

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the second quarter ended 30 September 2015 (Unaudited)

	Current Quarter Ended 30 Sep 2015 RM'000	Corresponding Quarter Ended 30 Sep 2014 RM'000	Current Year-To-Date 30 Sep 2015 RM'000	Corresponding Year-To-Date 30 Sep 2014 RM'000
Revenue	379,345	275,238	699,860	554,436
Operating expenses	(285,590)	(209,971)	(526,076)	(416,685)
Other operating (expense)/income	(18,606)	(338)	(18,669)	2,860
Finance costs	(80)	(27)	(122)	(58)
Profit before tax	<u>75,069</u>	<u>64,902</u>	<u>154,993</u>	<u>140,553</u>
Taxation	(14,516)	(16,588)	(31,650)	(34,998)
Net profit for the period	<u>60,553</u>	<u>48,314</u>	<u>123,343</u>	<u>105,555</u>
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	445	(422)	673	(382)
Total comprehensive income for the period	<u>60,998</u>	<u>47,892</u>	<u>124,016</u>	<u>105,173</u>
Profit attributable to:				
Owners of the parent	60,411	48,160	123,092	105,247
Non-controlling interest	142	154	251	308
	<u>60,553</u>	<u>48,314</u>	<u>123,343</u>	<u>105,555</u>
Total comprehensive income attributable to:				
Owners of the parent	60,762	47,812	123,629	104,933
Non-controlling interest	236	80	387	240
	<u>60,998</u>	<u>47,892</u>	<u>124,016</u>	<u>105,173</u>
EPS - Basic (sen)	3.69	3.13 *	7.51	6.84 *
- Diluted (sen)	3.67	3.06 *	7.48	6.69 *

* For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 30 September 2014 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares of RM0.50 each which was completed on 17 September 2015.

(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 2015 and the accompanying notes attached to this interim financial report.)

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)
Condensed Consolidated Statement of Financial Position as at 30 September 2015

	<i>Unaudited</i> <i>At 30 Sep 2015</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2015</i> <i>RM'000</i>
ASSETS		
Non current assets		
Property, Plant & Equipment	908,708	821,581
Capital work in progress	307,262	222,649
Intangible assets	21,057	20,573
Deferred tax assets	4,296	4,205
	1,241,323	1,069,008
Current assets		
Inventories	187,543	120,163
Trade receivables	188,401	181,097
Other receivables, deposits and prepayments	40,505	16,778
Cash & bank balances	76,349	70,501
	492,798	388,539
TOTAL ASSETS	1,734,121	1,457,547
EQUITY AND LIABILITIES		
Share capital	820,434	400,779
Reserves	600,455	868,220
Equity attributable to owners of the parent	1,420,889	1,268,999
Non-controlling interests	2,049	1,662
Total Equity	1,422,938	1,270,661
Non current liabilities		
Long term borrowings	29,160	326
Deferred tax liabilities	63,031	59,481
	92,191	59,807
Current liabilities		
Trade payables	81,836	45,685
Other payables and accruals	63,987	62,868
Short term borrowings	33,495	6,082
Derivatives	28,599	1,947
Tax payables	11,075	10,497
	218,992	127,079
Total Liabilities	311,183	186,886
TOTAL EQUITY AND LIABILITIES	1,734,121	1,457,547
Net assets per share attributable to the owners of the Company (sen)	86.59	79.16 *

* For comparative purpose, the Net assets per share attributable to the owners of the Company as at 31 March 2015 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares of RM0.50 each which was completed on 17 September 2015.

(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 2015 and the accompanying notes attached to this interim financial report)

HARALEGA HOLDINGS BERHAD (Company No. 741883-X)
Condensed Consolidated Statement of Changes in Equity
For the second quarter ended 30 September 2015 (Unaudited)

