

**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 2023**

	Current Quarter Ended 31 Dec 2023 RM'000	Corresponding Quarter Ended 31 Dec 2022 RM'000	Current Year-To-Date 31 Dec 2023 RM'000	Corresponding Year-To-Date 31 Dec 2022 RM'000
Revenue	415,644	461,837	1,307,767	1,892,072
Operating expenses	(423,452)	(492,384)	(1,318,951)	(1,726,464)
<b>Operating (loss)/profit</b>	<u>(7,808)</u>	<u>(30,547)</u>	<u>(11,184)</u>	<u>165,608</u>
Other operating income/(expenses)	38,846	2,073	37,443	(19,755)
<b>Profit/(Loss) before interest and tax</b>	<u>31,038</u>	<u>(28,474)</u>	<u>26,259</u>	<u>145,853</u>
Finance costs	(2,000)	(2,235)	(6,409)	(5,110)
<b>Profit/(Loss) before tax</b>	<u>29,038</u>	<u>(30,709)</u>	<u>19,850</u>	<u>140,743</u>
Taxation	(6,270)	(397)	(19,369)	(51,524)
<b>Net profit/(loss) for the period</b>	<u>22,768</u>	<u>(31,106)</u>	<u>481</u>	<u>89,219</u>
<b>Other comprehensive income/(loss)</b>				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference for foreign operations	6,954	(1,507)	9,216	(7,095)
<b>Total comprehensive income/(loss) for the period</b>	<u>29,722</u>	<u>(32,613)</u>	<u>9,697</u>	<u>82,124</u>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	22,380	(31,910)	(2,394)	84,714
Non-controlling interest	388	804	2,875	4,505
	<u>22,768</u>	<u>(31,106)</u>	<u>481</u>	<u>89,219</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	29,431	(33,120)	6,516	78,938
Non-controlling interest	291	507	3,181	3,186
	<u>29,722</u>	<u>(32,613)</u>	<u>9,697</u>	<u>82,124</u>
Earnings/(Loss) per share (sen)	0.66	(0.93)	(0.07)	2.48

(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 2023 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 2023

	<i>Unaudited</i> <i>At 31 Dec 2023</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2023</i> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, Plant & Equipment	1,874,748	1,943,114
Capital work in progress	1,031,916	951,864
Intangible assets	43,223	42,614
Right-of-use assets	19,571	4,681
Deferred tax assets	2,393	2,251
	<u>2,971,851</u>	<u>2,944,524</u>
<b>Current assets</b>		
Inventories	371,850	232,390
Trade receivables	199,679	200,156
Other receivables, deposits and prepayments	125,844	123,309
Tax assets	78,190	80,070
Derivative financial assets	3,960	-
Cash and cash equivalents	1,531,254	1,724,468
	<u>2,310,777</u>	<u>2,360,393</u>
<b>TOTAL ASSETS</b>	<u>5,282,628</u>	<u>5,304,917</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,692,061	1,692,061
Reserves	2,945,495	2,948,000
<b>Equity attributable to owners of the Company</b>	<u>4,637,556</u>	<u>4,640,061</u>
<b>Non-controlling interests</b>	<u>(7,784)</u>	<u>18,302</u>
<b>Total Equity</b>	<u>4,629,772</u>	<u>4,658,363</u>
<b>Non current liabilities</b>		
Loans and borrowings	8,393	62,302
Lease liabilities	16,315	1,979
Deferred tax liabilities	227,163	228,152
	<u>251,871</u>	<u>292,433</u>
<b>Current liabilities</b>		
Trade payables	59,416	88,645
Other payables and accruals	254,947	164,104
Loans and borrowings	79,021	87,269
Lease liabilities	3,526	2,848
Derivative financial liabilities	-	80
Tax liabilities	4,075	11,175
	<u>400,985</u>	<u>354,121</u>
<b>Total Liabilities</b>	<u>652,856</u>	<u>646,554</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>5,282,628</u>	<u>5,304,917</u>
Net assets per share attributable to the owners of the Company (RM)	1.36	1.36

(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 2023 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 2023

	←	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 2023</b>							
<b>Balance as at 1 April 2023</b>	1,692,061	(97,474)	(2,135)	3,047,609	4,640,061	18,302	4,658,363
<b>Comprehensive income</b>							
(Loss)/income for the financial period	-	-	-	(2,394)	(2,394)	2,875	481
<b>Other comprehensive income</b>							
Foreign currency translation	-	-	8,910	-	8,910	306	9,216
Total comprehensive income for the period	-	-	8,910	(2,394)	6,516	3,181	9,697
<b>Transaction with owners</b>							
Acquisition of treasury shares	-	(9,021)	-	-	(9,021)	-	(9,021)
Change in a parent's ownership interest in a subsidiary	-	-	-	-	-	(29,267)	(29,267)
Total transaction with owners	-	(9,021)	-	-	(9,021)	(29,267)	(38,288)
<b>Balance as at 31 December 2023</b>	<b>1,692,061</b>	<b>(106,495)</b>	<b>6,775</b>	<b>3,045,215</b>	<b>4,637,556</b>	<b>(7,784)</b>	<b>4,629,772</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 2023 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 2023

