

**HARTALEGA HOLDINGS BERHAD**(Company No. 741883-X)**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income****For the first quarter ended 30 June 2016 (Unaudited)**

	Current Quarter Ended 30 Jun 2016 RM'000	Corresponding Quarter Ended 30 Jun 2015 RM'000	Current Year-To-Date 30 Jun 2016 RM'000	Corresponding Year-To-Date 30 Jun 2015 RM'000
Revenue	401,827	320,515	401,827	320,515
Operating expenses	(326,920)	(240,486)	(326,920)	(240,486)
Other operating income/(expense)	(6,577)	(63)	(6,577)	(63)
Finance costs	(201)	(42)	(201)	(42)
Profit before tax	68,129	79,924	68,129	79,924
Taxation	(11,731)	(17,134)	(11,731)	(17,134)
Net profit for the period	56,398	62,790	56,398	62,790
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	(125)	228	(125)	228
Total comprehensive income for the period	56,273	63,018	56,273	63,018
Profit attributable to:				
Owners of the Company	56,176	62,681	56,176	62,681
Non-controlling interest	222	109	222	109
	56,398	62,790	56,398	62,790
Total comprehensive income attributable to:				
Owners of the Company	56,075	62,867	56,075	62,867
Non-controlling interest	198	151	198	151
	56,273	63,018	56,273	63,018
EPS - Basic ( sen )	3.42	3.83 *	3.42	3.83 *
- Diluted ( sen )	3.40	3.82 *	3.40	3.82 *

\* For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 30 June 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 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 2016 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 June 2016**

	<i>Unaudited</i> <i>At 30 June 2016</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2016</i> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, Plant & Equipment	1,162,087	1,133,688
Capital work in progress	298,518	267,852
Intangible assets	18,862	19,483
Deferred tax assets	741	1,016
	<u>1,480,208</u>	<u>1,422,039</u>
<b>Current assets</b>		
Inventories	202,553	201,537
Trade receivables	190,747	204,658
Other receivables, deposits and prepayments	34,720	34,387
Tax assets	3,118	100
Derivatives	-	13,998
Cash & bank balances	95,292	84,381
	<u>526,430</u>	<u>539,061</u>
<b>TOTAL ASSETS</b>	<u>2,006,638</u>	<u>1,961,100</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	820,539	820,515
Reserves	709,952	681,428
<b>Equity attributable to owners of the Company</b>	<u>1,530,491</u>	<u>1,501,943</u>
<b>Non-controlling interests</b>	<u>2,281</u>	<u>2,083</u>
<b>Total Equity</b>	1,532,772	1,504,026
<b>Non current liabilities</b>		
Long term borrowings	195,402	205,609
Deferred tax liabilities	63,031	60,811
	<u>258,433</u>	<u>266,420</u>
<b>Current liabilities</b>		
Trade payables	85,217	91,022
Other payables and accruals	66,636	56,366
Short term borrowings	62,090	42,441
Derivatives	1,490	-
Tax payables	-	825
	<u>215,433</u>	<u>190,654</u>
<b>Total Liabilities</b>	<u>473,866</u>	<u>457,074</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,006,638</u>	<u>1,961,100</u>
Net assets per share attributable to the owners of the Company (sen)	93.26	91.52

(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 2016 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 first quarter ended 30 June 2016 (Unaudited)**

