

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the third quarter ended 31 December 2015 (Unaudited)**

	Current Quarter Ended 31 Dec 2015 RM'000	Corresponding Quarter Ended 31 Dec 2014 RM'000	Current Year-To-Date 31 Dec 2015 RM'000	Corresponding Year-To-Date 31 Dec 2014 RM'000
Revenue	398,023	286,414	1,097,883	840,850
Operating expenses	(307,734)	(215,090)	(833,810)	(631,776)
Other operating income/(expense)	1,249	(2,303)	(17,420)	558
Finance costs	(365)	(24)	(487)	(82)
Profit before tax	91,173	68,997	246,166	209,550
Taxation	(18,287)	(19,353)	(49,937)	(54,351)
Net profit for the period	72,886	49,644	196,229	155,199
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	119	(104)	792	(486)
Total comprehensive income for the period	73,005	49,540	197,021	154,713
Profit attributable to:				
Owners of the parent	72,786	49,517	195,878	154,764
Non-controlling interest	100	127	351	435
	72,886	49,644	196,229	155,199
Total comprehensive income attributable to:				
Owners of the parent	72,891	49,428	196,520	154,361
Non-controlling interest	114	112	501	352
	73,005	49,540	197,021	154,713
EPS - Basic (sen)	4.44	3.20 *	11.95	9.99 *
- Diluted (sen)	4.42	3.15 *	11.88	9.84 *

* For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 31 December 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 31 December 2015

	<i>Unaudited At 31 Dec 2015 RM'000</i>	<i>Audited At 31 Mar 2015 RM'000</i>
ASSETS		
Non current assets		
Property, Plant & Equipment	961,259	821,581
Capital work in progress	361,977	222,649
Intangible assets	20,474	20,573
Deferred tax assets	1,253	4,205
	1,344,963	1,069,008
Current assets		
Inventories	213,535	120,163
Trade receivables	191,684	181,097
Other receivables, deposits and prepayments	33,347	16,778
Derivatives	601	-
Cash & bank balances	50,925	70,501
	490,092	388,539
TOTAL ASSETS	1,835,055	1,457,547
EQUITY AND LIABILITIES		
Share capital	820,452	400,779
Reserves	645,997	868,220
Equity attributable to owners of the parent	1,466,449	1,268,999
Non-controlling interests	2,163	1,662
Total Equity	1,468,612	1,270,661
Non current liabilities		
Long term borrowings	113,992	326
Deferred tax liabilities	59,196	59,481
	173,188	59,807
Current liabilities		
Trade payables	79,690	45,685
Other payables and accruals	68,676	62,868
Short term borrowings	35,983	6,082
Derivatives	-	1,947
Tax payables	8,906	10,497
	193,255	127,079
Total Liabilities	366,443	186,886
TOTAL EQUITY AND LIABILITIES	1,835,055	1,457,547
Net assets per share attributable to the owners of the Company (sen)	89.37	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)

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)
Condensed Consolidated Statement of Changes in Equity
For the third quarter ended 31 December 2015 (Unaudited)

	← Attributable to Owners of the Company →							Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Translation Reserve RM'000	Share-based Payment Reserve RM'000	Retained Profits RM'000	Sub Total RM'000	Non-controlling Interest RM'000	
9 Months Ended 31 December 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	-	-	642	-	195,878	196,520	501	197,021
Transaction with owners								
Dividends	-	-	-	-	(90,092)	(90,092)	-	(90,092)
Share-based payment granted under ESOS	-	-	-	12,740	-	12,740	-	12,740
Issuance of bonus share	410,217	(323,130)	-	-	(87,087)	-	-	-
Issuance of ordinary shares pursuant to ESOS	18	118	-	-	-	136	-	136
Issuance of ordinary shares pursuant to Warrants	9,438	68,708	-	-	-	78,146	-	78,146
Transfer from Share-based payment upon exercise of ESOS	-	29	-	(29)	-	-	-	-
Total transaction with owners	419,673	(254,275)	-	12,711	(177,179)	930	-	930
Balance as at 31 December 2015	820,452	147	17	12,711	633,122	1,466,449	2,163	1,468,612
9 Months Ended 31 December 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	-	-	(403)	-	154,764	154,361	352	154,713
Transaction with owners								
Dividends	-	-	-	-	(81,025)	(81,025)	-	(81,025)
Share-based payment granted under ESOS	-	-	-	1,495	-	1,495	-	1,495
Issuance of ordinary shares pursuant to ESOS	2,312	12,088	-	-	-	14,400	-	14,400
Issuance of ordinary shares pursuant to Warrants	20,077	146,160	-	-	-	166,237	-	166,237
Transfer from Share-based payment upon exercise of ESOS	-	3,793	-	(3,793)	-	-	-	-
Total transaction with owners	22,389	162,041	-	(2,298)	(81,025)	101,107	-	101,107
Balance as at 31 December 2014	395,905	215,893	(438)	3,231	583,131	1,197,722	1,658	1,199,380

(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.)

