Hartalega

Holdings Berhad (741883-X)

Annual Report 2011

Expanding Our Reach

The Cover

'Expanding Our Reach' focuses on Hartalega Holding Berhad's three core objectives: to intensify our research and development; to assist the community around us; and to increase our international market share. As a premier glove manufacturer, we endeavour to better our production of world-class quality gloves in order to remain at the forefront of this sector. At the same time, the community within the vicinity of our plants are of importance to us and we will continue to collaborate with them in the spirit of good corporate citizenship.

Contents

First in the Industry

- **FIRST to develop polymer-coated powder-free examination gloves** in 1994 and among the first to receive FDA 510k to market low protein latex gloves

- **FIRST Malaysian company to develop and implement a robotic glove stripping system** in 1995, which mimics the human hand motion to strip gloves off from the production lines

- **FIRST to commercially produce high-stress-relaxation** NBR examination and surgical gloves in 2002 and 2006 respectively

- **FIRST in the industry to use industrial bar-coding and RFID Tags** for product traceability and stock management

- **FIRST recipient of the Inaugural Award for Best Factory** in 2005 in commodity-based industries by the Malaysian Government

- **FIRST recipient of the Inaugural Award for Innovation** in 2005 by the Rubber Research Institute of Malaysia

- **FIRST in the industry to use empty oil palm fruit bunches** as biomass fuel to generate heat for production processes

- **FIRST in the industry to have successfully registered our biomass energy plants** with the United Nations Framework Convention on Climate Change (UNFCCC) or KYOTO Protocol

- **FIRST biomass energy plant** in Malaysia registered with the United Nations Framework Convention on Climate Change (UNFCCC) or KYOTO Protocol, that is in operation and running mainly on empty oil palm fruit bunches

Awards & Recognition

Forbes Asia
Best Under A Billion List 2010

Selangor Innovative
Excellence Award 2007

Rubber Industry Award 2005
(Innovative & Large Factory Category)

KPMG Shareholder
Value Award 2010
(Industrial Markets-
Manufacturing)

Selangor Export
Excellence Award 2005

Best Factory Award 2005
(Latex Goods Category)

Overall Best Managed
Company in Malaysia 2010
(Small Cap)
by Asiamoney

Commodity Industry
Award 2005

Enterprise 50 Award 1998

Management Service — ISO 9001 : 2008

Product Service — EN ISO 13485 : 2003

0123 CE Marking

Canadian General
Standard Board Certificate

America — ISO 13485 : 2003

Product Service — EC-Certificate

MDL Health Canada — Medical Device Licence
- Health Canada

U.S. Food and Drug
Administration 510(k)

The Hartalega Nitrile Glove Story

2002

- Commenced R&D on elastic thin nitrile glove
- Overcame technology, pricing and intellectual property barriers
- Introduced users to a nitrile glove that mimics the softness and stretchiness of a natural rubber glove

2003

- Commenced R&D on production technology
- Focused on effective and low cost nitrile glove production
- Operation of the world's first double former production line at year end 2003
- Increased production line capacity to 28,000 pcs/hr of nitrile gloves – highest in the industry

2005

- Launched the world's first 4.7g nitrile glove. It mimicked the stretchiness and softness of natural rubber gloves without protein allergy risks, is competitively priced and outside the Tillotson's patent
    - Ringgit de-pegged from the US dollar

The Hartalega Nitrile Glove Story

2007

- Competitor launched a 4.2g nitrile glove
- Hartalega responded with the world's first 3.7g nitrile glove. It was developed at the same time as the 4.7g glove but kept in the 'war chest'

2008

- Hartalega's nitrile glove production increased by 30 fold
- Became the nation's largest and world's 2nd largest nitrile glove producer
- Obtained 20% share of the US synthetic glove market

