

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 2018 (Unaudited)**

	Current Quarter Ended 30 Jun 2018 RM'000	Corresponding Quarter Ended 30 Jun 2017 RM'000	Current Year-To-Date 30 Jun 2018 RM'000	Corresponding Year-To-Date 30 Jun 2017 RM'000
Revenue	706,353	601,041	706,353	601,041
Operating expenses	(551,238)	(492,522)	(551,238)	(492,522)
Operating Profit	155,115	108,519	155,115	108,519
Other operating income/(expense)	(6,862)	8,969	(6,862)	8,969
Profit before interest and tax	148,253	117,488	148,253	117,488
Finance costs	(2,420)	(1,752)	(2,420)	(1,752)
Profit before tax	145,833	115,736	145,833	115,736
Taxation	(20,745)	(19,307)	(20,745)	(19,307)
Net profit for the period	125,088	96,429	125,088	96,429
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	(110)	(261)	(110)	(261)
Total comprehensive income for the period	124,978	96,168	124,978	96,168
Profit attributable to:				
Owners of the Company	124,873	96,386	124,873	96,386
Non-controlling interest	215	43	215	43
	125,088	96,429	125,088	96,429
Total comprehensive income attributable to:				
Owners of the Company	124,789	96,041	124,789	96,041
Non-controlling interest	189	127	189	127
	124,978	96,168	124,978	96,168
EPS - Basic (sen)	3.77	2.93 *	3.77	2.93 *
- Diluted (sen)	3.70	2.90 *	3.70	2.90 *

*For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 30 June 2017 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares which was completed on 28 March 2018.

(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 2018 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 2018**

	<i>Unaudited</i> <i>At 30 June 2018</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2018</i> <i>RM'000</i>
ASSETS		
Non current assets		
Property, Plant & Equipment	1,579,705	1,589,456
Capital work in progress	220,503	155,143
Intangible assets	19,895	20,245
Deferred tax assets	1,062	776
	1,821,165	1,765,620
Current assets		
Inventories	281,082	291,274
Trade receivables	390,740	323,710
Other receivables, deposits and prepayments	96,822	82,185
Tax assets	6,399	3,330
Derivatives	-	9,299
Cash & cash equivalents	163,931	156,561
	938,974	866,359
TOTAL ASSETS	2,760,139	2,631,979
EQUITY AND LIABILITIES		
Share capital	1,324,910	1,312,309
Reserves	742,341	681,920
Equity attributable to owners of the Company	2,067,251	1,994,229
Non-controlling interests	3,352	3,163
Total Equity	2,070,603	1,997,392
Non current liabilities		
Long term borrowings	132,489	122,273
Deferred tax liabilities	103,578	98,763
	236,067	221,036
Current liabilities		
Trade payables	116,543	104,473
Other payables and accruals	116,163	114,195
Short term borrowings	213,812	194,371
Derivatives	6,951	-
Tax payables	-	512
	453,469	413,551
Total Liabilities	689,536	634,587
TOTAL EQUITY AND LIABILITIES	2,760,139	2,631,979
Net assets per share attributable to the owners of the Company (RM)	0.62	0.60

(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 2018 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 2018 (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>	
3 Months Ended 30 June 2018								
Balance as at 1 April 2018	1,312,309	-	(707)	42,350	640,277	1,994,229	3,163	1,997,392
Total comprehensive income for the period	-	-	(84)	-	124,873	124,789	189	124,978
Transaction with owners								
Dividends	-	-	-	-	(66,260)	(66,260)	-	(66,260)
Share-based payment granted under ESOS	-	-	-	4,888	-	4,888	-	4,888
Issuance of bonus share	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to ESOS	9,605	-	-	-	-	9,605	-	9,605
Transfer from Share-based payment upon exercise of ESOS	2,996	-	-	(2,996)	-	-	-	-
Total transaction with owners	12,601	-	-	1,892	(66,260)	(51,767)	-	(51,767)
Balance as at 30 June 2018	1,324,910	-	(791)	44,242	698,890	2,067,251	3,352	2,070,603
3 Months Ended 30 June 2017								
Balance as at 1 April 2017	830,316	-	805	37,508	813,532	1,682,161	2,625	1,684,786
Total comprehensive income for the period	-	-	(345)	-	96,386	96,041	127	96,168
Transaction with owners								
Dividends	-	-	-	-	(32,879)	(32,879)	-	(32,879)
Share-based payment granted under ESOS	-	-	-	4,792	-	4,792	-	4,792
Issuance of ordinary shares pursuant to ESOS	8,026	-	-	-	-	8,026	-	8,026
Transfer from Share-based payment upon exercise of ESOS	1,914	-	-	(1,914)	-	-	-	-
Transfer arising from "no par value" regime	-	-	-	-	-	-	-	-
Total transaction with owners	9,940	-	-	2,878	(32,879)	(20,061)	-	(20,061)
Balance as at 30 June 2017	840,256	-	460	40,386	877,039	1,758,141	2,752	1,760,893