HARALEGA HOLDINGS BERHAD(Company No. 741883-X)
Condensed Consolidated Statement of Cash Flows
For the third quarter ended 31 December 2015 (Unaudited)

	Current Year-To-Date 31 Dec 2015 RM'000	Corresponding Year-To-Date 31 Dec 2014 RM'000
Cash Flows from/(used in) Operating Activities		
Profit before tax	246,166	209,550
Adjustments for:		
Depreciation and amortisation	49,565	32,982
Other adjustments	8,255	14,513
Operating profit before changes in working capital	303,986	257,045
Changes in working capital		
Net change in inventories	(93,372)	(24,780)
Net change in receivables	(25,558)	(41,814)
Net change in payables	40,108	7,628
Cash generated from operations	225,164	198,079
Interest received	990	927
Income from fixed income fund	242	2,835
Tax refunded	-	68
Taxation paid	(48,785)	(52,048)
Net cash from operating activities	177,611	149,861
Cash Flows from/(used in) Investing Activities		
Proceeds from disposal of property, plant and equipment	95	281
Capital work in progress incurred	(290,511)	(313,993)
Purchase of property, plant and equipment	(36,523)	(18,454)
Purchase of intangible asset	(1,519)	-
Net change in escrow account	(88)	(157)
Net cash used in investing activities	(328,546)	(332,323)
Cash Flows from/(used in) Financing Activities		
Draw down of term loan	113,791	-
Repayment of term loans	(1,641)	(2,077)
Repayment of finance lease	(10)	(12)
Net change in bank borrowings	31,428	-
Interest paid	(487)	(82)
Proceeds from issuance of shares-ESOS	136	14,400
Proceeds from issuance of shares-Warrants	78,146	166,237
Dividend paid	(90,092)	(81,025)
Net cash from financing activities	131,271	97,441
Net change in cash & cash equivalents	(19,664)	(85,021)
Cash & cash equivalents at beginning of period	65,268	160,687
Cash & cash equivalents at end of period	45,604	75,666
Cash & cash equivalents at end of period comprise:		
Deposits with licensed banks	5,000	5,600
Licensed Fund Management Companies-Fixed income fund	1,310	39,796
Cash in hand and at banks	44,615	40,290
	50,925	85,686
Less : Bank Balance Pledged-Escrow Account	(5,321)	(10,020)
	45,604	75,666

(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 Third Quarter ended 31 December 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 ³
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.

³ Effective date deferred to a date to be determined and announced, with earlier application still 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 31 December 2015, a total of 36,000 new ordinary shares of RM0.50 each were allotted and issued pursuant to the Company's Employees Share Option Scheme.
- (b) For the financial year-to-date ended 31 December 2015, a total of 820,433,757 new ordinary shares of RM0.50 each were issued pursuant to the Company's bonus issue exercise
- (c) For the financial year-to-date ended 31 December 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.
- (c) First interim single tier exempt dividend of 2 sen per share amounting to RM32,817,350.28 in respect of the financial year ending 31 March 2016, declared on 5 November 2015 and paid on 30 December 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.



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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 December 2015
	RM'000
Approved and contracted for	490,437
Approved but not contracted for	965,416
Total	<u>1,455,853</u>

A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 31 December 2015 up to latest practicable date 10 February 2016 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 26 January 2016, the Company has completed the acquisition of the 100% wholly-owned subsidiary company, namely MUN GLOBAL SDN BHD ("MUN GLOBAL"). The authorised share capital of MUN GLOBAL is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each with an issued and paid-up share capital of RM2.00 only divided into 2 ordinary shares of RM1.00 each.

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

	3rd Quarter Ended 31 Dec 2015	3rd Quarter Ended 31 Dec 2014	Variance		Year-To- Date 31 Dec 2015	Year-To- Date 31 Dec 2014	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	398,023	286,414	111,609	39.0	1,097,883	840,850	257,033	30.6
Profit before tax	91,173	68,997	22,176	32.1	246,166	209,550	36,616	17.5

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 3rd quarter, the Group's revenue increased by 39.0% and the profit before tax increased by 32.1%. 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 contributed to the increase in revenue.
- The increase in profit before tax by 32.1% is basically due to increase in contribution from new production lines from the NGC plants. The operating profit margin reduced from 24.9% to 22.7% due to reduction in average selling price arising from lower nitrile material prices and more competitive sales pricing.

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 30.6% and the profit before tax increased by 17.5%. 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 contributed to the increase in revenue. The profit before tax was after the recognition of net foreign exchange loss of RM21,318,000 compared with the corresponding year-to-date net foreign exchange loss of RM5,638,000.

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

	Current Quarter ended 31 Dec 2015	Preceding Quarter ended 30 Sep 2015	Variance	
	RM'000	RM'000	RM'000	%
Revenue	398,023	379,345	18,678	4.9
Profit before tax	91,173	75,069	16,104	21.5



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For the current quarter, the Group's revenue was 4.9% 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 increased by 21.5% basically due to increase in sales volume of 9% and strengthening of the USD but partly offset by competitive sale pricing. The profit before tax was after the recognition of net foreign exchange gain of RM707,000 compared with the preceding quarter net foreign exchange loss of RM19,988,000.

