

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 2016 (Unaudited)**

	Current Quarter Ended 30 Sep 2016 RM'000	Corresponding Quarter Ended 30 Sep 2015 RM'000	Current Year-To-Date 30 Sep 2016 RM'000	Corresponding Year-To-Date 30 Sep 2015 RM'000
Revenue	436,975	379,345	838,802	699,860
Operating expenses	(349,207)	(285,590)	(676,127)	(526,076)
Other operating income/(expense)	(3,864)	(18,606)	(10,441)	(18,669)
Finance costs	(145)	(80)	(346)	(122)
Profit before tax	<u>83,759</u>	<u>75,069</u>	<u>151,888</u>	<u>154,993</u>
Taxation	(12,582)	(14,516)	(24,313)	(31,650)
Net profit for the period	<u>71,177</u>	<u>60,553</u>	<u>127,575</u>	<u>123,343</u>
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	629	445	504	673
Total comprehensive income for the period	<u>71,806</u>	<u>60,998</u>	<u>128,079</u>	<u>124,016</u>
Profit attributable to:				
Owners of the Company	71,215	60,411	127,391	123,092
Non-controlling interest	(38)	142	184	251
	<u>71,177</u>	<u>60,553</u>	<u>127,575</u>	<u>123,343</u>
Total comprehensive income attributable to:				
Owners of the Company	71,728	60,762	127,803	123,629
Non-controlling interest	78	236	276	387
	<u>71,806</u>	<u>60,998</u>	<u>128,079</u>	<u>124,016</u>
EPS - Basic (sen)	4.34	3.69	7.76	7.51
- Diluted (sen)	4.31	3.67	7.70	7.48

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 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 September 2016**

	<i>Unaudited</i> <i>At 30 Sep 2016</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2016</i> <i>RM'000</i>
ASSETS		
Non current assets		
Property, Plant & Equipment	1,159,674	1,133,688
Capital work in progress	337,661	267,852
Intangible assets	18,403	19,483
Deferred tax assets	1,068	1,016
	<u>1,516,806</u>	<u>1,422,039</u>
Current assets		
Inventories	202,998	201,537
Trade receivables	221,705	204,658
Other receivables, deposits and prepayments	34,229	34,387
Tax assets	6,758	100
Derivatives	-	13,998
Cash & bank balances	86,435	84,381
	<u>552,125</u>	<u>539,061</u>
TOTAL ASSETS	<u>2,068,931</u>	<u>1,961,100</u>
EQUITY AND LIABILITIES		
Share capital	820,570	820,515
Reserves	754,857	681,428
Equity attributable to owners of the Company	<u>1,575,427</u>	<u>1,501,943</u>
Non-controlling interests	<u>2,359</u>	<u>2,083</u>
Total Equity	<u>1,577,786</u>	<u>1,504,026</u>
Non current liabilities		
Long term borrowings	186,489	205,609
Deferred tax liabilities	66,866	60,811
	<u>253,355</u>	<u>266,420</u>
Current liabilities		
Trade payables	77,148	91,022
Other payables and accruals	85,204	56,366
Short term borrowings	69,325	42,441
Derivatives	5,477	-
Tax payables	636	825
	<u>237,790</u>	<u>190,654</u>
Total Liabilities	<u>491,145</u>	<u>457,074</u>
TOTAL EQUITY AND LIABILITIES	<u>2,068,931</u>	<u>1,961,100</u>
Net assets per share attributable to the owners of the Company (sen)	96.00	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 second quarter ended 30 September 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>	
6 Months Ended 30 September 2016								
Balance as at 1 April 2016	820,514	698	(215)	19,093	661,852	1,501,942	2,083	1,504,025
Total comprehensive income for the period	-	-	413	-	127,390	127,803	276	128,079
Transaction with owners								
Dividends	-	-	-	-	(65,643)	(65,643)	-	(65,643)
Share-based payment granted under ESOS	-	-	-	10,904	-	10,904	-	10,904
Issuance of ordinary shares pursuant to ESOS	56	365	-	-	-	421	-	421
Transfer from Share-based payment upon exercise of ESOS	-	89	-	(89)	-	-	-	-
Total transaction with owners	56	454	-	10,815	(65,643)	(54,318)	-	(54,318)
Balance as at 30 September 2016	<u>820,570</u>	<u>1,152</u>	<u>198</u>	<u>29,908</u>	<u>723,599</u>	<u>1,575,427</u>	<u>2,359</u>	<u>1,577,786</u>
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	<u>820,434</u>	<u>0</u>	<u>(88)</u>	<u>7,389</u>	<u>593,154</u>	<u>1,420,889</u>	<u>2,049</u>	<u>1,422,938</u>

