

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income****For the fourth quarter ended 31 March 2019 (Unaudited)**

	Unaudited Current Quarter Ended 31 Mar 2019 RM'000	Unaudited Corresponding Quarter Ended 31 Mar 2018 RM'000	Unaudited Current Year-To-Date 31 Mar 2019 RM'000	Audited Corresponding Year-To-Date 31 Mar 2018 RM'000
Revenue	683,889	616,841	2,827,879	2,405,638
Operating expenses	(573,902)	(499,787)	(2,255,863)	(1,917,813)
Operating Profit	109,987	117,054	572,016	487,825
Other operating income/(expense)	5,858	20,202	(10,269)	46,529
Profit before interest and tax	115,845	137,256	561,747	534,354
Finance costs	(2,165)	(2,284)	(9,881)	(7,925)
Profit before tax	113,680	134,972	551,866	526,429
Taxation	(22,266)	(18,073)	(95,648)	(86,797)
Net profit for the period	91,414	116,899	456,218	439,632
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference for foreign operations	(84)	(889)	(592)	(1,687)
Total comprehensive income for the period	91,330	116,010	455,626	437,945
Profit attributable to:				
Owners of the Company	91,360	116,646	456,204	438,919
Non-controlling interest	54	253	14	713
	91,414	116,899	456,218	439,632
Total comprehensive income attributable to:				
Owners of the Company	91,288	115,918	455,728	437,407
Non-controlling interest	42	92	(102)	538
	91,330	116,010	455,626	437,945
EPS - Basic (sen)	2.75	3.53	13.72	13.28
- Diluted (sen)	2.71	3.47	13.53	13.06

(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 31 March 2019

	<i>Unaudited</i> <i>At 31 Mar 2019</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	1,896,200	1,589,456
Capital work in progress	173,991	155,143
Intangible assets	22,880	20,245
Deferred tax assets	1,043	776
	2,094,114	1,765,620
Current assets		
Inventories	275,753	291,274
Trade receivables	402,217	323,710
Other receivables, deposits and prepayments	55,945	82,185
Tax assets	13,260	3,330
Derivatives	-	9,299
Cash & cash equivalents	150,219	156,561
	897,394	866,359
TOTAL ASSETS	2,991,508	2,631,979
EQUITY AND LIABILITIES		
Share capital	1,400,986	1,312,309
Reserves	856,452	681,919
Equity attributable to owners of the Company	2,257,438	1,994,228
Non-controlling interests	3,061	3,163
Total Equity	2,260,499	1,997,391
Non current liabilities		
Long term borrowings	120,582	122,273
Deferred tax liabilities	125,905	98,763
	246,487	221,036
Current liabilities		
Trade payables	103,840	104,474
Other payables and accruals	154,426	114,195
Short term borrowings	223,357	194,371
Derivatives	1,788	-
Tax payables	1,111	512
	484,522	413,552
Total Liabilities	731,009	634,588
TOTAL EQUITY AND LIABILITIES	2,991,508	2,631,979
Net assets per share attributable to the owners of the Company (RM)	0.67	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 third quarter ended 31 March 2019 (Unaudited)

	←-----Attributable to Owners of the Company----->						<i>Non-controlling Interest</i> RM'000	<i>Total Equity</i> RM'000
	<i>Share Capital</i> RM'000	<i>Share Premium</i> RM'000	<i>Translation Reserve</i> RM'000	<i>Share-based Payment Reserve</i> RM'000	<i>Retained Profits</i> RM'000	<i>Sub Total</i> RM'000		
12 Months Ended 31 March 2019								
Balance as at 1 April 2018	1,312,309	-	(707)	42,350	640,276	1,994,228	3,163	1,997,391
Effect of adoption of MFRS 9 (Note A1)	-	-	-	-	(92)	(92)	-	(92)
Balance as at 1 April 2018 (Restated)	1,312,309	-	(707)	42,350	640,184	1,994,136	3,163	1,997,299
Total comprehensive income for the period	-	-	(476)	-	456,204	455,728	(102)	455,626
Transaction with owners								
Dividends	-	-	-	-	(286,177)	(286,177)	-	(286,177)
Share-based payment granted under ESOS	-	-	-	24,942	-	24,942	-	24,942
Issuance of bonus share	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to ESOS	68,809	-	-	-	-	68,809	-	68,809
Transfer from Share-based payment upon exercise of ESOS	19,868	-	-	(19,868)	-	-	-	-
Total transaction with owners	88,677	-	-	5,074	(286,177)	(192,426)	-	(192,426)
Balance as at 31 March 2019	1,400,986	-	(1,183)	47,424	810,211	2,257,438	3,061	2,260,499
12 Months Ended 31 March 2018								
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	-	-	(1,512)	-	438,919	437,407	538	437,945
Transaction with owners								
Dividends	-	-	-	-	(198,179)	(198,179)	-	(198,179)
Share-based payment granted under ESOS	-	-	-	20,544	-	20,544	-	20,544
Issuance of ordinary shares pursuant to ESOS	52,295	-	-	-	-	52,295	-	52,295
Transfer from Share-based payment upon exercise of ESOS	15,702	-	-	(15,702)	-	-	-	-
Transfer arising from "no par value" regime	413,996	-	-	-	(413,996)	-	-	-
Total transaction with owners	481,993	-	-	4,842	(612,175)	(125,340)	-	(125,340)
Balance as at 31 March 2018	1,312,309	-	(707)	42,350	640,276	1,994,228	3,163	1,997,391

