

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income****For the third quarter ended 31 December 2017 (Unaudited)**

	Current Quarter Ended 31 Dec 2017 RM'000	Corresponding Quarter Ended 31 Dec 2016 RM'000	Current Year-To-Date 31 Dec 2017 RM'000	Corresponding Year-To-Date 31 Dec 2016 RM'000
Revenue	603,139	456,287	1,788,797	1,295,089
Operating expenses	(470,514)	(348,475)	(1,417,645)	(1,024,602)
Operating Profit	132,625	107,812	371,152	270,487
Other operating income/(expense)	8,257	(29,215)	26,327	(39,656)
Profit before interest and tax	140,882	78,597	397,479	230,831
Finance costs	(2,025)	(270)	(5,641)	(616)
Profit before tax	138,857	78,327	391,838	230,215
Taxation	(25,734)	(11,927)	(68,548)	(36,240)
Net profit for the period	113,123	66,400	323,290	193,975
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	(634)	145	(833)	649
Total comprehensive income for the period	112,489	66,545	322,457	194,624
Profit attributable to:				
Owners of the Company	113,023	66,226	322,749	193,617
Non-controlling interest	100	174	541	358
	113,123	66,400	323,290	193,975
Total comprehensive income attributable to:				
Owners of the Company	112,505	66,343	321,936	194,146
Non-controlling interest	(16)	202	521	478
	112,489	66,545	322,457	194,624
EPS - Basic (sen)	6.85	4.03	19.56	11.80
- Diluted (sen)	6.76	4.01	19.30	11.72

(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 2017 and the accompanying notes attached to this interim financial report.)

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)**Condensed Consolidated Statement of Financial Position as at 31 December 2017**

	<i>Unaudited</i> <i>At 31 Dec 2017</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2017</i> <i>RM'000</i>
ASSETS		
Non current assets		
Property, Plant & Equipment	1,436,032	1,393,169
Capital work in progress	253,470	177,216
Intangible assets	20,076	19,799
Deferred tax assets	1,028	4,876
	<u>1,710,606</u>	<u>1,595,060</u>
Current assets		
Inventories	272,035	270,434
Trade receivables	309,485	254,699
Other receivables, deposits and prepayments	83,908	45,416
Tax assets	23	155
Derivatives	7,070	-
Cash & cash equivalents	172,126	121,009
	<u>844,647</u>	<u>691,713</u>
TOTAL ASSETS	<u>2,555,253</u>	<u>2,286,773</u>
EQUITY AND LIABILITIES		
Share capital	881,541	830,316
Reserves	1,045,045	851,845
Equity attributable to owners of the Company	<u>1,926,586</u>	<u>1,682,161</u>
Non-controlling interests	<u>3,146</u>	<u>2,625</u>
Total Equity	1,929,732	1,684,786
Non current liabilities		
Long term borrowings	114,053	162,550
Deferred tax liabilities	93,027	76,421
	<u>207,080</u>	<u>238,971</u>
Current liabilities		
Trade payables	122,145	113,155
Other payables and accruals	100,442	93,816
Short term borrowings	180,175	147,492
Derivatives	-	1,728
Tax payables	15,679	6,825
	<u>418,441</u>	<u>363,016</u>
Total Liabilities	<u>625,521</u>	<u>601,987</u>
TOTAL EQUITY AND LIABILITIES	<u>2,555,253</u>	<u>2,286,773</u>
Net assets per share attributable to the owners of the Company (RM)	1.17	1.02

(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 2017 and the accompanying notes attached to this interim financial report)

HARTALEGA HOLDINGS BERHAD(Company No. 741883-X)