	← Attributable to Owners of the Company →							
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Share-based Payment Reserve RM'000	Retained Profits RM'000	Sub Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
6 Months Ended 30 September 2015								
Balance as at 1 April 2015	400,779	254,422	(625)	-	614,423	1,268,999	1,662	1,270,661
Total comprehensive income for the period	-	-	537	-	123,092	123,629	387	124,016
Transaction with owners								
Dividends	-	-	-	-	(57,274)	(57,274)	-	(57,274)
Share-based payment granted under ESOS	-	-	-	7,389	-	7,389	-	7,389
Issuance of bonus share	410,217	(323,130)	-	-	(87,087)	-	-	-
Issuance of ordinary shares pursuant to Warrants	9,438	68,708	-	-	-	78,146	-	78,146
Total transaction with owners	419,655	(254,422)	-	7,389	(144,361)	28,261	-	28,261
Balance as at 30 September 2015	820,434	0	(88)	7,389	593,154	1,420,889	2,049	1,422,938
6 Months Ended 30 September 2014								
Balance as at 1 April 2014	373,516	53,852	(35)	5,529	509,392	942,254	1,306	943,560
Total comprehensive income for the period	-	-	(314)	-	105,247	104,933	240	105,173
Transaction with owners								
Dividends	-	-	-	-	(57,328)	(57,328)	-	(57,328)
Share-based payment granted under ESOS	-	-	-	941	-	941	-	941
Issuance of ordinary shares pursuant to ESOS	926	4,704	-	-	-	5,630	-	5,630
Issuance of ordinary shares pursuant to Warrants	15,430	112,332	-	-	-	127,762	-	127,762
Transfer from Share-based payment upon exercise of ESOS	-	1,516	-	(1,516)	-	-	-	-
Total transaction with owners	16,356	118,552	-	(575)	(57,328)	77,005	-	77,005
Balance as at 30 September 2014	389,872	172,404	(349)	4,954	557,311	1,124,192	1,546	1,125,738

(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 2015 and the accompanying notes attached to this interim financial report.)

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)
Condensed Consolidated Statement of Cash Flows
For the second quarter ended 30 September 2015 (Unaudited)

	Current Year-To-Date 30 Sep 2015 RM'000	Corresponding Year-To-Date 30 Sep 2014 RM'000
Cash Flows from/(used in) Operating Activities		
Profit before tax	154,993	140,553
Adjustments for:		
Depreciation and amortisation	31,782	21,833
Other adjustments	27,815	2,955
Operating profit before changes in working capital	214,590	165,341
Changes in working capital		
Net change in inventories	(67,380)	(6,929)
Net change in receivables	(25,140)	(25,521)
Net change in payables	37,270	5,597
Cash generated from operations	159,340	138,488
Interest received	646	618
Income from fixed income fund	231	2,083
Tax refunded	104	68
Taxation paid	(27,550)	(31,462)
Net cash from operating activities	132,771	109,795
Cash Flows from/(used in) Investing Activities		
Proceeds from disposal of property, plant and equipment	16	25
Capital work in progress incurred	(188,556)	(208,731)
Purchase of property, plant and equipment	(13,786)	(13,549)
Purchase of intangible asset	(1,640)	-
Net change in escrow account	23	(105)
Net cash used in investing activities	(203,943)	(222,360)
Cash Flows from/(used in) Financing Activities		
Draw down of term loan	28,912	-
Repayment of term loans	(1,604)	(1,476)
Repayment of finance lease	1	(12)
Net change in bank borrowings	28,938	-
Interest paid	(122)	(58)
Proceeds from issuance of shares-ESOS	-	5,630
Proceeds from issuance of shares-Warrants	78,146	127,762
Dividend paid	(57,274)	(57,328)
Net cash from financing activities	76,997	74,518
Net change in cash & cash equivalents	5,825	(38,047)
Cash & cash equivalents at beginning of period	65,268	160,687
Cash & cash equivalents at end of period	71,093	122,640
Cash & cash equivalents at end of period comprise:		
Deposits with licensed banks	4,500	26,100
Licensed Fund Management Companies-Fixed income fund	2,093	60,951
Cash in hand and at banks	69,756	45,557
	76,349	132,608
Less : Bank Balance Pledged-Escrow Account	(5,256)	(9,968)
	71,093	122,640

(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 2015 and the accompanying notes attached to this interim financial report.)