2010

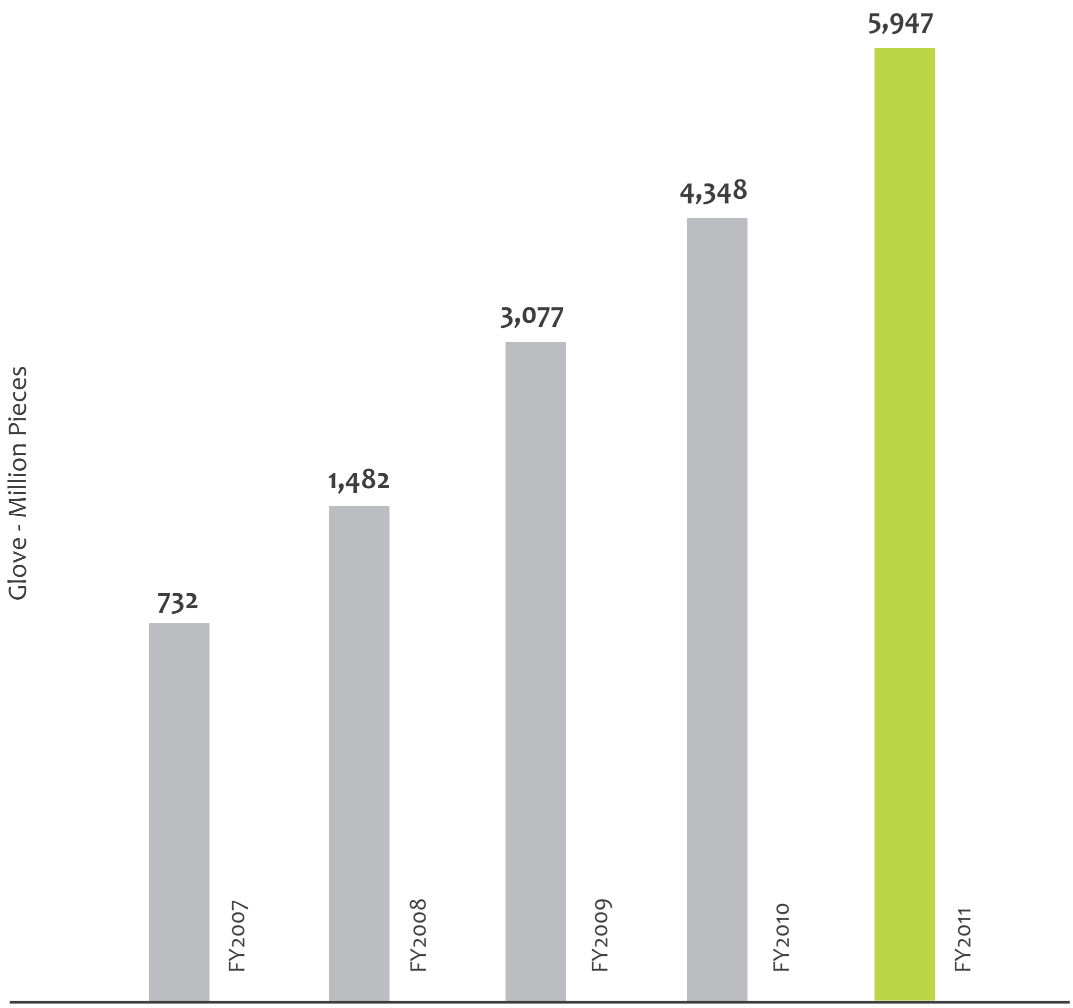
- Hartalega became the world's largest nitrile glove producer
- Natural rubber price reached a record of RM7.46 and nitrile gloves became cheaper than natural rubber gloves

2011

- Launched 3.2g soft nitrile gloves
- Nitrile sales increased 59 times over a period of 7 years
- Strong switching momentum to nitrile gloves continues all over the world

The Hartalega Nitrile Glove Story

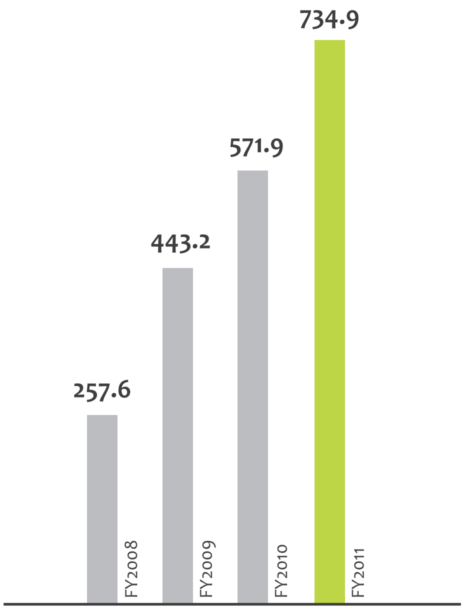
Nitrile Sale (Million Pieces)