(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 2018 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 2018 (Unaudited)**

	Current Year-To-Date 30 Jun 2018 RM'000	Corresponding Year-To-Date 30 Jun 2017 RM'000
Cash Flows from/(used in) Operating Activities		
Profit before tax	145,833	115,736
Adjustments for:		
Depreciation and amortisation	24,488	20,548
Other adjustments	20,361	(5,500)
Operating profit before changes in working capital	190,682	130,784
Changes in working capital		
Net change in inventories	10,192	28,954
Net change in receivables	(79,823)	(28,029)
Net change in payables	14,038	(1,239)
Cash generated from operations	135,089	130,470
Interest received	520	274
Income from fixed income fund	780	917
Tax refunded	-	14
Taxation paid	(19,793)	(12,408)
Net cash from operating activities	116,596	119,267
Cash Flows from/(used in) Investing Activities		
Proceeds from disposal of property, plant and equipment	33	20
Capital work in progress incurred	(72,286)	(55,727)
Purchase of property, plant and equipment	(7,032)	(7,937)
Purchase of intangible asset	(523)	-
Net change in escrow account	-	-
Net cash used in investing activities	(79,808)	(63,644)
Cash Flows from/(used in) Financing Activities		
Draw down of term loan	52,000	-
Repayment of term loans	(85,957)	(23,802)
Repayment of finance lease	-	(10)
Net change in bank borrowings	63,614	11,245
Interest paid	(2,420)	(1,752)
Proceeds from issuance of shares-ESOS	9,605	8,026
Dividend paid	(66,260)	(32,879)
Net cash from financing activities	(29,418)	(39,172)
Net change in cash & cash equivalents	7,370	16,451
Cash & cash equivalents at beginning of period	156,561	121,008
Cash & cash equivalents at end of period	163,931	137,459
Cash & cash equivalents at end of period comprise:		
Licensed Fund Management Companies-Fixed income fund	16,458	29,468
Cash in hand and at banks	147,473	107,991
	163,931	137,459

(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 2018 and the accompanying notes attached to this interim financial report.)



Notes to the Interim financial report for the First Quarter ended 30 June 2018

A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with requirements of paragraph 9.22 (Appendix 9B part A) of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and complies with requirements of the Malaysian Financial Reporting Standards 134 (MFRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”), Companies Act 2016 in Malaysia.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2018 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”):

MFRSs

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014 – 2016 Cycle

The adoption of these standards, amendments and interpretations 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 MFRS, amendments to MFRS and Issue Committee Interpretations (“IC Interpretations”) which were in issue but not yet effective and not early adopted by the Company are as listed below:

MFRS 16	Leases ¹
MFRS 17	Insurance contracts ³
Amendments to MFRS 9	Prepayment Features with Negative Compensation ¹



Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture ⁴
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement ¹
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures ¹
Amendments to MFRS 2	Share- Based Payment ²
Amendments to MFRS 3	Business Combinations ²
Amendments to MFRS 14	Regulatory Deferral Accounts ²
Amendments to MFRS 101	Presentation of Financial Statements ²
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors ²
Amendments to MFRS 134	Interim Financial Reporting ²
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets ²
Amendments to MFRS 138	Intangible Assets ²
Amendments to MFRSs	Annual Improvements to MFRSs 2015 – 2017 Cycle ¹
IC Interpretation 23	Uncertainty over Income Tax Payments ¹

¹ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

⁴ Effective date deferred to a date to be determined and announced.

The directors anticipate that the adoption of the abovementioned standards, amendments and interpretations 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 2018 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 2018 is not subject to any qualification.



Hartalega

Hartalega Holdings Berhad (741883-X)

A3. Seasonal and Cyclical Factors

The principal business operations of the Group were not affected by any seasonal and cyclical factors.

A4. Items of Unusual Nature and Amount

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence for the current quarter and financial year-to-date.

A5. Changes in Estimates of amount reported previously

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

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

During the current quarter and financial year-to-date ended 30 June 2018, a total of 4,515,800 new ordinary shares 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 2018, the Company paid third interim single tier exempt dividend of 2.0 sen per share amounting to RM66,260,034.56 in respect of the financial year ended 31 March 2018, declared on 15 May 2018 and paid on 27 June 2018.