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Notes to the Interim financial report for the Second Quarter ended 30 September 2015

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 requirement of 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”) and paragraph 9.22 (Appendix 9B part A) of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 2015 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”):

MFRSs

Amendments to Defined Benefit Plans: Employee Contributions
MFRS 119

Annual Improvements to MFRSs 2010 – 2012 cycle
Annual Improvements to MFRSs 2011 – 2013 cycle

The adoption of these new and revised 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 Standards which were in issue but not yet effective and not early adopted by the Group are as listed below:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ²
MFRS 14	Regulatory Deferral Accounts ¹
MFRS 15	Revenue from Contracts with Customers ²
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture ¹
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to MFRS 101	Disclosure Initiative ¹



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Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants ¹
Amendments to MFRS 127	Equity Method in Separate Financial Statements ¹
Annual Improvements to MFRSs 2012 – 2014 cycle ¹	

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The Directors anticipate that the adoption of the abovementioned standards, 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 2015 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 2015 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 flow 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

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year or changes in the estimates of amounts reported in the prior financial years that have a material effect in the current quarter or financial year-to-date.



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A6. Issues, Repurchases and Repayments of Debt and Equity Securities

- (a) During the current quarter ended 30 September 2015, a total of 820,433,757 new ordinary shares of RM0.50 each were issued pursuant to the Company's bonus issue exercise.
- (b) For the financial year-to-date ended 30 September 2015, a total of 18,875,724 new ordinary shares of RM0.50 each were allotted and issued pursuant to the Company's Warrants.

Other than the above, there were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations and shares held as treasury shares for the current quarter and financial year-to-date.

A7. Dividends Paid

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

- (a) Third interim single tier exempt dividend of 3 sen per share amounting to RM24,457,101.96 in respect of the financial year ended 31 March 2015, declared on 5 May 2015 and paid on 18 June 2015.
- (b) Final single tier exempt dividend of 4 sen per share amounting to RM32,817,350.28 in respect of the financial year ended 31 March 2015, declared on 25 August 2015 and paid on 30 September 2015.

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 Group Managing Director 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 September 2015
	RM'000
Approved and contracted for	378,265
Approved but not contracted for	1,184,323
Total	<u>1,562,588</u>



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A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 30 September 2015 up to latest practicable date 29 October 2015 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 in the current quarter and financial year-to-date.

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 except as disclosed in the material litigation under Section B11.



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

B1. Review of Performance of the Company and its Subsidiaries

	2nd Quarter Ended 30 Sep 2015	2nd Quarter Ended 30 Sep 2014	Variance		Year-To- Date 30 Sep 2015	Year-To- Date 30 Sep 2014	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	379,345	275,238	104,107	37.8	699,860	554,436	145,424	26.2
Profit before tax	75,069	64,902	10,167	15.7	154,993	140,553	14,440	10.3

The Group's performance for the quarter under review and year-to-date versus the corresponding quarter and year-to-date of the previous financial year are as follows:

- For the 2nd quarter, the Group's revenue increased by 37.8% and the profit before tax increased by 15.7%. The significant achievement in revenue and profit before tax is in line with the Group's continuous expansion in production capacity and increase in demand. The strengthening of the USD also contribute to the increase in revenue.
- The operating profit margin increased from 23.7% to 24.7% basically due to increase in contribution from new production lines from NGC plants. The profit before tax margin reduced from 23.6% to 19.8% due to the recognition of fair value loss on derivatives of RM21,049,000 compared with the corresponding quarter loss of RM6,922,000.

The Group's performance for the year-to-date versus the corresponding year-to-date of the previous financial year are as follows:

The Group's revenue increased by 26.2% and the profit before tax increased by 10.3%. The significant increase in revenue and profit before tax is in line with the Group's continuous expansion in production capacity and increase in demand. The strengthening of the USD also contribute to the increase in revenue. The profit before tax was after the recognition of fair value loss on derivatives of RM26,652,000 compared with the corresponding year-to-date loss of RM7,128,000.

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

	Current Quarter ended 30 Sep 2015	Preceding Quarter ended 30 Jun 2015	Variance	
	RM'000	RM'000	RM'000	%
Revenue	379,345	320,515	58,830	18.4
Profit before tax	75,069	79,924	(4,855)	(6.1)



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For the current quarter, the Group's revenue was 18.4% higher when compared with the preceding quarter. The increase in revenue is basically due to increase in demand and the strengthening of the USD. The profit before tax was reduced by 6.1% basically due to the recognition of fair value loss on derivatives of RM21,649,000 compared with the preceding quarter loss of RM5,003,000.