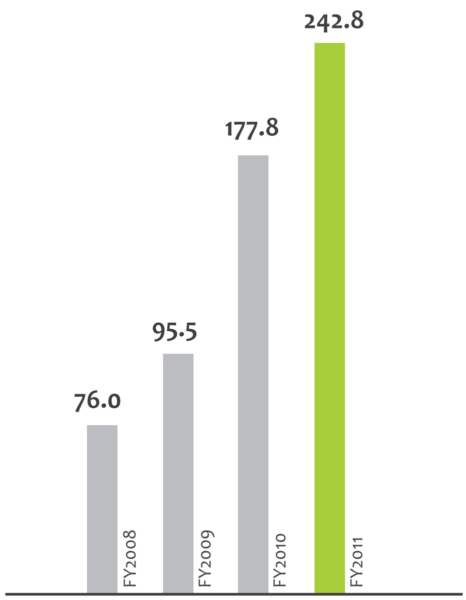
- Successfully remodelled company to be a major nitrile glove producer; 90% of sales is nitrile gloves
- Nitrile sales (pieces) increased by 8 fold in 4 years
- Created switching momentum from natural rubber to nitrile gloves
- Largest nitrile glove producer in the world

Financial Highlights

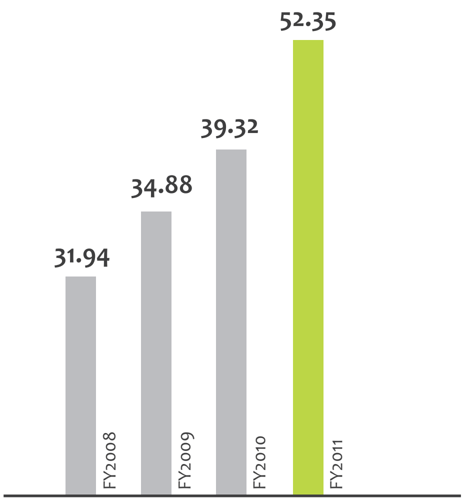
Revenue (RM Million)



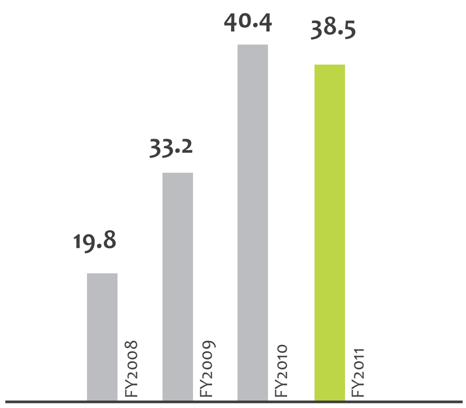
Profit Before Tax (RM Million)



Earnings Per Share (Sen)



Return On Equity (%)



Performance of Share Price

Corporate Information

Board of Directors

Kuan Kam Hon @ Kwan Kam Onn	Executive Chairman and Managing Director
Abdul Hamid bin Sh Mohamed	Independent Non-Executive Director
Chuah Phaik Sim	Independent Non-Executive Director
Dato' Mohamed Zakri bin Abdul Rashid	Independent Non-Executive Director
Kuan Mun Keng	Non-Independent Executive Director
Kuan Mun Leong	Non-Independent Executive Director
Liew Ben Poh	Non-Independent Non-Executive Director
Sannusi bin Ngah (Resigned on 31 January 2011)	Non-Independent Non-Executive Director
Dr Danaraj A/L Nadarajah (Appointed on 2 July 2011)	Non-Independent Executive Director

Audit Committee

Chuah Phaik Sim	*Chairperson*
Abdul Hamid bin Sh Mohamed	*Member*
Dato' Mohamed Zakri bin Abdul Rashid	*Member*

Remuneration Committee

Dato' Mohamed Zakri bin Abdul Rashid	*Chairman*
Abdul Hamid bin Sh Mohamed	*Member*
Liew Ben Poh	*Member*

Nomination Committee

Dato' Mohamed Zakri bin Abdul Rashid	*Chairman*
Chuah Phaik Sim	*Member*
Liew Ben Poh	*Member*