	←-----Attributable to Owners of the Company----->					<i>Non-controlling Interest</i>	<i>Total Equity</i>	
	<i>Share Capital</i>	<i>Share Premium</i>	<i>Translation Reserve</i>	<i>Share-based Payment Reserve</i>	<i>Retained Profits</i>			<i>Sub Total</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	
<b>3 Months Ended 30 June 2016</b>								
<b>Balance as at 1 April 2016</b>	820,514	698	(215)	19,093	661,852	1,501,942	2,083	1,504,025
Total comprehensive income for the period	-	-	(101)	-	56,176	56,075	198	56,273
<b>Transaction with owners</b>								
Dividends	-	-	-	-	(32,821)	(32,821)	-	(32,821)
Share-based payment granted under ESOS	-	-	-	5,106	-	5,106	-	5,106
Issuance of ordinary shares pursuant to ESOS	25	164	-	-	-	189	-	189
Transfer from Share-based payment upon exercise of ESOS	-	40	-	(40)	-	-	-	-
Total transaction with owners	25	204	-	5,066	(32,821)	(27,526)	-	(27,526)
<b>Balance as at 30 June 2016</b>	<b><u>820,539</u></b>	<b><u>902</u></b>	<b><u>(316)</u></b>	<b><u>24,159</u></b>	<b><u>685,207</u></b>	<b><u>1,530,491</u></b>	<b><u>2,281</u></b>	<b><u>1,532,772</u></b>
<b>3 Months Ended 30 June 2015</b>								
<b>Balance as at 1 April 2015</b>	400,779	254,422	(625)	-	614,423	1,268,999	1,662	1,270,661
Total comprehensive income for the period	-	-	186	-	62,681	62,867	151	63,018
<b>Transaction with owners</b>								
Dividends	-	-	-	-	(24,457)	(24,457)	-	(24,457)
Share-based payment granted under ESOS	-	-	-	2,873	-	2,873	-	2,873
Issuance of ordinary shares pursuant to Warrants	9,438	68,708	-	-	-	78,146	-	78,146
Total transaction with owners	9,438	68,708	-	2,873	(24,457)	56,562	-	56,562
<b>Balance as at 30 June 2015</b>	<b><u>410,217</u></b>	<b><u>323,130</u></b>	<b><u>(439)</u></b>	<b><u>2,873</u></b>	<b><u>652,647</u></b>	<b><u>1,388,428</u></b>	<b><u>1,813</u></b>	<b><u>1,390,241</u></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 2016 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 first quarter ended 30 June 2016 (Unaudited)**

	Current Year-To-Date 30 Jun 2016 RM'000	Corresponding Year-To-Date 30 Jun 2015 RM'000
<b>Cash Flows from/(used in) Operating Activities</b>		
Profit before tax	68,129	79,924
Adjustments for:		
Depreciation and amortisation	17,071	15,187
Other adjustments	17,324	7,677
<b>Operating profit before changes in working capital</b>	<b>102,524</b>	<b>102,788</b>
<b>Changes in working capital</b>		
Net change in inventories	(1,016)	(34,037)
Net change in receivables	16,618	(14,036)
Net change in payables	4,465	22,528
Cash generated from operations	122,591	77,243
Interest received	392	367
Income from fixed income fund	185	118
Taxation paid	(13,354)	(14,533)
<b>Net cash from operating activities</b>	<b>109,814</b>	<b>63,195</b>
<b>Cash Flows from/(used in) Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	16
Capital work in progress incurred	(52,969)	(52,872)
Purchase of property, plant and equipment	(22,545)	(36,937)
Purchase of intangible asset	-	(517)
Net change in escrow account	4,802	23
<b>Net cash used in investing activities</b>	<b>(70,712)</b>	<b>(90,287)</b>
<b>Cash Flows from/(used in) Financing Activities</b>		
Draw down of term loan	5,165	-
Repayment of term loans	(27)	(825)
Repayment of finance lease	(6)	(5)
Net change in bank borrowings	4,311	10,875
Interest paid	(201)	(42)
Proceeds from issuance of shares-ESOS	189	-
Proceeds from issuance of shares-Warrants	-	78,146
Dividend paid	(32,821)	(24,457)
<b>Net cash from financing activities</b>	<b>(23,390)</b>	<b>63,692</b>
<b>Net change in cash &amp; cash equivalents</b>	<b>15,712</b>	<b>36,600</b>
<b>Cash &amp; cash equivalents at beginning of period</b>	<b>79,051</b>	<b>65,268</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>94,763</b>	<b>101,868</b>
<b>Cash &amp; cash equivalents at end of period comprise:</b>		
Deposits with licensed banks	7,800	37,050
Licensed Fund Management Companies-Fixed income fund	18,504	11,053
Cash in hand and at banks	68,988	59,021
	95,292	107,124
Less : Bank Balance Pledged-Escrow Account	(529)	(5,256)
	<b>94,763</b>	<b>101,868</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 2016 and the accompanying notes attached to this interim financial report.)



## Notes to the Interim financial report for the First Quarter ended 30 June 2016

### 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 2016 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”):

#### MFRSs

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012 – 2014 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.



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## 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) <sup>1</sup>
MFRS 15	Revenue from Contracts with Customers <sup>1</sup>
MFRS 16	Lease <sup>4</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>
Amendments to MFRS 107	Disclosure Initiative <sup>2</sup>
Amendments to MFRS 112	Recognition of Deferred Tax Assets Under Unrealised Losses <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

<sup>3</sup> Effective date deferred to a date to be determined and announced, with earlier application still permitted.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted provided MFRS 15 is also applied.

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 2016 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 2016 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.



