

**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 2022**

	Current Quarter Ended 31 Dec 2022 RM'000	Corresponding Quarter Ended 31 Dec 2021 RM'000	Current Year-To-Date 31 Dec 2022 RM'000	Corresponding Year-To-Date 31 Dec 2021 RM'000
Revenue	461,837	1,005,429	1,892,072	6,919,593
Operating expenses	(492,384)	(674,095)	(1,726,464)	(2,555,828)
<b>Operating (loss)/profit</b>	<b>(30,547)</b>	<b>331,334</b>	<b>165,608</b>	<b>4,363,765</b>
Other operating income/(expenses)	2,073	22,174	(19,755)	58,838
<b>(Loss)/Profit before interest and tax</b>	<b>(28,474)</b>	<b>353,508</b>	<b>145,853</b>	<b>4,422,603</b>
Finance costs	(2,235)	(1,115)	(5,110)	(3,766)
<b>(Loss)/Profit before tax</b>	<b>(30,709)</b>	<b>352,393</b>	<b>140,743</b>	<b>4,418,837</b>
Taxation	(397)	(96,338)	(51,524)	(986,482)
<b>Net (loss)/profit for the period</b>	<b>(31,106)</b>	<b>256,055</b>	<b>89,219</b>	<b>3,432,355</b>
<b>Other comprehensive (loss)/income</b>				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference for foreign operations	(1,507)	648	(7,095)	(4,895)
Total comprehensive (loss)/income for the period	<b>(32,613)</b>	<b>256,703</b>	<b>82,124</b>	<b>3,427,460</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(31,910)	259,060	84,714	3,432,605
Non-controlling interest	804	(3,005)	4,505	(250)
	<b>(31,106)</b>	<b>256,055</b>	<b>89,219</b>	<b>3,432,355</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(33,120)	259,578	78,938	3,428,554
Non-controlling interest	507	(2,875)	3,186	(1,094)
	<b>(32,613)</b>	<b>256,703</b>	<b>82,124</b>	<b>3,427,460</b>
 (Loss)/Earnings per share (sen)	 (0.93)	 7.58	 2.48	 100.43

(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 2022 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 December 2022

	<i>Unaudited</i> <i>At 31 Dec 2022</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2022</i> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, Plant & Equipment	2,303,806	2,367,032
Capital work in progress	924,215	743,728
Intangible assets	36,381	30,801
Right-of-use assets	3,450	4,923
Deferred tax assets	3,663	3,566
	<u>3,271,515</u>	<u>3,150,050</u>
<b>Current assets</b>		
Inventories	253,696	396,947
Trade receivables	146,758	338,736
Other receivables, deposits and prepayments	123,783	79,870
Tax assets	2,137	2,090
Derivatives financial assets	212	1,576
Cash and cash equivalents	1,928,352	2,378,127
	<u>2,454,938</u>	<u>3,197,346</u>
<b>TOTAL ASSETS</b>	<u><u>5,726,453</u></u>	<u><u>6,347,396</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,692,061	1,692,061
Reserves	3,268,962	3,429,246
<b>Equity attributable to owners of the Company</b>	<u>4,961,023</u>	<u>5,121,307</u>
<b>Non-controlling interests</b>	<u>26,753</u>	<u>23,567</u>
<b>Total Equity</b>	<u><u>4,987,776</u></u>	<u><u>5,144,874</u></u>
<b>Non current liabilities</b>		
Loans and borrowings	82,446	136,658
Lease liabilities	2,303	3,190
Deferred tax liabilities	271,549	245,839
	<u>356,298</u>	<u>385,687</u>
<b>Current liabilities</b>		
Trade payables	57,144	117,910
Other payables and accruals	168,251	260,272
Loans and borrowings	90,992	102,110
Lease liabilities	1,247	1,829
Derivatives financial liabilities	-	160
Tax liabilities	64,745	334,554
	<u>382,379</u>	<u>816,835</u>
<b>Total Liabilities</b>	<u><u>738,677</u></u>	<u><u>1,202,522</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>5,726,453</u></u>	<u><u>6,347,396</u></u>
Net assets per share attributable to the owners of the Company (RM)	1.45	1.50

(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 2022 and the accompanying notes attached to this interim financial report.)