ESOS Committee

Kuan Vin Seung	*Chairman*
Kuan Mun Leong	*Member*
Kuan Mun Keng	*Member*
Yong Pat Chau	*Member*

Company Secretaries

Wong Maw Chuan (MIA 7413)
Hoh Kean Nyuk (MAICSA 7043594)
Niche & Milestones International Sdn Bhd
No.6, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur

Registered Office

No.6, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur
Tel: 603 2287 6833
Fax: 603 2287 1032

Corporate Office

C-G-9, Jalan Dataran SD1
Dataran SD PJU 9
Bandar Sri Damansara
52200 Kuala Lumpur
Tel : 603 6277 1733
Url : www.hartalega.com.my
Email : info@hartalega-kl.com.my

Factory

No. 7, Kawasan Perusahaan Suria
45600 Bestari Jaya, Selangor
Tel: 603 3280 3888

Principal Bankers

RHB Bank Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Citibank Berhad
Standard Chartered Bank Malaysia Berhad

Auditors

Moore Stephens AC (AF. 001826)
A-37-1, Level 37, Menara UOA Bangsar
No.5 Jalan Bangsar Utama 1
59000 Kuala Lumpur

Registrar

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor Darul Ehsan
Tel: 603 7841 8000
Fax: 603 7841 8151

Media Milestones

Hartalega in Forbes Asia 'Best Under A Billion' list

SINGAPORE: Glove maker Hartalega Holdings Bhd has become the latest Malaysian company to make its appearance on the *Forbes Asia* "Best Under A Billion" list.

"Hartalega Holdings is not the country's leader in the sector — that lofty perch belongs securely to Top Glove — but in synthetic glove technology it's another story," *Forbes Asia* said of Hartalega.

"The Kuan family is driving a shift to nitrile-based gloves, which are made of an oil by-product called butadiene, but are sufficiently buffered from price shocks in that commodity," it said.

About 80% of its production is in nitrile gloves and the balance of natural rubber. Around 75% of the company's production is exported to the US. Other export markets include Japan and Germany. Last year, Hartalega supplied more than 10% of the global nitrile glove market.

Hartalega is one of nine Malaysian companies in the list. The others are CBS Technology Bhd, Coastal Contracts Bhd, Hai-O Enterprise Bhd, KKB Engineering Bhd, Latexx Partners Bhd, Mudajaya Group Bhd, My EG Services Bhd and Willowglen MSC Bhd.

In a statement yesterday, *Forbes Asia* said the annual "Best Under A Billion" list picked the top-performing 200 firms from close to 13,000 publicly listed Asia-Pacific companies with actively traded shares and sales between US$5 million (RM15.6 million) and US$1 billion.

It said the selection of the final 200 was based on earnings growth, sales growth, and shareholders' return on equity in the past 12 months and over three years. *Forbes Asia* said 151 firms were new on the list, compared with 136 last year, while 49 were returnees. Firms in information technology, healthcare and electronics sectors accounted for close to half of the 200 companies on the list.

It said this year, China and Hong Kong have once again outdone the rest of Asia Pacific with the most number of small and mid-size firms represented on the list.

This is the third consecutive year that … the list with 71 firms making the cut, down from 78 last year.

India is in second place with 39 entries, 19 more than last year, making it the biggest gainer.

More Indian companies made the list this year as the country is less open than many other Asian economies and was therefore less affected by the global downturn.

South Korea was in third position with 20 companies, followed by Taiwan with 19, and Australia with 13.

Japan, which produced 24 entries last year, has only two companies represented this year because of domestic economic woes. It ties with Pakistan and Sri Lanka, each with also two

9 Malaysian firms on Forbes' 'Best Under a Billion' list

Number of M'sian companies this year up by one from eight last year as glovemaker Hartalega makes debut on list

BY SITI RADZIAH HAMZAH

With blistering rates of economic growth following its recovery from the post-Lehman Brothers meltdown, Asia-Pacific stood out as a bright spot in the global landscape, says Forbes

NINE Malaysian firms made their appearance on the Forbes magazine ranking of best performing Asian listed companies with revenue under US$1 billion (RM3.13 billion).

Malaysia tied with Thailand in the sixth place for the most number of entries on the list, trailing China and Hong Kong (71), India (39), South Korea (20), Taiwan (19) and Australia (13).