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.



Hartalega

Hartalega Holdings Berhad (741883-X)

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 2018
	RM'000
Approved and contracted for	<u>376,221</u>

A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 30 June 2018 up to latest practicable date 31 July 2018 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.

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 2018 RM'000	1st Quarter Ended 30 Jun 2017 RM'000	Variance		Year-To- Date 30 Jun 2018 RM'000	Year-To- Date 30 Jun 2017 RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	706,353	601,041	105,312	17.5	706,353	601,041	105,312	17.5
Operating profit	155,115	108,519	46,596	42.9	155,115	108,519	46,596	42.9
Profit before interest and tax	148,253	117,488	30,765	26.2	148,253	117,488	30,765	26.2
Profit before tax	145,833	115,736	30,097	26.0	145,833	115,736	30,097	26.0
Profit after tax	125,088	96,429	28,659	29.7	125,088	96,429	28,659	29.7
Profit attributable to ordinary equity holders of the parents	124,873	96,386	28,487	29.6	124,873	96,386	28,487	29.6

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 1st quarter, the Group achieved sales revenue of RM706.3 million representing an improvement of RM105.3 million or 17.5% from corresponding quarter in preceding year in tandem with growing demands for nitrile gloves and continuous expansion in improving production capacity, with improved sales volume of 20.5%.
- (b) Profit before tax also registered increase of RM30.1 million or 26.0%, driven by higher sales achieved with favourable demand and additional production capacity. Lower costs of nitrile, chemical and upkeep of plant & machinery have also contributed to the higher profit before tax.

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

	Current Quarter	Preceding Quarter	Variance	
	ended 30 Jun 2018	ended 31 Mar 2018	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	706,353	616,841	89,512	14.5
Operating profit	155,115	116,673	38,442	32.9
Profit before interest and tax	148,253	136,875	11,378	8.3
Profit before tax	145,833	134,591	11,242	8.4
Profit after tax	125,088	116,342	8,746	7.5
Profit attributable to ordinary equity holders of the parents	124,873	116,170	8,703	7.5

Revenue for the quarter grew to RM706.3 million from RM616.8 million, demonstrating an improvement of RM89.5 million (14.5%). This is consistent with higher demand from customers coupled with growing production capacity to meet the strong market demand for nitrile gloves, representing increase in sales volume of 6.4% during the quarter. The increase in sales revenue is also contributed by the increase in average selling price.

Profit before tax for the quarter increased by RM11.2 million or 8.4% as compared with preceding quarter in line with higher sales revenue attained, lower heat cost, chemical cost, upkeep of plant & machinery and improved operational efficiency.



B3. Commentary on Prospects and Targets

Prospects for the rubber glove manufacturing sector remain strong with increasing demand arising from switching trends towards nitrile glove. Nitrile glove now accounts for 60% of Malaysian rubber glove export. In meeting the rising demand, Hartalega NGC has begun commissioning Plant 5 in August 2018 with construction of Plant 6 to follow. Plant 5 and Plant 6 will each have annual installed capacity of 4.7 billion pieces. A new plant – Plant 7 is also in the expansion pipeline, will tailor to small orders and focus more on specialty products. Plant 7 will have an annual installed capacity of 2.6 billion pieces. The increasing contribution of NGC to Group sales revenues would help to consolidate margins and contribute further to Group earnings.

Hartalega has launched its antimicrobial gloves (AMG) in UK on 31st May 2018 and has commenced taking orders. Hartalega is also working on securing Federal Drug Administration (FDA) approval for US market. The antimicrobial gloves will be priced competitively to encourage better take up.

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 2018	1st Quarter Ended 30 Jun 2017	Year-To- Date 30 Jun 2018	Year-To- Date 30 Jun 2017
	RM'000	RM'000	RM'000	RM'000
Interest income	520	274	520	274
Other income including investment Income	780	917	780	917
Interest expense	(2,420)	(1,752)	(2,420)	(1,752)
Depreciation and amortisation	(24,488)	(20,548)	(24,488)	(20,548)
Foreign exchange gain/(loss)-realised	6,483	(2,789)	6,483	(2,789)
Foreign exchange gain/(loss)-unrealised	2,029	5,420	2,029	5,420
Fair value gain/(loss) on derivatives	(16,250)	5,268	(16,250)	5,268
Impairment loss on trade receivables	(83)	-	(83)	-



Hartalega

Hartalega Holdings Berhad (741883-X)