B3. Commentary on Prospects and Targets

The global demand for nitrile rubber gloves continued to register double digit growth rate due to switching momentum from latex to nitrile rubber gloves and increasing healthcare requirements. This has spurred an increase of nitrile capacity by the industry which we are confident would be more than matched by strong nitrile glove demand. Furthermore, we do not expect price war as claimed by certain quarters as global demand growth continues to be strong. However, average selling price will be lower from declining raw material price and more competitive product selling price. The lower selling price and sustaining demand will support efforts to open new markets.

We have embarked on a new stage of progress with our Next Generation Integrated Glove Manufacturing Complex (NGC) which will build six high capacity manufacturing plants that will house 72 production lines. Hartalega targets to add another 28.5 billion pieces aggregating to total installed capacity of 42 billion pieces per year upon completion of the NGC project. The total budgeted project cost including land will cost about RM2.26 billion. The project started with the construction of Plant 1 and Plant 2 in the 4th quarter of calendar year 2013 and the entire project is expected to take 8 years to complete. We have tested and commissioned 15 production lines up to September 2015 and other production lines will come on stream progressively. Our plant 1 and 2 at NGC have started to make positive contribution to the group earnings. We have also started the construction of plant 3 and 4 and supporting facilities in the 2nd quarter of calendar year 2015.

In view of current and anticipated conducive market conditions, we are making strenuous efforts to put in place the foundation for long term sustainable growth. On this note, we have already made concerted effort in improving our human resource in areas of training and development and man power numbers and have adjusted our salary structure in line with the minimum wage ruling effective January 2013.

We view that the concerted long term planning and efforts should bear fruit due to productivity gains and benefits of economies of scale derived from building capacity and leveraging on in-house technological competencies to mitigate the potential margin compression arising from greater competition. Although we are concerned that lower average selling price continues to impact Hartalega's profit margin, the timing of the incoming NGC capacity should sustain the group's earnings. On the back of strong demand for nitrile gloves, we are confident that Hartalega's profit margins will remain above the industry average.

The Board of directors is optimistic that the Group will achieve the internal target growth for the financial year ending 31 March 2016.

B4. Variance of Profit Forecast/Profit Guarantee

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



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B5. Profit For The Period

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

	2nd Quarter Ended 30 Sep 2015	2nd Quarter Ended 30 Sep 2014	Year-To- Date 30 Sep 2015	Year-To- Date 30 Sep 2014
	RM'000	RM'000	RM'000	RM'000
Interest income	279	356	646	618
Other income including investment income	1,243	1,690	3,046	4,100
Interest expense	(80)	(27)	(122)	(58)
Depreciation and amortisation	(16,595)	(11,016)	(31,782)	(21,833)
Provision and write off of bad debts	-	(88)	-	(88)
Foreign exchange gain/(loss)-realised	(4,192)	1,604	(1,264)	3,306
Foreign exchange gain/(loss)-unrealised	5,853	3,082	5,891	2,203
Fair value gain/(loss) on derivatives	(21,649)	(6,922)	(26,652)	(7,128)

B6. Taxation

	Current quarter	Current year-to- date
	RM'000	RM'000
Current tax expense	12,312	28,102
Deferred tax expense	2,204	3,548
	<u>14,516</u>	<u>31,650</u>

The effective tax rate of the Group is lower than the statutory tax rate is mainly due to the utilisation of unabsorbed capital allowances as a result of the increased profitability of one of the subsidiary.

B7. Status of Corporate Proposal

As at the latest practicable date, 29 October 2015, the outstanding corporate proposals announced but not completed are as follows:

- (a) On 1 July 2015, it was announced that the Company proposed renewal of authority for purchase of own ordinary shares of up to ten per centum (10%) of its issued and paid-up share capital ("Proposed Share Buy-Back").

The above proposals have been approved by shareholders at the AGM held on 25 August 2015.