Japan, which produced 24 entries last year, has only two companies represented this year because of domestic economic woes. It ties with Pakistan and Sri Lanka, each with also two firms on the list.

"With blistering rates of economic growth following its recovery from the post-Lehman Brothers meltdown, Asia-Pacific stood out as a bright spot i… global landscape," Forbes m… zine said in a press release.

The number of Malaysian c… panies this year represente… increased by one from eight … year.

Malaysian newcomer, glo… maker Hartalega Holdings B… was profiled by the magazine…

"In aggregate the market-c… weighted shares of our 2010 cl… were up 43% over 12 months … 21% for the FTSE Asia Paci… Small Cap stock index," it said.

Other companies are RFID s… lutions provider CBS Technolog… Bhd, marine services provid… Coastal Contracts Bhd, herb… care multilevel company Hai-…

It recently started work o… US$120 million (RM375 million… dairy plant, near Ho Chi Min… city, that is expected to be the… biggest in Southeast Asia.

Among the returning firm… this year is Indian software com… pany Micro Technologies. Also… listed last year, its revenue soared… 79% to US$102 million compared… with last year, while its net in…

Hartalega's 2Q net profit rose 42%, sees challenging times ahead

by **Daniel Khoo**

KUALA LUMPUR: Even as net profit increased 42% year-on-year (y-o-y) in its second quarter (2Q) ended Sept 30, Hartalega Holdings Bhd acknowledged the increasingly competitive landscape with more players entering the nitrile glove segment.

Net profit for predominantly nitrile glovemaker rose 42% to RM47.1 million from RM33.1 million a year ago on the back of continuous expansion in production capacity, increase in demand and improvement in production processes.

Revenue for the quarter rose 37% to RM184.3 million from RM134.6 million a year ago. Earnings per share came in at 12.96 sen from 9.11 sen while net assets per share stood at RM1.17 as at Sept 30, 2010.

On a quarterly basis, Hartalega's revenue and profit before tax rose 8.4% and 13.5%. According to the group, the increase in profit before tax (PBT) was due to increase in demand for nitrile gloves, effective cost control and the recognition of fair value gain of financial derivative instruments amounting to RM1.6 million.

For the six month period, net profit rose 48% y-o-y to RM88.56 million from RM59.48 million while revenue increased 36.3% to RM354.27 million from RM259.91 million.

Hartalega declared an interim dividend of four sen per share which will be paid on Dec 9. Shares of the glovemaker will trade ex-dividends on Nov 23.

"With the strong switching momentum to nitrile gloves by discerning customers … the usage of nitrile gloves to increase in demand and this definitely bodes well for the group," its managing director Kuan Kam Hon said in a statement yesterday.

However in notes accompanying the financials, Hartalega said that the outlook moving forward will be challenging and competitive because more players will emerge in the synthetic nitrile glove sector and also due to the continual weakening of the US dollar. Nevertheless, moving forward, the company is optimistic on its prospects ahead and it expects to achieve its internal target growth for both sales revenue and net profit for its FY2011 ending March 31, 2011.

"Glove consumption is inelastic in the medical environment because the usage of glove is mandatory for disease control," it said.

During the quarter under review, the company commissioned two new advanced high capacity glove production lines while the balance of its four production lines from its fifth plant will be fully ready by January 2011.

Its shares closed five sen lower to RM5.53 yesterday.

業績快報

	最新数据 ('000)	前期数据 ('000)	起落 (%)
贺特佳（HARTA）（截至2010年9月30日第二季）			
营业额	184,312	134,572	+36.96
净利	47,099	33,106	+42.27
每股净利（仙）	12.96	9.11	
股息	[illegible]	5.00	

Hartalega on Forbes' list

Glove maker makes maiden appearance as one of Asia's 'Best Under A Billion' companies

SINGAPORE: Malaysian glove maker Hartalega Holdings is one of the new faces in Forbes Asia's "Best Under A Billion" 200-company list this year.

The health care equipment and services company that recorded sales of US$175 million (RM547.75 million) last year and worth US$609 million (RM1.9 billion), is one of the nine Malaysian companies that made to the latest list.

The other eight that retained their positions in the list are Mudajaya Group, Coastal Contracts, Hai-O En… …rtners, KKB En… …Services, Wil… …Technology. …esterday, Forbes …panies were mak… …ppearance on the …firms in inform… …althcare and elec… …inating. …were new on the …h 136 last year, …ees, it added. …t Under A Billion" …-performing 200 …13,000 public lis… …ted Asia-Pacific companies with actively traded shares and sales of between US$5 million (RM15.65 million) and $1 billion (RM3.13 billion).