B6. Taxation

	Current quarter	Current year-to-date
	RM'000	RM'000
Current tax expense	16,213	16,213
Deferred tax expense	4,532	4,532
Over-provision in prior years	-	-
	<u>20,745</u>	<u>20,745</u>

The effective tax rate of the Group is lower than the statutory tax rate 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, 31 July 2018, 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 2018 are as follows:

	1st Quarter Ended 30 Jun 2018		1st Quarter Ended 30 Jun 2017			
	Foreign denomination	RM	Foreign denomination	RM		
	'000	'000	'000	'000		
<u>Short term borrowings</u>						
<u>Secured</u>						
Term Loans (USD)	USD	30,369	122,692	USD	15,622	67,106
Term Loans (RM)		-	-		-	61
Finance Lease (USD)	USD	-	-	USD	7	31
			<u>122,692</u>			<u>67,198</u>
<u>Unsecured</u>						
Bank Borrowings (USD)	USD	22,554	<u>91,120</u>	USD	20,815	<u>89,409</u>
			<u>91,120</u>			<u>89,409</u>
			<u>213,812</u>			<u>156,607</u>
<u>Long term borrowings</u>						
<u>Secured</u>						
Term Loans (USD)	USD	32,794	132,489	USD	32,794	140,868
Term Loans (RM)		-	-		-	-
			<u>132,489</u>			<u>140,868</u>



Hartalega

Hartalega Holdings Berhad (741883-X)

Total borrowings

Term Loans (USD)	USD	63,163	255,181	USD	48,416	207,974
Term Loans (RM)		-	-		-	61
Finance Lease (USD)	USD	-	-	USD	7	31
Bank Borrowings (USD)	USD	22,554	91,120	USD	20,815	89,409
			<u>346,301</u>			<u>297,745</u>
Exchange Rate RM to USD1.00			4.0400			4.2955

B9. Financial Derivative Instruments

As at 30 June 2018, 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	965,279	958,205
-AUD denominated	29,376	29,499

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 RM6,951,000 has been recognised in the financial statements.

B10. Material Litigation

As at the latest practicable date, 31 July 2018, 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. However, the hearing did not proceed on 5 December 2016 and 6 December 2016 but was subsequently adjourned to 29 March 2017. Further, the hearing did not proceed on 29 March 2017 and was adjourned to 20 July 2017. On 20 July 2017 and 18 August 2017, the appeal was heard in part. The continued hearing initially scheduled on 31 October 2017 has been rescheduled to 20 December 2017 and 22 December 2017. The hearing of the appeal was completed on the 20 December 2017 and 22 December 2017. However, the Court has reserved its decision and will deliver the decision on another date to be informed.

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.

B11. Dividend

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

On 3 July 2018, the Board of Directors proposed a final single tier dividend of 2.2 sen per share in respect of the financial year ended 31 March 2018 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting scheduled on 24 August 2018. If the final dividend is approved, it will be paid on 28 September 2018 to the depositors registered in the Record of Depositors at the close of business on 14 September 2018.



Hartalega

Hartalega Holdings Berhad (741883-X)

B12. Earnings per Share

Basic Earnings Per Share	Current Quarter Ended 30/06/2018	Corresponding Quarter Ended 30/06/2017	Current Year-To- Date 30/06/2018	Corresponding Year-To-Date 30/06/2017
Profit attributable to owners of the parent (RM'000)	124,873	96,386	124,873	96,386
Number of shares in issue as at beginning of the year ('000)	3,311,965	1,643,009	3,311,965	1,643,009
Effect of exercise of ESOS ('000)	3,886	1,866	3,886	1,866
Effect of bonus issue ('000)	-	1,644,875	-	1,644,875
Weighted average number of ordinary shares in issue ('000)	3,315,851	3,289,750	3,315,851	3,289,750
Basic earnings per share (sen)	3.77	2.93	3.77	2.93
Diluted Earnings Per Share	Current Quarter Ended 30/06/2018	Corresponding Quarter Ended 30/06/2017	Current Year-To- Date 30/06/2018	Corresponding Year-To-Date 30/06/2017
Profit attributable to owners of the parent (RM'000)	124,873	96,386	124,873	96,386
Weighted average number of ordinary shares in issue ('000)	3,315,851	3,289,750	3,315,851	3,289,750
Effect of dilution : share options ('000)	59,409	28,214	59,409	28,214
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,375,260	3,317,964	3,375,260	3,317,964
Diluted earnings per share (sen)	3.70	2.90	3.70	2.90

For comparative purpose, the Earnings Per Share for the corresponding quarter and year to date ended 30 June 2017 had been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares which was completed on 28 March 2018.