(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 third quarter ended 31 March 2019 (Unaudited)**

	Current Year-To-Date 31 Mar 2019 RM'000	Corresponding Year-To-Date 31 Mar 2018 RM'000
Cash Flows from/(used in) Operating Activities		
Profit before tax	551,866	526,429
Adjustments for:		
Depreciation and amortisation	103,616	88,421
Other adjustments	42,416	(2,413)
Operating profit before changes in working capital	697,898	612,437
Changes in working capital		
Net change in inventories	15,521	(20,839)
Net change in receivables	(56,565)	(130,841)
Net change in payables	39,596	11,698
Cash generated from operations	696,450	472,455
Interest received	2,501	1,320
Income from fixed income fund	4,582	1,756
Tax refunded	170	103
Taxation paid	(78,288)	(70,068)
Net cash from operating activities	625,415	405,566
Cash Flows from/(used in) Investing Activities		
Proceeds from disposal of property, plant and equipment	712	169
Capital work in progress incurred	(407,719)	(226,368)
Purchase of property, plant and equipment	(23,338)	(36,733)
Purchase of intangible asset	(1,459)	(494)
Net cash used in investing activities	(431,804)	(263,426)
Cash Flows from/(used in) Financing Activities		
Draw down of term loan	177,848	79,587
Repayment of term loans	(160,066)	(67,252)
Repayment of finance lease	-	(41)
Net change in bank borrowings	9,514	34,926
Interest paid	(9,881)	(7,924)
Proceeds from issuance of shares-ESOS	68,809	52,295
Dividend paid	(286,177)	(198,178)
Net cash from financing activities	(199,953)	(106,587)
Net change in cash & cash equivalents	(6,342)	35,553
Cash & cash equivalents at beginning of period	156,561	121,008
Cash & cash equivalents at end of period	150,219	156,561
Cash & cash equivalents at end of period comprise:		
Licensed Fund Management Companies-Fixed income fund	37,706	12,296
Cash in hand and at banks	112,513	144,265
	150,219	156,561

(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 Fourth Quarter ended 31 March 2019**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”) and Issue Committee Interpretations (“IC Interpretations”):

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.

Classification and measurement of financial instruments

The following table is a reconciliation of the carrying amount of the Group's statement of financial position from MFRS 139 to MFRS 9 as at 1 April 2018:

	MFRS 139 Carrying amount as at 31 March 2018	Remeasurement	MFRS 9 Carrying amount as at 1 April 2018
	RM'000	RM'000	RM'000
Fixed income funds			
Opening balance	12,296	-	12,296
Fair value loss	-	(92)	(92)
Total fixed income funds	12,296	(92)	12,204
Retained earnings			
Opening balance	640,277	-	640,277
Fair value loss for fixed income funds	-	(92)	(92)
Total retained earnings	640,277	(92)	640,185

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.

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

- (a) During the current quarter ended 31 March 2019, a total of 14,661,500 new ordinary shares were allotted and issued pursuant to the Company's Employees Share Option Scheme.

- (b) For the financial year-to-date ended 31 March 2019, a total of 33,221,900 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

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

- (a) 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.
- (b) Final single tier exempt dividend of 2.2 sen per share amounting to RM73,133,780.11 in respect of the financial year ended 31 March 2018, declared on 3 July 2018 and paid on 28 September 2018.
- (c) First interim single tier exempt dividend of 2.2 sen per share amounting to RM73,226,182.33 in respect of the financial year ending 31 March 2019, declared on 8 November 2018 and paid on 28 December 2018.
- (d) Second interim single tier exempt dividend of 2.2 sen per share amounting to RM73,557,024.93 in respect of the financial year ending 31 March 2019, declared on 12 February 2019 and paid on 28 March 2019.