# HARALEGA HOLDINGS BERHAD

Registration No. 200601022130 (741883-X)

## Unaudited Condensed Consolidated Statement of Changes in Equity For the third quarter ended 31 December 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>9 Months Ended 31 December 2022</b>							
<b>Balance as at 1 April 2022</b>	1,692,061	(97,474)	4,753	3,521,967	5,121,307	23,567	5,144,874
<b>Comprehensive income</b>							
Profit for the financial year	-	-	-	84,714	84,714	4,505	89,219
<b>Other comprehensive loss</b>							
Foreign currency translation	-	-	(5,776)	-	(5,776)	(1,319)	(7,095)
Total comprehensive income for the year	-	-	(5,776)	84,714	78,938	3,186	82,124
<b>Transaction with owners</b>							
Dividends	-	-	-	(239,222)	(239,222)	-	(239,222)
Total transaction with owners	-	-	-	(239,222)	(239,222)	-	(239,222)
<b>Balance as at 31 December 2022</b>	<b>1,692,061</b>	<b>(97,474)</b>	<b>(1,023)</b>	<b>3,367,459</b>	<b>4,961,023</b>	<b>26,753</b>	<b>4,987,776</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 2022 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 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>Treasury</i> <i>Shares</i> <i>RM'000</i>	<i>Translation</i> <i>Reserve</i> <i>RM'000</i>	<i>Retained</i> <i>Profits</i> <i>RM'000</i>			
<b>9 Months Ended 31 December 2021</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</b>							
Profit for the financial year	-	-	-	3,432,605	3,432,605	(250)	3,432,355
<b>Other comprehensive loss</b>							
Foreign currency translation	-	-	(4,051)	-	(4,051)	(844)	(4,895)
Total comprehensive income for the year	-	-	(4,051)	3,432,605	3,428,554	(1,094)	3,427,460
<b>Transaction with owners</b>							
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)
<b>Balance as at 31 December 2021</b>	<b>1,692,061</b>	<b>(97,474)</b>	<b>2,287</b>	<b>4,225,903</b>	<b>5,822,777</b>	<b>14,940</b>	<b>5,837,717</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 2022 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 2022

	Current Year-To-Date 31 Dec 2022 RM'000	Corresponding Year-To-Date 31 Dec 2021 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before tax	140,743	4,418,837
Adjustments for:		
Depreciation and amortisation	121,598	112,384
Income from fixed income fund	(502)	(24,575)
Interest received	(21,484)	(9,448)
Interest expense	5,110	3,766
Other adjustments	22,388	(42,050)
<b>Operating profit before changes in working capital</b>	<b>267,853</b>	<b>4,458,914</b>
<b>Changes in working capital</b>		
Net change in inventories	143,251	118,057
Net change in receivables	132,629	163,722
Net change in payables	(141,851)	(214,067)
<b>Cash generated from operations</b>	<b>401,882</b>	<b>4,526,626</b>
Tax paid	(295,627)	(764,174)
<b>Net cash from operating activities</b>	<b>106,255</b>	<b>3,762,452</b>
<b>Cash Flows used in Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	759	1,031
Addition to:		
Property, plant and equipment	(17,367)	(27,721)
Capital work-in-progress	(229,465)	(708,361)
Intangible assets	(332)	(92)
Income received from fixed income fund	502	24,575
Interest received	21,484	9,448
<b>Net cash used in investing activities</b>	<b>(224,419)</b>	<b>(701,120)</b>
<b>Cash Flows used in Financing Activities</b>		
Repayment of term loan	(78,627)	(86,792)
Repayment of lease liabilities	(1,541)	(1,677)
Interest paid	(5,012)	(3,663)
Acquisition of treasury shares	-	(97,474)
Dividend paid	(239,222)	(2,483,203)
<b>Net cash used in financing activities</b>	<b>(324,402)</b>	<b>(2,672,809)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(442,566)</b>	<b>388,523</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>(7,209)</b>	<b>(9,834)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,378,127</b>	<b>2,668,741</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,928,352</b>	<b>3,047,430</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Licensed Fund Management Companies-Fixed income fund	-	2,396,828
Cash in hand and at banks	1,928,352	650,602
	<b>1,928,352</b>	<b>3,047,430</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 2022 and the accompanying notes attached to this interim financial report.)

**Notes to the Interim financial report for the Third Quarter ended 31 December 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 2022, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2021
Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Costs of Fulfilling a Contract

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:

MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 <sup>1</sup>
MFRS 17/Amendments to MFRS 17	Insurance Contracts <sup>1</sup>
Amendments to MFRS 16	Lease Liability in a Sales and Leaseback <sup>2</sup>
Amendments to MFRS 17	Initial Application of MFRS 9 and MFRS 17 - Comparative Information <sup>1</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to MFRS 101	Disclosure of Accounting Policies <sup>1</sup>
Amendments to MFRS 101	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>1</sup>
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</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 2023, with earlier application permitted.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2024, 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 2022 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 2022 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**

As at 31 December 2022, out of the total of 3,427,606,863 issued and fully paid ordinary shares, 10,145,000 ordinary shares were held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