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- (b) On 7 July 2015, it was announced that the Company proposed Bonus Issue of 820,433,757 new ordinary shares of RM0.50 each to be credited as fully paid-up, on the basis of one bonus share for every one existing share held at an entitlement date to be determined later (“Proposed Bonus Issue”). Bursa Malaysia Securities Berhad has approved the listing of and quotation for the Bonus Shares with conditions on 15 July 2015.

The above proposals have been approved by shareholders at the EGM held on 25 August 2015 and completed on 17 September 2015.

B8. Group Borrowings and Debt Securities

Total Group borrowings as at 30 September 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings</u>			
Term Loans (USD denominated)	-	-	-
Term Loans (RM denominated)	148	-	148
Bank Borrowings (USD denominated)	-	33,313	33,313
Finance Lease (USD denominated)	34	-	34
	182	33,313	33,495
<u>Long term borrowings</u>			
Term Loans (USD denominated)	28,912	-	28,912
Term Loans (RM denominated)	190	-	190
Finance Lease (USD denominated)	58	-	58
	29,160	-	29,160

B9. Financial Derivative Instruments

As at 30 September 2015, the outstanding foreign currency forward contracts are as follows:

Type of Derivatives	Contract/Notional Value (RM'000)	Fair Value (RM'000)
<u>Foreign Exchange Contracts</u>		
Less than 1 year		
-USD denominated	180,602	152,003

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.



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There are also no cash requirement risks as the Group only uses forward foreign currencies contracts as its hedging instruments.

The fair value derivative liabilities amounting to RM28,599,000 has been recognised in the financial statements.

B10. Realised and Unrealised Profits/Losses Disclosure

	As at 30/09/2015 RM'000	As at 31/03/2015 RM'000
Total retained profits of Hartalega Holdings Berhad and its subsidiaries:		
- Realised	774,581	760,122
- Unrealised	(81,124)	(48,163)
	<u>693,457</u>	<u>711,959</u>
Less: Consolidation adjustments	(100,303)	(97,536)
Total group retained profits as per consolidated accounts	<u>593,154</u>	<u>614,423</u>

B11. Material Litigation

As at the latest practicable date, 29 October 2015, there are no material litigations against the Group or taken by the Group saved as disclosed below:

Mr. Seow Hoon Hin (the "Plaintiff"), a shareholder of the Company and a former shareholder of Hartalega Sdn. Bhd. ("HSB") vs Hartalega Holdings Berhad ("the Company" or "1st Defendant"), HSB ("2nd Defendant") and three (3) individuals (3rd, 4th and 5th defendant") (collectively "the Defendants") (Kuala Lumpur High Court Writ and Statement of Claim).

The Plaintiff has instituted legal proceedings against the Defendants by filing a Writ of Summons and a Statement of Claim in the High Court of Malaya at Kuala Lumpur (the "Action"). The Writ of Summons and Statement of Claim were served on the Company on 24 March 2011.

The Plaintiff claims against the Defendants for the following:

- (i) he had delivered to the 3rd Defendant, acting on behalf of the 2nd Defendant substantial part of another two (2) assembly lines for the manufacture of gloves for storage at the 2nd Defendant's factory to which he purportedly intended to be reimbursed for. The Plaintiff contends that the 3rd Defendant (whom the Plaintiff contends is the controlling mind and person behind the 2nd Defendant) has represented to him that the said parts would be kept in the possession of the 2nd Defendant as a trustee for the Plaintiff;
- (ii) the Plaintiff contends that the 2nd Defendant had in flagrant breach of trust utilised the said parts to assemble another 2 assembly lines for the manufacture of latex gloves and that the 2nd Defendant had in breach of trust converted the same for its use and acquired proceeds and/or profits from the assembly of the said parts and as a consequence thereof has purportedly been unjustly enriched;



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- (iii) the Plaintiff further claims that there was a conspiracy to injure the Plaintiff by the 3rd, 4th and 5th Defendant culminating in the share allotment on 4 April 2005. The Plaintiff states that 3rd, 4th and 5th Defendant had agreed to use the said allotment of shares for the predominant purpose of injuring the Plaintiff and that the said allotment was done pursuant to a purported agreement between the 3rd, 4th and 5th Defendants to injure the Plaintiff resulting in damage and loss to him;
- (iv) that the 2nd Defendant is a trustee for the unpaid dividends amounting to RM488,765.25 due and owing to the Plaintiff; and
- (v) that the Company is guilty of negligent misstatement or alternatively in breach of statutory duty pursuant to Section 357 of the Capital Markets and Services Act, 2007 (“CMSA”) read together with, inter alia, Section 214 of the CMSA and/or tort of breach of statutory duty pursuant to Section 177 and/or Section 179 of the CMSA.