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: -

	31 March 2019
	RM'000
Approved and contracted for	248,551

A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 31 March 2019 up to latest practicable date 2 May 2019 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

	4th Quarter Ended 31 Mar 2019	4th Quarter Ended 31 Mar 2018	Variance		Year-To- Date 31 Mar 2019	Year-To- Date 31 Mar 2018	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	683,889	616,841	67,048	10.9	2,827,879	2,405,638	422,241	17.6
Operating profit	109,987	117,054	(7,067)	(6.0)	572,016	487,825	84,191	17.3
Profit before interest and tax	115,845	137,256	(21,411)	(15.6)	561,747	534,354	27,393	5.1
Profit before tax	113,680	134,972	(21,292)	(15.8)	551,866	526,429	25,437	4.8
Profit after tax	91,414	116,899	(25,485)	(21.8)	456,218	439,632	16,586	3.8
Profit attributable to ordinary equity holders of the parents	91,360	116,646	(25,286)	(21.7)	456,204	438,919	17,285	3.9

Q4 FY2019 vs Q4 FY2018

For the 4th quarter, the Group achieved sales revenue of RM683.9 million, representing an improvement of RM67 million or 10.9% from corresponding quarter in preceding year. The higher sales revenue achieved was attributed to the growth in sales volume.

Profit before tax eased by RM21.3 million or 15.8%, mainly due to sharp strengthening of the ringgit in a short timeframe as the Group was unable to pass on the corresponding cost increase to customers in a timely manner. Higher labour cost, electricity and lower gain from foreign exchange have also affected the results for the quarter.

12M FY2019 vs 12M FY2018

The Group achieved sales revenue of RM2.83 billion in the current period, representing an increment of RM422.2 million or 17.6% from RM2.41 billion recorded in corresponding period in preceding year. The growth in sales revenue was contributed by improvement in sales volume of 10.1% in tandem with growing demands for nitrile gloves and continuous expansion in improving production capacity.

Profit before tax registered an increase of RM25.4 million or 4.8%, from RM526.4 million to RM551.9 million. The increase in profit before tax was driven by higher sales volume attributed to favourable demand from customers and additional production capacity.

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

	Current Quarter	Preceding Quarter	Variance	
	ended 31 Mar 2019	ended 31 Dec 2018	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	683,889	723,393	(39,504)	(5.5)
Operating profit	109,987	151,130	(41,143)	(27.2)
Profit before interest and tax	115,845	152,779	(36,934)	(24.2)
Profit before tax	113,680	150,001	(36,321)	(24.2)
Profit after tax	91,414	119,335	(27,921)	(23.4)
Profit attributable to ordinary equity holders of the parents	91,360	119,755	(28,395)	(23.7)

Q4 FY2019 vs Q3 FY2019

Revenue for the quarter amounts to RM683.9 million, decreased by RM39.5 million or 5.5%. The reduction in sales revenue was mainly due to lower average selling price for the quarter.

Profit before tax for the quarter eased by RM36.3 million or 24.2% mainly due to sharp strengthening of the ringgit in a short time frame as the Group was unable to pass on the corresponding cost increase to customers in a timely manner. Other factors such as lower average selling price, higher upkeep of office equipment, plant & machinery cost and labour also contributed to lower profits for the quarter.

B3. Commentary on Prospects and Targets

In line with growing rubber glove demand globally, Hartalega will continue with its NGC capacity expansion plans. Plant 5 of NGC facility has commissioned 10 out of 12 lines with remaining production lines to come onstream progressively. Construction of Plant 6 structure has started and the supporting facilities to follow in second half of calendar year 2019. 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 catering to small orders focusing 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 revenue will contribute further to Group earnings.

Since the launch of antimicrobial gloves (AMG) in UK, Hartalega has received orders from customers in over 10 countries. The company is also working on securing Federal Drug Administration (FDA) approval for US market where there is greater awareness among US healthcare professionals on the dangers of healthcare-associated infections. The FDA approval will provide a strong third party testament to the safety and effectiveness of the product. As the new medical product is in its introductory and educational phase, we expect

AMG to contribute meaningfully in the coming years. Sales of the AMG is also expected to gain momentum as it will be priced competitively to ensure quick market acceptance.