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. 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), with six high capacity manufacturing plants which will house 72 production lines. Upon completion of NGC project, Hartalega will add 28.5 billion pieces aggregating to total installed capacity of 42 billion pieces per year. 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 19 production lines up to December 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 gearing towards lean manufacturing.

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):

	3rd Quarter Ended 31 Dec 2015	3rd Quarter Ended 31 Dec 2014	Year-To- Date 31 Dec 2015	Year-To- Date 31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Interest income	343	309	989	927
Other income including investment income	463	1,672	3,508	5,772
Interest expense	(365)	(24)	(487)	(82)
Depreciation and amortisation	(17,782)	(11,150)	(49,565)	(32,982)
Provision and write off of bad debts	-	-	-	(88)
Foreign exchange gain/(loss)-realised	(24,497)	(4,615)	(25,760)	(1,309)
Foreign exchange gain/(loss)-unrealised	(3,996)	4,202	1,894	6,405
Fair value gain/(loss) on derivatives	29,200	(3,606)	2,548	(10,734)

B6. Taxation

	Current quarter RM'000	Current year-to- date RM'000
Current tax expense	17,736	45,837
Deferred tax expense	(805)	2,743
Under-provision in prior years	1,356	1,357
	<u>18,287</u>	<u>49,937</u>

The effective tax rate of the Group is lower than the statutory tax rate is mainly due to the utilisation of tax incentives in some of the local subsidiaries.

B7. Status of Corporate Proposal

As at the latest practicable date, 10 February 2016, 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 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)	-	35,803	35,803
Finance Lease (USD denominated)	32	-	32
	<u>180</u>	<u>35,803</u>	<u>35,983</u>



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	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term Loans (USD denominated)	113,791	-	113,791
Term Loans (RM denominated)	153	-	153
Finance Lease (USD denominated)	48	-	48
	<u>113,992</u>	<u>-</u>	<u>113,992</u>

B9. Financial Derivative Instruments

As at 31 December 2015, the outstanding foreign currency forward contracts are as follows:

Type of Derivatives	Contract/Notional Value (RM'000)	Fair Value (RM'000)
Foreign Exchange Contracts		
Less than 1 year		
-USD denominated	539,645	540,246

The Group enters into foreign currency forward contracts to hedge its estimated net exposure to movements in exchange rates arising mainly from sales and purchases.

As foreign currencies contracts are hedged with creditworthy financial institutions in line with the Group's policy, the Group does not foresee any significant credit risks.

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

The fair value derivative assets amounting to RM601,000 has been recognised in the financial statements.

B10. Realised and Unrealised Profits/Losses Disclosure

	As at 31/12/2015 RM'000	As at 31/03/2015 RM'000
Total retained profits of Hartalega Holdings Berhad and its subsidiaries:		
- Realised	788,533	760,122
- Unrealised	(54,370)	(48,163)
	<u>734,163</u>	<u>711,959</u>
Less: Consolidation adjustments	(101,041)	(97,536)
Total group retained profits as per consolidated accounts	<u>633,122</u>	<u>614,423</u>



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B11. Material Litigation

As at the latest practicable date, 10 February 2016, 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
- (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.



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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 and the matter has been fixed for hearing on 5 May 2016.

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.

B12. Dividend

On 16 February 2016, the board has declared a second interim dividend of 2.0 sen per share single tier in respect of the financial year ending 31 March 2016 and payable on 30 March 2016. The entitlement date has been fixed on 10 March 2016.

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 March 2016 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.



Hartalega

Hartalega Holdings Berhad (741883-X)

B13. Earnings per Share

Basic Earnings Per Share	Current Quarter Ended 31/12/2015	Corresponding Quarter Ended 31/12/2014	Current Year-To- Date 31/12/2015	Corresponding Year-To-Date 31/12/2014
Profit attributable to owners of the parent (RM'000)	72,786	49,517	195,878	154,764
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)	12	4,772	12	4,772
Effect of exercise of Warrants ('000)	35,682	50,840	35,682	50,840
Weighted average number of ordinary shares in issue ('000)	1,638,810	1,549,676	1,638,810	1,549,676
Basic earnings per share (sen)	4.44	3.20	11.95	9.99

Diluted Earnings Per Share	Current Quarter Ended 31/12/2015	Corresponding Quarter Ended 31/12/2014	Current Year-To- Date 31/12/2015	Corresponding Year-To-Date 31/12/2014
Profit attributable to owners of the parent (RM'000)	72,786	49,517	195,878	154,764
Weighted average number of ordinary shares in issue ('000)	1,638,810	1,549,676	1,638,810	1,549,676
Effect of dilution : share options ('000)	9,336	3,862	9,336	3,862
Effect of dilution : warrants ('000)	-	19,126	-	19,126
Adjusted weighted average number of ordinary shares in issue and issuable('000)	1,648,146	1,572,664	1,648,146	1,572,664
Diluted earnings per share (sen)	4.42	3.15	11.88	9.84

For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 31 December 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.