**Condensed Consolidated Statement of Changes in Equity
For the third quarter ended 31 December 2017 (Unaudited)**

	←-----Attributable to Owners of the Company----->					<i>Non-controlling Interest</i>	<i>Total Equity</i>	
	<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
9 Months Ended 31 December 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	-	-	(813)	-	322,749	321,936	521	322,457
Transaction with owners								
Dividends	-	-	-	-	(131,958)	(131,958)	-	(131,958)
Share-based payment granted under ESOS	-	-	-	14,838	-	14,838	-	14,838
Issuance of ordinary shares pursuant to ESOS	39,609	-	-	-	-	39,609	-	39,609
Transfer from Share-based payment upon exercise of ESOS	11,616	-	-	(11,616)	-	-	-	-
Total transaction with owners	51,225	-	-	3,222	(131,958)	(77,511)	-	(77,511)
Balance as at 31 December 2017	881,541	-	(8)	40,730	1,004,323	1,926,586	3,146	1,929,732
9 Months Ended 31 December 2016								
Balance as at 1 April 2016	820,515	698	(215)	19,093	661,852	1,501,943	2,083	1,504,026
Total comprehensive income for the period	-	-	529	-	193,617	194,146	478	194,624
Transaction with owners								
Dividends	-	-	-	-	(98,471)	(98,471)	-	(98,471)
Share-based payment granted under ESOS	-	-	-	15,921	-	15,921	-	15,921
Issuance of ordinary shares pursuant to ESOS	286	1,881	-	-	-	2,167	-	2,167
Transfer from Share-based payment upon exercise of ESOS	-	459	-	(459)	-	-	-	-
Total transaction with owners	286	2,340	-	15,462	(98,471)	(80,383)	-	(80,383)
Balance as at 31 December 2016	820,801	3,038	314	34,555	756,998	1,615,706	2,561	1,618,267

(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 2017 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 December 2017 (Unaudited)**

	Current Year-To-Date 31 Dec 2017 RM'000	Corresponding Year-To-Date 31 Dec 2016 RM'000
Cash Flows from/(used in) Operating Activities		
Profit before tax	391,838	230,215
Adjustments for:		
Depreciation and amortisation	64,448	51,409
Other adjustments	857	53,867
Operating profit before changes in working capital	457,143	335,491
Changes in working capital		
Net change in inventories	(1,601)	(25,139)
Net change in receivables	(87,043)	(72,413)
Net change in payables	15,614	21,661
Cash generated from operations	384,113	259,600
Interest received	941	763
Income from fixed income fund	3,251	570
Tax refunded	114	-
Taxation paid	(39,294)	(36,700)
Net cash from operating activities	349,125	224,233
Cash Flows from/(used in) Investing Activities		
Proceeds from disposal of property, plant and equipment	58	259
Capital work in progress incurred	(162,330)	(150,695)
Purchase of property, plant and equipment	(21,885)	(43,416)
Purchase of intangible asset	(46)	(161)
Net change in escrow account	-	5,330
Net cash used in investing activities	(184,203)	(188,683)
Cash Flows from/(used in) Financing Activities		
Draw down of term loan	14,224	-
Increase of term loan	-	28,089
Repayment of term loans	(54,627)	(118)
Repayment of finance lease	(27)	(16)
Net change in bank borrowings	24,615	29,280
Interest paid	(5,640)	(616)
Proceeds from issuance of shares-ESOS	39,609	2,167
Dividend paid	(131,959)	(98,471)
Net cash from financing activities	(113,805)	(39,685)
Net change in cash & cash equivalents	51,117	(4,135)
Cash & cash equivalents at beginning of period	121,009	79,051
Cash & cash equivalents at end of period	172,126	74,916
Cash & cash equivalents at end of period comprise:		
Deposits with licensed banks	-	13,500
Licensed Fund Management Companies-Fixed income fund	59,191	16,442
Cash in hand and at banks	112,935	44,974
	172,126	74,916

(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 2017 and the accompanying notes attached to this interim financial report.)

Notes to the Interim financial report for the Third Quarter ended 31 December 2017**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 2017 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”):

MFRSs

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets Under Unrealised Losses

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
Amendments to MFRS 2	Classification and measurement of Share-based Payment Transactions ¹
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts ¹
Amendments to MFRS 16	Leases ²
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 140	Transfers of Investment Property ¹

Amendments to MFRSs	Annual Improvement to MFRSs 2014 – 2016 cycle ¹
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures ⁴
Amendments to MFRS 9	Prepayment Features with Negative Compensation ⁴

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 2019, with earlier application permitted provided MFRS 15 is also applied

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

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 2017 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 2017 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 31 December 2017, a total of 1,953,600 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 December 2017, a total of 9,895,400 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 sen per share amounting to RM32,879,294.28 in respect of the financial year ended 31 March 2017, declared on 9 May 2017 and paid on 23 June 2017.
- (b) Final single tier exempt dividend of 2.5 sen per share amounting to RM41,255,035.48 in respect of the financial year ended 31 March 2017, declared on 22 August 2017 and paid on 27 September 2017.
- (c) First interim single tier exempt dividend of 3.5 sen per share amounting to RM57,824,652.14 in respect of the financial year ended 31 March 2018, declared on 7 November 2017 and paid on 28 December 2017.