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

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## **A7. Dividends Paid**

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

- (a) Third interim single tier exempt dividend of 3.50 sen per share amounting to RM 119,611,165 in respect of the financial year ended 31 March 2022, declared on 10 May 2022 and paid on 9 June 2022; and
- (b) Final single tier exempt dividend of 3.50 sen per share amounting to RM 119,611,165 in respect of the financial year ended 31 March 2022, approved at the last Annual General Meeting on 1 September 2022 and paid on 29 September 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 Dec 2022</b>
	<b>RM'000</b>
Approved and contracted for	496,351

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

There were no material events subsequent to 31 December 2022 up to latest practicable date 26 January 2023 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**

	3 <sup>rd</sup> Quarter Ended				Year-To-Date			
	31 Dec	31 Dec	Variance		31 Dec	31 Dec	Variance	
	2022	2021	RM'000	%	2022	2021	RM'000	%
Revenue	461,837	1,005,429	(543,592)	(54.1)	1,892,072	6,919,593	(5,027,521)	(72.7)
Operating (loss)/profit	(30,547)	331,334	(361,881)	(109.2)	165,508	4,363,765	(4,198,157)	(96.2)
(Loss)/Profit before interest and tax	(28,474)	353,508	(381,982)	(108.1)	145,853	4,422,603	(4,276,750)	(96.7)
(Loss)/Profit before tax	(30,709)	352,393	(383,102)	(108.7)	140,743	4,418,837	(4,278,094)	(96.8)
(Loss)/Profit after tax	(31,106)	256,055	(287,161)	(112.1)	89,219	3,432,355	(3,343,136)	(97.4)
(Loss)/Profit attributable to ordinary equity holders of the parents	(31,910)	259,060	(290,970)	(112.3)	84,714	3,432,605	(3,347,891)	(97.5)

**Q3 FY2023 vs Q3 FY2022  
9M FY2023 vs 9M FY2022**

For the current quarter ended 31 December 2022 (Q3FY23), the Group registered a lower revenue of RM 462 million, a decrease of RM 544 million or 54% from the corresponding quarter in the preceding year (Q3FY22).

For the 9 months ended 31 December 2022 (9MFY23), the Group registered a lower revenue of RM 1.9 billion, a decrease of RM 5.0 billion or 73% from the corresponding period in the preceding year (9MFY22).

The drop in sales revenue for both Q3FY23 and 9MFY23 was primarily attributed to the significant moderation of average selling price (ASP) as well as lower sales volume. This is due to the ongoing intense global market competition given the excessive glove inventories and stock adjustment in the supply chain.

For Q3FY23, the Group recorded a loss before tax of RM 31 million, a decreased of RM 383 million or 109% as compared to a profit before tax of RM 352 million in Q3FY22.

For the 9MFY23, profit before tax has decreased by RM 4.3 billion or 97% to RM 141 million, as compared to RM 4.4 billion for 9MFY22.

The decrease in profit for both Q3FY23 and 9MFY23 was in tandem with the decrease in revenue. On top of the significant reduction in revenue, the 9-month performance was also affected by higher energy and labour costs, partly offset by lower raw material costs and other operating expenses.

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

	<b>Current Quarter Ended 31 Dec 2022</b>	<b>Preceding Quarter Ended 30 Sep 2022</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	461,837	584,562	(122,725)	(21.0)
Operating (loss)/profit	(30,547)	43,555	(74,102)	(170.1)
(Loss)/Profit before interest and tax	(28,474)	39,036	(67,510)	(172.9)
(Loss)/Profit before tax	(30,709)	37,314	(68,023)	(182.3)
(Loss)/Profit after tax	(31,106)	29,440	(60,546)	(205.7)
(Loss)/Profit attributable to ordinary equity holders of the parents	(31,910)	28,344	(60,254)	(212.6)

**Q3 FY2023 vs Q2 FY2023**

Revenue for the current quarter decreased by RM 123 million or 21% as compared to the preceding quarter (Q2FY23). The lower revenue was mainly due to the decline in sales volume by 5% and lower ASP due to intense price competition.

For the current quarter, the Group recorded a loss before tax of RM 31 million, as compared to profit before tax of RM 37 million in Q2FY23. Apart from the lower revenue, the margin was also adversely affected by higher energy costs due to the increase in natural gas tariffs by 25%.

**B3. Commentary on Prospects and Targets**

The global oversupply situation is expected to continue in 2023. The surplus capacity from aggressive expansions coupled with excessive buyers' stockpiling during the pandemic have led to market supply-demand imbalances as well as continued intense market competition.

At the same time, the sector also has to manage a higher operating cost environment due to rising energy and labour costs. As such, pressure on operating margins would continue amidst the current softened average selling price for rubber gloves.