(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 second quarter ended 30 September 2016 (Unaudited)**

	Current Year-To-Date 30 Sep 2016 RM'000	Corresponding Year-To-Date 30 Sep 2015 RM'000
Cash Flows from/(used in) Operating Activities		
Profit before tax	151,888	154,993
Adjustments for:		
Depreciation and amortisation	33,926	31,782
Other adjustments	26,883	27,815
Operating profit before changes in working capital	212,697	214,590
Changes in working capital		
Net change in inventories	(1,461)	(67,380)
Net change in receivables	(13,577)	(25,140)
Net change in payables	14,964	37,270
Cash generated from operations	212,623	159,340
Interest received	609	646
Income from fixed income fund	279	231
Tax refunded	-	104
Taxation paid	(25,106)	(27,550)
Net cash from operating activities	188,405	132,771
Cash Flows from/(used in) Investing Activities		
Proceeds from disposal of property, plant and equipment	259	16
Capital work in progress incurred	(92,110)	(188,556)
Purchase of property, plant and equipment	(36,535)	(13,786)
Purchase of intangible asset	(161)	(1,640)
Net change in escrow account	5,330	23
Net cash used in investing activities	(123,217)	(203,943)
Cash Flows from/(used in) Financing Activities		
Draw down of term loan	11,647	28,912
Repayment of term loans	(78)	(1,604)
Repayment of finance lease	(12)	1
Net change in bank borrowings	(3,793)	28,938
Interest paid	(346)	(122)
Proceeds from issuance of shares-ESOS	421	-
Proceeds from issuance of shares-Warrants	-	78,146
Dividend paid	(65,643)	(57,274)
Net cash from financing activities	(57,804)	76,997
Net change in cash & cash equivalents	7,384	5,825
Cash & cash equivalents at beginning of period	79,051	65,268
Cash & cash equivalents at end of period	86,435	71,093
Cash & cash equivalents at end of period comprise:		
Deposits with licensed banks	7,800	4,500
Licensed Fund Management Companies-Fixed income fund	14,323	2,093
Cash in hand and at banks	64,312	69,756
	86,435	76,349
Less : Bank Balance Pledged-Escrow Account	-	(5,256)
	86,435	71,093

(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 Second Quarter ended 30 September 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.

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

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

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

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

⁴ 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.

A5. Changes in Estimates of amount reported previously

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

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

- (a) During the current quarter ended 30 September 2016, a total of 61,100 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 30 September 2016, a total of 111,200 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

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

- (a) 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.
- (b) Final single tier exempt dividend of 2 sen per share amounting to RM 32,822,190.28 in respect of the financial year ended 31 March 2016, declared on 23 August 2016 and paid on 28 September 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.



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 2016
	RM'000
Approved and contracted for	676,712
Approved but not contracted for	602,682
Total	<u>1,279,394</u>

A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 30 September 2016 up to latest practicable date 1 November 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

	2nd Quarter Ended 30 Sep 2016	2nd Quarter Ended 30 Sep 2015	Variance		Year-To- Date 30 Sep 2016	Year-To- Date 30 Sep 2015	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	436,975	379,345	57,630	15.2	838,802	699,860	138,942	19.9
Profit before tax	83,759	75,069	8,690	11.6	151,888	154,993	(3,105)	(2.0)

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:

- (a) For the 2nd quarter, the Group's revenue increased by 15.2% and the profit before tax increased by 11.6%. 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 increase in sales volume contribute to the increase in revenue.
- (b) The operating profit margin reduced from 24.7% to 20.1% basically due to increase in process chemical and natural gas cost.

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 19.9% and the profit before tax reduced by 2.0%. The significant increase in revenue is in line with the Group's continuous expansion in production capacity and increase in demand. The sales volume increased by 26.7% and revenue increased by 19.9% basically due to more competitive pricing.

The operating profit margin reduced from 24.8% to 19.4% basically due to increase in process chemical cost, natural gas cost, indirect labour and upkeep of plant and machinery.