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 December 2017
	RM'000
Approved and contracted for	370,204



Hartalega Holdings Berhad (741883-X)

A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 31 December 2017 up to latest practicable date 30 January 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

	3rd Quarter Ended 31 Dec 2017	3rd Quarter Ended 31 Dec 2016	Variance		Year-To- Date 31 Dec 2017	Year-To- Date 31 Dec 2016	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	603,139	456,287	146,852	32.2	1,788,797	1,295,089	493,708	38.1
Operating profit	132,625	107,812	24,813	23.0	371,152	270,487	100,665	37.2
Profit before interest and tax	140,882	78,597	62,285	79.2	397,479	230,831	166,648	72.2
Profit before tax	138,857	78,327	60,530	77.3	391,838	230,215	161,623	70.2
Profit after tax	113,123	66,400	46,723	70.4	323,290	193,975	129,315	66.7
Profit attributable to ordinary equity holders of the parents	113,023	66,226	46,797	70.7	322,749	193,617	129,132	66.7

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 3rd quarter, the Group's revenue increased by RM146.9 million or 32.2% to RM603.1 million compared with the corresponding quarter of the previous financial year of RM456.2 million. The increase in revenue is due to increase in sales volume by 36.2%.
- (b) The profit before tax increased by RM60.5 million or 77.3% to RM138.9 million compared with the corresponding quarter of previous financial year of RM78.3 million. The higher profit before tax is consistent with higher revenue achieved in line with higher sales demand and improvement in production capacity, as well as lower costs incurred from improvement in operational efficiencies. In addition, increased operating income arising from net foreign exchange gain has also contributed to the increase in profit before tax.

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 RM493.7 million or 38.1% to RM1,788.8 million compared with the corresponding year-to-date of the previous financial year of RM1,295.1 million. The significant increase in revenue is in line with the Group's continuous expansion in production capacity and increase in demand from customer. The increase in sales volume by 33.5% and higher average selling price contributed to the increase in revenue.

The profit before tax increased by RM161.6 million or 70.2% to RM391.8 million compared with the corresponding year-to-date of the previous financial year of RM230.2 million. The increase in profit before tax is mainly due to increase in revenue and foreign exchange gain.

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

	Current Quarter ended 31 Dec 2017	Preceding Quarter ended 30 Sep 2017	Variance	
	RM'000	RM'000	RM'000	%
Revenue	603,139	584,617	18,522	3.2
Operating profit	132,625	130,008	2,617	3.5
Profit before interest and tax	140,882	139,109	1,773	1.3
Profit before tax	138,857	137,245	1,612	1.2
Profit after tax	113,123	113,738	(615)	(0.5)
Profit attributable to ordinary equity holders of the parents	113,023	113,340	(317)	(0.3)

For the current quarter, the Group's revenue increased by RM18.5 million or 3.2% as compared with preceding quarter. The increase in revenue is driven by higher sales volume which increase by 4.0% in line with increasing demand from customers.

The profit before tax improved by RM1.6 million or 1.2% when compared with the preceding quarter. The higher profit before tax is mainly due to higher sales volume despite lower average selling price.

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 61% of Malaysian rubber glove export. Moving into 2018, the demand for gloves will remain robust as Chinese vinyl glove producers still face difficulties conforming to strict environmental laws under China's anti-pollution drive. Hartalega NGC is on-schedule to meet this rising demand with progressive commissioning of Plant 4 and started the construction of Plant 5. We have commissioned 10 production lines out of a total of 12 production lines in Plant 4. The increasing contribution of NGC to Group sales revenues would help to consolidate margins and contribute further to Group earnings.

Hartalega aims to launch its anti-microbial gloves in Europe by second quarter of 2018 and is working on securing Federal Drug Administration (FDA) approval to enter the US market. We will price this new product competitively to encourage better take up.

We are confident that the effective execution of our strategic initiatives and consistently meeting and exceeding our targets will consolidate our position as the market leader in nitrile gloves.

