange Rate RM to USD1.00			4.17			4.02

B9. Financial Derivative Instruments

As at 31 December 2021, the outstanding foreign currency forward contracts are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value Asset RM'000
Foreign Exchange Contracts Less than 1 year		
- USD denominated	<u>1,038,207</u>	<u>3,821</u>

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-to-date ended 31 December 2021, the Group recognised a gain of RM 7.6 million and RM 78.4 million arising from the fair value changes of the derivative financial instruments.

B10. Material Litigation

As at the latest practicable date, 28 January 2022, there are no material litigations against the Group or taken by the Group.

B11. Dividend

On 8 February 2022, the Board has declared a second interim dividend of 14.80 sen per share single tier in respect of the financial year ending 31 March 2022 and payable on 9 March 2022. The entitlement date has been fixed on 23 February 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 23 February 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.

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 special one-off "Prosperity Tax" (Cukai Makmur) which will be reflected in the last quarter of the current financial year.

B12. Earnings per Share

	Current Quarter Ended 31 Dec 2021	Corresponding Quarter Ended 31 Dec 2020	Current Year-To- Date 31 Dec 2021	Corresponding Year-To-Date 31 Dec 2020
Basic Earnings Per Share				
Profit attributable to owners of the parent (RM'000)	259,060	1,001,640	3,432,605	1,766,317
Weighted average number of ordinary shares in issue ('000)	3,418,041	3,417,468	3,418,041	3,417,468
Basic earnings per share (sen)	7.58	29.31	100.43	51.68

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: 8 February 2022