	← 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>Treasury Shares</i> RM'000	<i>Translation Reserve</i> RM'000	<i>Retained Profits</i> RM'000			<i>Sub Total</i> RM'000
<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 period	-	-	-	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 period	-	-	(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 2023 and the accompanying notes attached to this interim financial report.)

# HARTALEGA HOLDINGS BERHAD

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## Unaudited Condensed Consolidated Statement of Cash Flows

For the third quarter ended 31 December 2023

	Current Year-To-Date 31 Dec 2023 RM'000	Corresponding Year-To-Date 31 Dec 2022 RM'000
<b>Cash Flows (used in)/from Operating Activities</b>		
Profit before tax	19,850	140,743
Adjustments for:		
Depreciation and amortisation	99,859	121,598
Income from fixed income fund	-	(502)
Interest received	(47,263)	(21,484)
Interest expense	6,409	5,110
Other adjustments	2,703	22,388
<b>Operating profit before changes in working capital</b>	<b>81,558</b>	<b>267,853</b>
<b>Changes in working capital</b>		
Net change in inventories	(139,460)	143,251
Net change in receivables	(6,026)	132,629
Net change in payables	61,615	(141,851)
<b>Cash (used in)/generated from operations</b>	<b>(2,313)</b>	<b>401,882</b>
Tax paid	(25,209)	(295,627)
<b>Net cash (used in)/from operating activities</b>	<b>(27,522)</b>	<b>106,255</b>
<b>Cash Flows used in Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	4,785	759
Addition to:		
Property, plant and equipment	(2,424)	(17,367)
Capital work-in-progress	(108,164)	(229,465)
Income received from fixed income fund	-	502
Interest received	47,263	21,484
<b>Net cash used in investing activities</b>	<b>(58,540)</b>	<b>(224,419)</b>
<b>Cash Flows used in Financing Activities</b>		
Repayment of term loan	(68,314)	(78,627)
Repayment of lease liabilities	(3,238)	(1,541)
Interest paid	(6,013)	(5,012)
Acquisition of treasury shares	(9,021)	-
Change in a parent's ownership interest in a subsidiary	(30,315)	-
Dividend paid	-	(239,222)
<b>Net cash used in financing activities</b>	<b>(116,901)</b>	<b>(324,402)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(202,963)</b>	<b>(442,566)</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>9,749</b>	<b>(7,209)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,724,468</b>	<b>2,378,127</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,531,254</b>	<b>1,928,352</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 2023 and the accompanying notes attached to this interim financial report.)

**Notes to the Interim financial report for the Third Quarter ended 31 December 2023****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 2023, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

MFRS 17	Insurance Contracts
Amendments to:	
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17	Insurance Contracts
MFRS 17	Initial application of MFRS 27 and MFRS 9 Comparative Information
MFRS 101	Disclosure of Accounting Policies
MFRS 101	Classification of Liabilities as Current or Non-current
MFRS 108	Definition of Accounting Estimates
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
MFRS 112	International Tax Reform – Pillar Two Model Rules

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 and Amendments in Issue But Not Yet Effective**

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

Amendments to:	
MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
MFRS107 and MFRS 7	Supplier Finance Arrangements <sup>1</sup>
MFRS 121	Lack of Exchangeability <sup>2</sup>
MFRS10 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 2024, with earlier application permitted.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.
- <sup>3</sup> Effective date deferred to a date to be announced by MASB.

The directors anticipate that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group when they become effective. The adoption of these Standards and amendments may have an impact on the financial statements of the Group in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect from the adoption of the said MFRSs and amendments to MFRSs until the Group undertakes a detailed review.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2023 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 2023 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 current quarter ended 31 December 2023, the Company had purchased 4,200,000 ordinary shares of its issued shares from the open market at the average price paid of RM2.15 per share.

At the end of the financial year-to-date under review, there were total 14,345,000 ordinary shares which were held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016. The number of ordinary shares in issue after deducting treasury shares is 3,413,261,863.

Other than the above, there were no issuance and repayments of debt and equity securities during the quarter and the financial year-to-date ended 31 December 2023.



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## **A7. Dividends Paid**

No dividend was paid by the Company during the current quarter and financial year-to-date ended 31 December 2023.