Selection was based on earnings growth, sales growth, and shareholders' return on equity in the past 12 months and over three years.

This year, China and Hong Kong have once again outdone the rest of the Asia Pacific with the most number of small- and mid-sized firms represented on the list, with 71 firms making the cut, down from 78 last year.

India is in second place with 39 entries, 19 more than last year, thus making it the biggest gainer.

South Korea is in third position with 20 companies, followed by Taiwan (19) and Australia (13).

Japan, which produced 24 entries last year, had only two companies represented this year.

The 200 winning companies will be honoured at the Forbes Asia "Best Under A Billion" award ceremony in Hong Kong on November 23. — Bernama

Hartalega Q2 net profit up 42.3%

PETALING JAYA: Hartalega Holdings Bhd's net profit for the second quarter ended Sept 30 rose 42.3% to RM47.1mil, compared with RM33.1mil in the same period last year, backed by higher revenue and demand as well as its capacity expansion.

A filing with Bursa Malaysia showed that Hartalega's revenue for the second quarter was RM184.3mil, …a 37% higher than RM134.6mil last …ear. The group posted a pre-tax …ofit of RM61mil from RM41.2mil …eviously.

"The significant achievement in …enue and profit before tax is in … with the group's continuous …nsion in production capacity, …se in demand and improve… in production processes," it …

The group is declaring a first … dividend of 4 sen per share …er in respect of the financial …ing March 31, 2011.

… profit for the first six …tood at RM88.6mil, 48.9% …n RM59.5mil in the same …riod last year. Its revenue rose from RM259.9mil to RM354.3mil.

"Our strong achievement on a half-year comparison between both financial years, as well as on a quarter-on-quarter basis for this current financial year reflects our constant efforts to capitalise on our capability to increase production output while delivering superior cost-efficiencies due to our engineering know-how," managing director Kuan Kam Hon said.

5 (From left) Hartalega Holdings Bhd director Kuan Mun Leong, executive chairman/MD Kuan Kam Hon & director Kuan Mun Keng at its AGM and EGM at the Sime Darby Convention Centre, Kuala Lumpur on Aug 18.

Media Milestones

Hartalega Q3 net profit jumps 32pc

ESCALATING price of natural rubber and growing popularity of nitrile gloves in the global market helped boost Hartalega Holdings Bhd's third quarter net profit by 32.1 per cent.

For the three-month period ended December 31 2010, the world's largest synthetic glove manufacturer recorded a net profit of RM49.2 million, compared with RM37.2 million previously.

Coupled with the weakening of the US dollar, the current economic and business conditions opened more market opportunities for nitrile, while natural rubber glove producers find it more difficult to grow their capacity.

"As a result, we are seeing more competition from natural rubber glove producers who are converting their capacity to nitrile," Hartalega managing director Kuan Kam Hon said in a statement yesterday.

Kuan said the high natural rubber prices had opened up new opportunities in markets such as South America, The Middle East and China which were previously dominated by natural rubber.

"I believe our opportunities in these markets are very positive as we will continue to capture larger market share through our value proposition," he said.

Kuan said Hartalega is confident of its prospects. The company would remain strong and is less susceptible to the vagaries of heightened competition as it has the first mover advantage in the nitrile glove segment.

He said one of the key drivers for its successful track record is its continued ability to improve manufacturing prowess.

"In order to meet the increasing demand for nitrile gloves, three more new advanced high capacity glove production lines have come onstream during the quarter under review bringing our annual production capacity from 8.1 billion pieces previously to 9.0 billion pieces."

He said the remaining advanced high capacity production line for Plant Five is expected to be completed by the fourth quarter of this financial year. This will further boost production capacity.

Cumulatively, Hartalega recorded a group net profit of RM138 million for the first nine months compared with RM97 million in its previous fiscal, representing a 42 per cent jump on a year-on-year basis.

Revenue grew by 33 per cent to RM542.4 million compared with RM409 million previously. Earnings per share, meanwhile, increased to 13.54 sen compared with 10.23 sen.