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):

	3rd Quarter Ended 31 Dec 2017	3rd Quarter Ended 31 Dec 2016	Year-To- Date 31 Dec 2017	Year-To- Date 31 Dec 2016
	RM'000	RM'000	RM'000	RM'000
Interest income	437	153	941	763
Other income including investment income	1,234	1,129	3,251	2,431
Interest expense	(2,024)	(271)	(5,641)	(616)
Depreciation and amortisation	(22,519)	(17,484)	(64,448)	(51,409)
Foreign exchange gain/(loss)-realised	5,062	(8,243)	7,541	(4,122)
Foreign exchange gain/(loss)-unrealised	(384)	(10,136)	6,233	(6,824)
Fair value gain/(loss) on derivatives	2,178	(11,919)	8,798	(31,394)

B6. Taxation

	Current quarter	Current year-to- date
	RM'000	RM'000
Current tax expense	18,636	48,196
Deferred tax expense	7,107	20,382
Over-provision in prior years	(9)	(30)
	<u>25,734</u>	<u>68,548</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, 30 January 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 31 December 2017 are as follows:

	3rd Quarter Ended 31 Dec 2017		3rd Quarter Ended 31 Dec 2016			
	Foreign denomination '000	RM '000	Foreign denomination '000	RM '000		
<u>Short term borrowings</u>						
<u>Secured</u>						
Term Loans (USD)	USD	19,041	77,384	USD	12,020	53,941
Term Loans (RM)		-	-		-	144
Finance Lease (USD)	USD	3	13	USD	8	35
			<u>77,397</u>			<u>54,120</u>
<u>Unsecured</u>						
Bank Borrowings (USD)	USD	25,290	102,778	USD	15,610	70,048
			<u>102,778</u>			<u>70,048</u>
			<u>180,175</u>			<u>124,168</u>
<u>Long term borrowings</u>						
<u>Secured</u>						
Term Loans (USD)	USD	28,064	114,053	USD	40,357	181,101
Term Loans (RM)		-	-		-	-
Finance Lease (USD)	USD	-	-	USD	3	15
			<u>114,053</u>			<u>181,116</u>
<u>Total borrowings</u>						
Term Loans (USD)	USD	47,105	191,437	USD	52,377	235,042
Term Loans (RM)		-	-		-	144
Finance Lease (USD)	USD	3	13	USD	11	50
Bank Borrowings (USD)	USD	25,290	102,778	USD	15,610	70,048
			<u>294,228</u>			<u>305,284</u>
Exchange Rate RM to USD1.00			4.0640			4.4875



B9. Financial Derivative Instruments

As at 31 December 2017, 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	800,880	807,950
-USD denominated		

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

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

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

The fair value derivative assets amounting to RM7,070,000 has been recognised in the financial statements.

B10. Realised and Unrealised Profits/Losses Disclosure

	As at 31/12/2017 RM'000	As at 31/03/2017 RM'000
Total retained profits of Hartalega Holdings Berhad and its subsidiaries:		
- Realised	1,190,387	1,003,876
- Unrealised	(78,696)	(83,967)
	<u>1,111,691</u>	<u>919,909</u>
Less: Consolidation adjustments	(107,368)	(106,377)
Total group retained profits as per consolidated accounts	<u>1,004,323</u>	<u>813,532</u>



B11. Material Litigation

As at the latest practicable date, 1 August 2017, 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.

B12. Dividend

On 6 February 2018, the Board has declared a second interim dividend of 4.0 sen per share single tier in respect of the financial year ending 31 March 2018 and payable on 28 March 2018. The entitlement date has been fixed on 9 March 2018.

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 March 2018 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 31/12/2017	Corresponding Quarter Ended 31/12/2016	Current Year-To- Date 31/12/2017	Corresponding Year-To-Date 31/12/2016
Profit attributable to owners of the parent (RM'000)	113,023	66,226	322,749	193,617
Number of shares in issue as at beginning of the year ('000)	1,643,009	1,641,029	1,643,009	1,641,029
Effect of exercise of ESOS ('000)	6,782	262	6,782	262
Weighted average number of ordinary shares in issue ('000)	1,649,791	1,641,291	1,649,791	1,641,291
Basic earnings per share (sen)	6.85	4.03	19.56	11.80
Diluted Earnings Per Share	Current Quarter Ended 31/12/2017	Corresponding Quarter Ended 31/12/2016	Current Year-To- Date 31/12/2017	Corresponding Year-To-Date 31/12/2016
Profit attributable to owners of the parent (RM'000)	113,023	66,226	322,749	193,617
Weighted average number of ordinary shares in issue ('000)	1,649,791	1,641,291	1,649,791	1,641,291
Effect of dilution : share options ('000)	22,518	10,377	22,518	10,377
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,672,309	1,651,668	1,672,309	1,651,668
Diluted earnings per share (sen)	6.76	4.01	19.30	11.72