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## **A5. Changes in Estimates**

The Group changed its depreciation method from reducing balance method to straight line method with effect from 1 April 2016 to better reflect the estimated economic useful lives of the assets. The effect of this change in accounting estimate is a decrease in depreciation charge amounting to RM4,440,000 for the current quarter and financial year-to-date.

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

During the current quarter and financial year-to-date ended 30 June 2016, a total of 50,100 new ordinary shares of RM0.50 each were allotted and issued pursuant to the Company's Employees Share Option Scheme.

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**

During the current quarter and financial year-to-date ended 30 June 2016, the Company paid third interim single tier exempt dividend of 2 sen per share amounting to RM32,820,752.28 in respect of the financial year ended 31 March 2016, declared on 3 May 2016 and paid on 23 June 2016.

## **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:-

	30 June 2016
	RM'000
Approved and contracted for	481,482
Approved but not contracted for	840,480
Total	<u>1,321,962</u>

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

There were no material events subsequent to 30 June 2016 up to latest practicable date 27 July 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

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.



**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS**
**B1. Review of Performance of the Company and its Subsidiaries**

	1st Quarter Ended 30 Jun 2016	1st Quarter Ended 30 Jun 2015	Variance		Year-To- Date 30 Jun 2016	Year-To- Date 30 Jun 2015	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	401,827	320,515	81,312	25.4	401,827	320,515	81,312	25.4
Profit before tax	68,129	79,924	(11,795)	(14.8)	68,129	79,924	(11,795)	(14.8)

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

- (a) The Group's revenue increased by 25.4% and the profit before tax decreased by 14.8%. The increase in revenue 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.
- (b) The operating profit margin reduced from 25.0% to 18.6% due to more competitive sales pricing, increase in raw material, natural gas, maintenance and staff cost.

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

	Current Quarter ended 30 Jun 2016	Preceding Quarter ended 31 Mar 2016	Variance	
	RM'000	RM'000	RM'000	%
Revenue	401,827	400,454	1,373	0.3
Profit before tax	68,129	70,712	(2,583)	(3.7)

For the current quarter, the Group's revenue was 0.3% higher and profit before tax reduced by 3.7% when compared with the preceding quarter. The operating profit margin increase from 12.9% to 18.6% basically due to improve in operation efficiency and reduction in overheads such as depreciation, maintenance and labour cost.



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## B3. Commentary on Prospects and Targets

The global demand for nitrile rubber gloves continued to register healthy 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 has generally been lower due to weak raw material price and more competitive product selling price. The lower selling price and sustaining demand will support efforts to open new markets.

In order to meet the rising demand for medical gloves, we have embarked on a new stage of progress with our Next Generation Integrated Glove Manufacturing Complex (NGC) which will have six high capacity manufacturing plants with 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 budget for the project 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 completed Plant 1 and 2 and have started the construction of plant 3 and 4 which will commence production towards the end of calendar year 2016. We take cognizance of market demand trends and will plan and schedule capacity to grow in tandem with our customer demands.

We also take note of the high start-up cost at NGC impacting earnings and are undertaking organization-wide cost management program to address this matter. These concerted long term efforts in cost management coupled with economies of scale will result in productivity gains to mitigate margin contraction.

## B4. Variance of Profit Forecast/Profit Guarantee

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

## B5. Profit For The Period

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

	1st Quarter Ended 30 Jun 2016	1st Quarter Ended 30 Jun 2015	Year-To- Date 30 Jun 2016	Year-To- Date 30 Jun 2015
	RM'000	RM'000	RM'000	RM'000
Interest income	392	367	392	367
Other income including investment income	796	1,804	796	1,804
Interest expense	(201)	(42)	(201)	(42)
Depreciation and amortisation	(17,071)	(15,187)	(17,071)	(15,187)
Foreign exchange gain/(loss)-realised	4,814	2,928	4,814	2,928
Foreign exchange gain/(loss)-unrealised	3,040	38	3,040	38
Fair value gain/(loss) on derivatives	(15,488)	(5,003)	(15,488)	(5,003)



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## B6. Taxation

	Current quarter	Current year-to-date
	RM'000	RM'000
Current tax expense	9,511	9,511
Deferred tax expense	2,220	2,220
	<u>11,731</u>	<u>11,731</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, 27 July 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 30 June 2016 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
<u>Short term borrowings</u>			
Term Loans (USD denominated)	16,820	-	16,820
Term Loans (RM denominated)	159	-	159
Bank Borrowings (USD denominated)	-	45,080	45,080
Finance Lease (USD denominated)	31	-	31
	<u>17,010</u>	<u>45,080</u>	<u>62,090</u>
	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
<u>Long term borrowings</u>			
Term Loans (USD denominated)	195,297	-	195,297
Term Loans (RM denominated)	76	-	76
Finance Lease (USD denominated)	29	-	29
	<u>195,402</u>	<u>-</u>	<u>195,402</u>



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## B9. Financial Derivative Instruments

As at 30 June 2016, 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	370,784	369,294

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 liabilities amounting to RM1,490,000 has been recognised in the financial statements.