## **A8. Segment Information**

The Group's business mainly comprises the manufacturing and sale of nitrile and 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 December 2023</b>
	<b>RM'000</b>
Approved and contracted for	379,084

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

There were no material events subsequent to 31 December 2023 and up to the latest practicable date 30 January 2024 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**

On 8 November 2023, Hartalega Sdn Bhd ("HSB"), a wholly owned subsidiary of the Company, had entered into a share sale agreement to acquire the remaining 18% equity interest in Mun (Australia) Pty. Ltd. ("MUNA") for a total consideration of AUD 9,984,800. Subsequent to the completion of the acquisition, MUNA becomes a wholly owned subsidiary of HSB.

Other than the above, there were no other 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.





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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				Year-To-Date			
	31 Dec 2023	31 Dec 2022	Variance		31 Dec 2023	31 Dec 2022	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	415,644	461,837	(46,193)	(10.0)	1,307,767	1,892,072	(584,305)	(30.9)
Operating (Loss)/Profit	(7,808)	(30,547)	22,739	74.4	(11,184)	165,508	(176,792)	(106.8)
Profit/(Loss) before interest and tax	31,038	(28,474)	59,512	209.0	26,259	145,853	(119,594)	(82.0)
Profit/(Loss) before tax	29,038	(30,709)	59,747	194.6	19,850	140,743	(120,893)	(85.9)
Profit/(Loss) after tax	22,768	(31,106)	53,874	173.2	481	89,219	(88,738)	(99.5)
Profit/(Loss) attributable to ordinary equity holders of the parents	22,380	(31,910)	54,290	170.1	(2,394)	84,714	(87,108)	(102.8)

#### Q3 FY2024 vs Q3 FY2023

For the current quarter ended 31 December 2023 (Q3FY24), the Group registered a lower revenue of RM 416 million, a decrease of RM 46 million or 10% from the corresponding quarter in the preceding year (Q3FY23), primarily attributed to lower sales volume and average selling prices (ASP).

Despite the lower revenue, the Group registered a higher profit before tax (PBT) of RM 29 million during the quarter as compared to a loss before tax of RM 31 million in Q3FY23. The improved performance was mainly due to lower raw material costs and utilities expenses, better production efficiency arising from higher capacity utilisation as well as cost savings from the operational rationalisation exercise. In addition, the Group also recorded higher interest income and a reversal of certain provision no longer required during the quarter.

#### 9M FY2024 vs 9M FY2023

For the 9 months ended 31 December 2023 (9MFY24), the Group registered a lower revenue of RM 1.3 billion, a decrease of RM 584 million or 30.9% from the corresponding period in the preceding year (9MFY23). The drop in revenue was primarily attributed to notable lower sales volume as the industry is still facing supply chain inventory adjustment coupled with a decrease in ASP. The decrease in revenue further led to the operating loss recorded for 9MFY24, albeit partially offset by lower raw material cost and operating expenses during the period.

Despite the lower revenue, the Group recorded a PBT of RM 20 million, mainly attributed to the foreign exchange gain and higher interest income for the period under review.

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

	<b>Current Quarter Ended 31 Dec 2023 RM'000</b>	<b>Preceding Quarter Ended 30 Sep 2023 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	415,644	452,085	(36,441)	(8.1)
Operating (loss)/ profit	(7,808)	15,922	(23,730)	(149.0)
Profit before interest and tax	31,038	37,765	(6,727)	(17.8)
Profit before tax	29,038	35,549	(6,511)	(18.3)
Profit after tax	22,768	28,883	(6,115)	(21.2)
Profit attributable to ordinary equity holders of the parents	22,380	27,695	(5,315)	(19.2)

**Q3 FY2024 vs Q2 FY2024**

Revenue for the current quarter decreased by RM 36 million or 8.1% as compared to the preceding quarter (Q2FY24) amid lower sales volume and a drop in ASP. Sales volume has decreased by approximately 3% as the Group faced logistical challenges arising from the ongoing Red Sea crisis which has disrupted key shipping routes and caused shipment delays.

The Group registered a PBT of RM 29 million during the quarter, including interest income and a reversal of an earlier provision which is no longer required. However, PBT was lower as compared to Q2FY24 mainly due to the lower revenue recorded.

**B3. Commentary on Prospects and Targets**

Global oversupply of rubber gloves is expected to persist even as the sector continues with its adjustment phase. As such, pressure on average selling prices would remain amid challenging demand supply fundamentals. Notwithstanding, the capacity rationalisation exercises undertaken by certain key domestic manufacturers together with the exit of some smaller players have helped to relieve a certain degree of oversupply pressure in the market. Recent demand has shown signs of improvement and is expected to normalise in the near future. In anticipation of improved demand, the group is gearing up its capacity and resources.