The Plaintiff claims against the Company for the following:

- (i) damages for negligent misstatement or alternatively of breach of statutory duty pursuant to Section 357 of the CMSA read together with, inter alia, Section 214 of the CMSA and/or tort of breach of statutory duty pursuant to Section 177 and/or Section 179 of the CMSA;
- (ii) interest on the said damages at the rate of 8% per annum or any other rate deemed appropriate from 7 April 2008 or such other date deemed appropriate until full satisfaction thereof;
- (iii) such further or other relief the Court deems fit; and
- (iv) costs.

The matter has since gone for trial on 5, 6, 7 December 2012, 29 and 30 January 2013 and 1 and 2 April 2013 in which the trial has been concluded. The Judge heard parties’ oral submissions on 19 March 2014, 2 May 2014, 5 May 2014, 9, 10, 11 and 13 June 2014. Although initially fixed for decision on 5 August 2014 and then 13 November 2014, the matter was subsequently postponed.

Yang Arif Dato’ Has Zanah binti Mehat gave her decision on 12 December 2014, wherein she held as follows:

- i. That the Plaintiff has failed in all claims against the Defendants, as prayed for in his Statement of Claim; and
- ii. That the Plaintiff’s action be dismissed with costs of RM150,000.00 to the 1st to 3rd Defendants and RM50,000.00 each to the 4th and 5th Defendants.

On 8 January 2015 the Plaintiff filed a Notice of Appeal against the decision of the High Court. Although parties are yet to obtain the learned High Court Judge’s Written Ground of Judgment, the matter has been fixed for hearing on 26 November 2015.

The directors of the Company, in consultation with the solicitors, are of the opinion that there is no real merit in the Appellant’s appeal. Accordingly, the Group has not made any provision on the financial statements.



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B12. Dividend

On 5 November 2015, the board has declared a first interim dividend of 2.0 sen per share single tier in respect of the financial year ending 31 March 2016 and payable on 30 December 2015. The entitlement date has been fixed on 10 December 2015.

A depositor shall qualify for the entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 10 December 2015 in respect of ordinary transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the rules of BMSB.

B13. Earnings per Share

Basic Earnings Per Share	Current Quarter Ended 30/09/2015	Corresponding Quarter Ended 30/09/2014	Current Year-To- Date 30/09/2015	Corresponding Year-To-Date 30/09/2014
Profit attributable to owners of the parent (RM'000)	60,411	48,160	123,092	105,247
Number of shares in issue as at beginning of the year ('000)	1,603,116	1,494,064	1,603,116	1,494,064
Effect of exercise of ESOS ('000)	-	2,568	-	2,568
Effect of exercise of Warrants ('000)	35,682	42,442	35,682	42,442
Weighted average number of ordinary shares in issue ('000)	1,638,798	1,539,074	1,638,798	1,539,074
Basic earnings per share (sen)	3.69	3.13	7.51	6.84



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Diluted Earnings Per Share	Current Quarter Ended 30/09/2015	Corresponding Quarter Ended 30/09/2014	Current Year-To- Date 30/09/2015	Corresponding Year-To-Date 30/09/2014
Profit attributable to owners of the parent (RM'000)	60,411	48,160	123,092	105,247
Weighted average number of ordinary shares in issue ('000)	1,638,798	1,539,074	1,638,798	1,539,074
Effect of dilution : share options ('000)	6,589	6,812	6,589	6,812
Effect of dilution : warrants ('000)	-	26,792	-	26,792
Adjusted weighted average number of ordinary shares in issue and issuable('000)	1,645,387	1,572,678	1,645,387	1,572,678
Diluted earnings per share (sen)	3.67	3.06	7.48	6.69

For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 30 September 2014 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares of RM0.50 each which was completed on 17 September 2015.