## B10. Realised and Unrealised Profits/Losses Disclosure

	As at 30/06/2016 RM'000	As at 31/03/2016 RM'000
Total retained profits of Hartalega Holdings Berhad and its subsidiaries:		
- Realised	851,015	809,218
- Unrealised	(60,739)	(40,856)
	<u>790,276</u>	<u>768,362</u>
Less: Consolidation adjustments	(105,069)	(106,511)
Total group retained profits as per consolidated accounts	<u>685,207</u>	<u>661,851</u>



## B11. Material Litigation

As at the latest practicable date, 27 July 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 “1<sup>st</sup> Defendant”), HSB (“2<sup>nd</sup> Defendant”) and three (3) individuals (3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> 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 3<sup>rd</sup> Defendant, acting on behalf of the 2<sup>nd</sup> Defendant substantial part of another two (2) assembly lines for the manufacture of gloves for storage at the 2<sup>nd</sup> Defendant’s factory to which he purportedly intended to be reimbursed for. The Plaintiff contends that the 3<sup>rd</sup> Defendant (whom the Plaintiff contends is the controlling mind and person behind the 2<sup>nd</sup> Defendant) has represented to him that the said parts would be kept in the possession of the 2<sup>nd</sup> Defendant as a trustee for the Plaintiff;
- (ii) the Plaintiff contends that the 2<sup>nd</sup> 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 2<sup>nd</sup> 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 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Defendant culminating in the share allotment on 4 April 2005. The Plaintiff states that 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> 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 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Defendants to injure the Plaintiff resulting in damage and loss to him;
- (iv) that the 2<sup>nd</sup> 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, and 9, 10, 11 and 13 June 2014. Decision was pronounced on 12 December 2014, wherein the learned Judge held the following:

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

The Plaintiff filed a Notice of Appeal on 8 January 2015 against the entire Judgement of the Kuala Lumpur High Court dated 12 December 2014 which dismissed the plaintiff's claims. The hearing is fixed on 15 September 2016 before the Court of Appeal.

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**

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

On 5 July 2016, the Board of Directors proposed a final single tier dividend of 2 sen per share in respect of the financial year ended 31 March 2016 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting scheduled on 23 August 2016. If the final dividend is approved, it will be paid on 28 September 2016 to the depositors registered in the Record of Depositors at the close of business on 15 September 2016.



# Hartalega

Hartalega Holdings Berhad (741883-X)

## B13. Earnings per Share

<b>Basic Earnings Per Share</b>	Current Quarter Ended 30/06/2016	Corresponding Quarter Ended 30/06/2015	Current Year-To- Date 30/06/2016	Corresponding Year-To-Date 30/06/2015
Profit attributable to owners of the parent (RM'000)	56,176	62,681	56,176	62,681
Number of shares in issue as at beginning of the year ('000)	1,641,029	1,603,116	1,641,029	1,603,116
Effect of exercise of ESOS ('000)	42,850	-	42,850	-
Effect of exercise of Warrants ('000)	-	35,682	-	35,682
Weighted average number of ordinary shares in issue ('000)	1,641,072	1,638,798	1,641,072	1,638,798
Basic earnings per share (sen)	3.42	3.83	3.42	3.83

<b>Diluted Earnings Per Share</b>	Current Quarter Ended 30/06/2016	Corresponding Quarter Ended 30/06/2015	Current Year-To- Date 30/06/2016	Corresponding Year-To-Date 30/06/2015
Profit attributable to owners of the parent (RM'000)	56,176	62,681	56,176	62,681
Weighted average number of ordinary shares in issue ('000)	1,641,072	1,638,798	1,641,072	1,638,798
Effect of dilution : share options ('000)	13,082	4,212	13,082	4,212
Effect of dilution : warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable('000)	1,654,154	1,643,010	1,654,154	1,643,010
Diluted earnings per share (sen)	3.40	3.82	3.40	3.82

For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 30 June 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.