Being a necessity in the healthcare sector, glove consumption is expected to return to pre-pandemic levels and thereafter continue to grow over the long term with increased glove usage, especially from emerging markets that have a low glove consumption base. The increase in demand could also be supported by the higher hygiene awareness and health consciousness among healthcare practitioners post-pandemic.

Cognizant of a new yet challenging landscape, the Group will continue with its 5-Year Strategic Plan to strengthen business sustainability and resilience over the longer term. As announced earlier, one of the key initiatives will see the Group fully decommissioning its Bestari Jaya facility and consolidating operations at the more efficient and advanced Next Generation Integrated Glove Manufacturing Complex (NGC) in Sepang. The operational rationalisation exercise is currently in its final phase and is slated to be completed by the first quarter of the calendar year 2024. Post-completion, the Group expects to see improvement in operational and cost efficiencies, thus enhancing the Group's overall competitiveness and positioning the Group well for market recovery.

Moving forward, the Group will continue to focus on better cost management, improve operational efficiency and scale up automation initiatives across our operations. The Group will also strive to maintain our leading position on the social compliance and sustainability fronts through our continuous efforts in driving the ESG agenda.

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

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

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

Profit/(Loss) 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 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	15,919	10,210	47,263	21,484
Other income including investment income	3,865	2,403	7,549	8,414
Interest expense	(2,000)	(2,235)	(6,409)	(5,110)
Depreciation and amortisation	(34,580)	(40,724)	(99,859)	(121,598)
Allowance for expected credit loss on trade receivable	-	-	(2,095)	-
Reversal of allowance for inventories written down	(131)	-	1,096	-
Gain on disposal of property, plant and equipment	4,139	30	4,375	369
Property, plant and equipment written off	(339)	(3,757)	(591)	(3,757)
Gain on disposal of investment	-	-	-	2,410
Impairment of assets	-	-	(373)	-
Realised foreign exchange (loss)/gain	(3,149)	(12,594)	13,886	(29,607)
Unrealised foreign exchange (loss)/gain	(3,758)	(2,539)	(10,124)	(17,794)
Fair value gain/(loss) on derivatives	2,033	8,351	4,040	(1,204)



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## B6. Taxation

	<b>Current quarter RM'000</b>	<b>Current year- to-date RM'000</b>
Current tax expense	7,055	19,990
Deferred tax expense	(785)	(621)
	<u>6,270</u>	<u>19,369</u>

The effective tax rate of the Group during the quarter is disproportionate to the statutory tax rate mainly due to deferred tax assets on losses incurred by certain subsidiaries not being fully recognised.

The effective tax rate of the Group for the current year-to-date is disproportionate to the statutory tax rate mainly due to non-availability of group-relief for set off against taxable income recorded by certain subsidiaries within the Group.

## B7. Status of Corporate Proposal

As at the latest practicable date, 30 January 2024, 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 2023 are as follows:

	<b>3<sup>rd</sup> Quarter Ended 31 Dec 2023</b>		<b>3<sup>rd</sup> Quarter Ended 31 Dec 2022</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	17,216	USD	20,570
		<u>79,021</u>		<u>90,992</u>
<u>Long term borrowings</u>				
Term Loans – secured	USD	1,828	USD	18,638
		<u>8,393</u>		<u>82,446</u>
<u>Total borrowings</u>				
Term Loans – secured	USD	19,044	USD	39,208
		<u>87,414</u>		<u>173,438</u>
Exchange Rate RM to USD1.00		4.59		4.42

**B9. Financial Derivative Instruments**

As at 31 December 2023, the outstanding foreign currency forward contracts are as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value Asset RM'000</b>
Foreign Exchange Contracts Less than 1 year		
- USD denominated	648,710	3,960

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 2023, the Group recognised a gain of RM 2.0 million and RM 4.0 million respectively arising from the fair value changes of the derivative financial instruments.

**B10. Material Litigation**

As at the latest practicable date, 30 January 2024, there were 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. Earnings/(Loss) per Share

<b>Earnings/(Loss) Per Share</b>	<b>Current Quarter Ended 31 Dec 2023</b>	<b>Corresponding Quarter Ended 31 Dec 2022</b>	<b>Current Year-To- Date 31 Dec 2023</b>	<b>Corresponding Year-To-Date 31 Dec 2022</b>
Profit/(Loss) attributable to owners of the parent (RM'000)	22,380	(31,910)	(2,394)	84,714
Weighted average number of ordinary shares in issue ('000)	3,415,453	3,417,462	3,415,453	3,417,462
Earnings/(Loss) per share (sen)	0.66	(0.93)	(0.07)	2.48

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

**Date: 6 February 2024**