Due to ongoing commissioning of new capacity within the industry, capacity growth is currently ahead of demand growth. Hartalega believes the new capacity will gradually be taken up in the coming quarters as industry players regulate expansion and market demand for rubber gloves continues to grow globally. Hartalega have also embarked on various cost optimisation and automation initiatives to mitigate potential margin pressure. Moving forward, Hartalega remains optimistic of the longer term prospects underpinned by growing demand for rubber gloves, ongoing NGC expansion and potential growth of AMG market share.

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):

	4th Quarter Ended 31 Mar 2019	4th Quarter Ended 31 Mar 2018	Year-To- Date 31 Mar 2019	Year-To- Date 31 Mar 2018
	RM'000	RM'000	RM'000	RM'000
Interest income	797	383	2,501	1,324
Other income including investment income	1,385	1,083	4,943	4,334
Interest expense	(2,165)	(2,284)	(9,881)	(7,925)
Depreciation and amortisation	(28,131)	(23,670)	(103,616)	(88,119)
Foreign exchange gain/(loss)-realised	(439)	5,759	(2,114)	13,300
Foreign exchange gain/(loss)-unrealised	5,619	10,811	(4,298)	17,044
Fair value gain/(loss) on derivatives	(2,268)	2,229	(11,087)	11,027

B6. Taxation

	Current quarter	Current year-to- date
	RM'000	RM'000
Current tax expense	14,849	68,798
Deferred tax expense	7,417	26,860
Over-provision in prior years	-	(10)
	<u>22,266</u>	<u>95,648</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, 2 May 2019, 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 March 2019 are as follows:

	4th Quarter Ended 31 Mar 2019		4th Quarter Ended 31 Mar 2018	
	Foreign denomination '000	RM '000	Foreign denomination '000	RM '000
<u>Short term borrowings</u>				
<u>Secured</u>				
Term Loans (USD)	USD 46,105	188,245	USD 24,248	93,695
Finance Lease (USD)	USD -	-	USD 1	5
		<u>188,245</u>		<u>93,700</u>
<u>Unsecured</u>				
Bank Borrowings (USD)	USD 8,600	35,112	USD 26,055	100,676
		<u>35,112</u>		<u>100,676</u>
		<u>223,357</u>		<u>194,376</u>
<u>Long term borrowings</u>				
<u>Secured</u>				
Term Loans (USD)	USD 29,533	120,582	USD 31,644	122,273
Term Loans (RM)		-		-
		<u>120,582</u>		<u>122,273</u>
<u>Total borrowings</u>				
Term Loans (USD)	USD 75,638	308,827	USD 55,892	215,968
Finance Lease (USD)	USD -	-	USD 1	5
Bank Borrowings (USD)	USD 8,600	35,112	USD 26,055	100,676
		<u>343,939</u>		<u>316,649</u>
Exchange Rate RM to USD1.00		4.083		3.864



B9. Financial Derivative Instruments

As at 31 March 2019, 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	1,442,814	1,440,764
-AUD denominated	11,016	11,278

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 RM1,788,000 has been recognised in the financial statements.

B10. Material Litigation

As at the latest practicable date, 2 May 2019, 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.



Hartalega

Hartalega Holdings Berhad (741883-X)

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

On 7 May 2019, the Board has declared a third interim dividend of 1.9 sen per share single tier in respect of the financial year ended 31 March 2019 and payable on 27 June 2019. The entitlement date has been fixed on 12 June 2019.

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 12 June 2019 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.



B12. Earnings per Share

	Current Quarter Ended 31/03/2019	Corresponding Quarter Ended 31/03/2018	Current Year-To- Date 31/03/2019	Corresponding Year-To-Date 31/03/2018
Basic Earnings Per Share				
Profit attributable to owners of the parent (RM'000)	91,360	116,646	456,204	438,919
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)	14,110	7,254	14,110	7,254
Effect of bonus issue ('000)	-	1,655,983	-	1,655,983
Weighted average number of ordinary shares in issue ('000)	3,326,075	3,306,247	3,326,075	3,306,247
Basic earnings per share (sen)	2.75	3.53	13.72	13.28
Diluted Earnings Per Share				
Profit attributable to owners of the parent (RM'000)	91,360	116,646	456,204	438,919
Weighted average number of ordinary shares in issue ('000)	3,326,075	3,306,247	3,326,075	3,306,247
Effect of dilution : share options ('000)	46,804	54,756	46,804	54,756
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	3,372,880	3,361,003	3,372,880	3,361,003
Diluted earnings per share (sen)	2.71	3.47	13.53	13.06