Despite capacity rationalisation, the headwinds facing the sector are likely to persist in the short term. Hence, the Group will align our expansion plans with the prevailing market situation.

Past experience informs that the glove market usually undergoes an adjustment period following a pandemic-driven demand surge. Notwithstanding the current sentiment, global glove consumption is expected to increase in the long term in line with increased glove usage, especially from emerging markets that have a low glove consumption base. The increase in demand could also be driven by the higher awareness of hygiene and health consciousness among healthcare practitioners post-pandemic.

In view of the increasingly challenging business landscape, the Group will continue to emphasise on better cost management, improve operational efficiencies and scale up automation initiatives across our operations. The Group will also continue to focus on enhancing our sustainability and social compliance practices as part of our ESG agenda. In recognition of our continued efforts to consistently raise the bar for ESG practices within the glove manufacturing industry, the Group was accorded the Gold Award under the Healthcare Category in the inaugural The Edge ESG Awards 2022. Looking ahead, the Group is cautiously optimistic about the long-term prospects for the sector.

**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):

	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Year-To- Date</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	10,210	4,173	21,484	9,448
Other income including investment income	2,403	11,580	11,206	30,978
Interest expense	(2,235)	(1,115)	(5,110)	(3,766)
Depreciation and amortisation	(40,724)	(37,889)	(121,598)	(112,384)
Gain on disposal of property, plant and equipment	30	421	369	299
Property, plant and equipment written off	(3,757)	-	(3,757)	-
Realised foreign exchange loss	(12,594)	(4,733)	(29,607)	(24,532)
Unrealised foreign exchange (loss)/gain	(2,539)	1,665	(17,794)	(39,729)
Fair value gain /(loss) on derivatives	8,351	7,554	(1,204)	78,369

**B6. Taxation**

	<b>Current quarter RM'000</b>	<b>Current year- to-date RM'000</b>
Current tax expense	1,418	25,771
Deferred tax expense	(1,021)	25,753
	<u>397</u>	<u>51,524</u>

The effective tax rate of the Group during the current quarter is higher than the statutory tax rate mainly due to higher corporate tax rate on profit contributed by a foreign subsidiary.

Year to date effective tax rate is higher than the statutory tax rate mainly due to under-provision of deferred tax liabilities in prior year and certain expenses not being deductible for tax purposes.

**B7. Status of Corporate Proposal**

As at the latest practicable date, 26 January 2023, 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 2022 are as follows:

	<b>3<sup>rd</sup> Quarter Ended 31 Dec 2022</b>		<b>3<sup>rd</sup> Quarter Ended 31 Dec 2021</b>	
	<b>Foreign denomination '000</b>	<b>RM '000</b>	<b>Foreign denomination '000</b>	<b>RM '000</b>
<u>Short term borrowings</u>				
Term Loans – secured	USD 20,570	<u>90,992</u>	USD 23,718	<u>98,786</u>
		90,992		98,786
<u>Long term borrowings</u>				
Term Loans – secured	USD 18,638	<u>82,446</u>	USD 38,294	<u>159,494</u>
		82,446		159,494
<u>Total borrowings</u>				
Term Loans – secured	USD 39,208	<u>173,438</u>	USD 62,012	<u>258,280</u>
		173,438		258,280
Exchange Rate RM to USD1.00		4.42		4.17

**B9. Financial Derivative Instruments**

As at 31 December 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 RM'000</b>
<b>Derivative Financial Assets</b>		
Non-hedging derivative at fair value through profit or loss:		
- USD denominated	30,353	212

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 denominated in foreign currencies.

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.

During the current quarter and financial year-to-date ended 31 December 2022, the Group recognised a gain of RM 8.4 million and a loss of RM 1.2 million respectively arising from the fair value changes of the derivative financial instruments.

**B10. Material Litigation**

As at the latest practicable date, 26 January 2023, there are no material litigations against the Group or taken by the Group.

**B11. Dividend**

No dividend was proposed or declared for the current quarter under review.



## Hartalega Holdings Berhad

Registration No. 200601022130 (741883-X)

### B12. (Loss)/Earnings per Share

<b>(Loss)/Earnings Per Share</b>	<b>Current Quarter Ended 31 Dec 2022</b>	<b>Corresponding Quarter Ended 31 Dec 2021</b>	<b>Current Year-To- Date 31 Dec 2022</b>	<b>Corresponding Year-To-Date 31 Dec 2021</b>
(Loss)/Profit attributable to owners of the parent (RM'000)	(31,910)	259,060	84,714	3,432,605
Weighted average number of ordinary shares in issue ('000)	3,417,462	3,418,042	3,417,462	3,418,042
(Loss)/Earnings per share (sen)	(0.93)	7.58	2.48	100.43

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

**Date: 7 February 2023**