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

	Current Quarter ended 30 Sep 2016	Preceding Quarter ended 30 Jun 2016	Variance	
	RM'000	RM'000	RM'000	%
Revenue	436,975	401,827	35,148	8.7
Profit before tax	83,759	68,129	15,630	22.9

For the current quarter, the Group's revenue was 8.7% higher and profit before tax increased by 22.9% when compared with the preceding quarter. The increase in revenue is basically due

to increase in demand and the strengthening of the USD. The operating profit margin increased from 18.6% to 20.1% basically due to the reduction of raw material cost and improve in operation efficiency.

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):

	2nd Quarter Ended 30 Sep 2016	2nd Quarter Ended 30 Sep 2015	Year-To- Date 30 Sep 2016	Year-To- Date 30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Interest income	218	279	609	646
Other income including investment income	506	1,243	1,302	3,046
Interest expense	(145)	(80)	(346)	(122)

Hartalega Holdings Berhad (741883-X)

Depreciation and amortisation	(16,855)	(16,595)	(33,926)	(31,782)
Foreign exchange gain/(loss)-realised	(693)	(4,192)	4,121	(1,264)
Foreign exchange gain/(loss)-unrealised	272	5,853	3,312	5,891
Fair value gain/(loss) on derivatives	(3,987)	(21,649)	(19,475)	(26,652)

B6. Taxation

	Current quarter	Current year-to-date
	RM'000	RM'000
Current tax expense	8,748	18,259
Deferred tax expense	3,834	6,054
	<u>12,582</u>	<u>24,313</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, 1 November 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 September 2016 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings</u>			
Term Loans (USD denominated)	32,157	-	32,157
Term Loans (RM denominated)	159	-	159
Bank Borrowings (USD denominated)	-	36,976	36,976
Finance Lease (USD denominated)	32	-	32
	<u>32,348</u>	<u>36,976</u>	<u>69,324</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term Loans (USD denominated)	186,442	-	186,442
Term Loans (RM denominated)	25	-	25
Finance Lease (USD denominated)	22	-	22
	<u>186,489</u>	<u>-</u>	<u>186,489</u>



Hartalega

Hartalega Holdings Berhad (741883-X)

B9. Financial Derivative Instruments

As at 30 September 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	340,326	334,849

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 RM5,477,000 has been recognised in the financial statements.

B10. Realised and Unrealised Profits/Losses Disclosure

	As at 30/09/2016 RM'000	As at 31/03/2016 RM'000
Total retained profits of Hartalega Holdings Berhad and its subsidiaries:		
- Realised	896,358	809,218
- Unrealised	(67,962)	(40,856)
	<u>828,396</u>	<u>768,362</u>
Less: Consolidation adjustments	(104,797)	(106,511)
Total group retained profits as per consolidated accounts	<u>723,599</u>	<u>661,851</u>



B11. Material Litigation

As at the latest practicable date, 1 November 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.

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 1st to 3rd Defendants and RM50,000.00 each to the 4th and 5th 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 before the Court of Appeal which was initially fixed on 15 September 2016 had been adjourned to 5 December 2016 and 6 December 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 8 November 2016, 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 2017 and payable on 29 December 2016. The entitlement date has been fixed on 9 December 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 9 December 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.

B13. Earnings per Share

Basic Earnings Per Share	Current Quarter Ended 30/09/2016	Corresponding Quarter Ended 30/09/2015	Current Year-To- Date 30/09/2016	Corresponding Year-To-Date 30/09/2015
Profit attributable to owners of the parent (RM'000)	71,215	60,411	127,391	123,092
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)	82,383	-	82,383	-
Effect of exercise of Warrants ('000)	-	35,682	-	35,682
Weighted average number of ordinary shares in issue ('000)	1,641,112	1,638,798	1,641,112	1,638,798
Basic earnings per share (sen)	4.34	3.69	7.76	7.51

Diluted Earnings Per Share	Current Quarter Ended 30/09/2016	Corresponding Quarter Ended 30/09/2015	Current Year-To- Date 30/09/2016	Corresponding Year-To-Date 30/09/2015
Profit attributable to owners of the parent (RM'000)	71,215	60,411	127,391	123,092
Weighted average number of ordinary shares in issue ('000)	1,641,112	1,638,798	1,641,112	1,638,798
Effect of dilution : share options ('000)	12,344	6,589	12,344	6,589
Effect of dilution : warrants ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable('000)	1,653,456	1,645,387	1,653,456	1,643,387
Diluted earnings per share (sen)	4.31	3.67	7.70	7.48