The company has declared a second interim dividend of 5 sen a share single tier in respect of the year ending March 31 2011, bringing total dividend for the nine-month period to 9 sen.

Hartalega's Q3 net profit up 32%

BY IZWAN IDRIS
sunbiz@thesundaily.com

PETALING JAYA: Glove maker Hartalega Holdings Bhd's third-quarter net profit rose 32% to RM49.2 million from a year ago, as demand for nitrile gloves jumped with more customers converting from now pricier natural rubber gloves.

The latest results came in within CIMB Research's target range of between RM48 million and RM50 million for the three months ended Dec 31, 2010.

"Our protein-free and competitively priced nitrile glove has made it more affordable for the acute healthcare industry to continue switching from the natural rubber to our synthetic nitrile glove to avoid the protein allergy problem," Hartalega said yesterday.

Revenue for the quarter rose 26% to RM188.1 million.

Cumulative nine-month net profit stood at RM137.8 million, or 37.9 sen a share.

The company proposed a five sen per share interim dividend, to bring total payout so far to nine sen per share.

Record high latex prices had ravaged the profit margins of natural rubber glove makers, as they had to increase selling prices to ab[...] However, f[...] Hartalega, t[...] means fatte[...] selling price[...]

"We will [...] the demand [...] healthcare [...] usage of nit[...] it said.

The com[...] compete in [...] challenging [...] players eme[...] sector.

Hartalega's 3Q earnings up 32%

Glove maker confident of strong prospects

by Yong Yen Nie
FD@bizedge.com

KUALA LUMPUR: Hartalega Holdings Bhd's net profit for 3Q ended Dec 31 rose 32.3% year-on-year (y-o-y) to RM49.2 million underpinned by strong demand for nitrile gloves and expansion in production capacity.

Revenue rose 26.6% to RM188.1 million compared with RM148.6 million a year earlier.

Earnings per share stood at 13.54 sen from 10.23 sen a year earlier. The glove manufacturer declared an interim dividend of five sen for the corresponding period.

For the nine months ended Dec 31, Hartalega's net profit gained 42.5% y-o-y to RM137.8 million from RM96.7 million.

Revenue was up 32.8% to RM542.4 million from RM408.5 million a year earlier.

Commenting on the quarterly financial results yesterday, Hartalega managing director Kuan Kam Hon said three new advanced high capacity glove production lines had come onstream during the quarter under review to increase its annual production capacity to nine billion pieces currently from 8.1 billion.

Meanwhile, another high capacity production line for Plant 5 is expected to be completed by 4Q of the financial year ending March 31, he said.

"We also note that due to escalating natural rubber prices and the weakening of the US dollar, it is increasingly difficult for natural rubber (NR) glove producers to grow their capacity. As a result, we are seeing more competition from NR glove producers that are converting their capacity to nitrile," Kuan said.

Going forward, he said Hartalega is confident that its prospects remain strong and it is less susceptible to the vagaries of the heightened competition, given its first mover advantage in the nitrile glove segment.

"Our facilities are specifically designed to produce high quality nitrile gloves at the lowest cost possible. As such, Hartalega is poised to face this new competition with its lean operations and superior products," he said.

Kuan added that high NR prices have opened up new opportunities in markets such as South America, the Middle East and China which were previously dominated by NR gloves.

"I believe our opportunities in these markets are very positive as we will continue to capture larger market share through our value proposition," he said.

Meanwhile, in a separate announcement, Hartalega said its non-independent and non-executive director, Sannusi Ngah, has resigned from his position.

Sannusi holds about 5.12% stake directly and indirectly in the glove manufacturer.

Hartalega closed unchanged at RM5.63 yesterday with 292,700 shares traded.

Kuan says high natural rubber prices have opened up new opportunities.

Hartalega Q3 net profit higher

PETALING JAYA: The world's largest synthetic glove manufacturer Hartalega Holdings Bhd posted slightly higher net profit of RM49.2mil for the third quarter ended Dec 31, 2010 from RM37.2mil a year ago, while its revenue rose to RM188.1mil from RM148.6mil.

[...] had always been an integral objective [...] Hartalega as it strived to create value f[...] shareholders.

"In order to meet the increasing demand f[...] nitrile gloves, three more advanced high capacity glove production lines had com[...] onstream during the quarter under review bringing our annual production capacity fro[...] 8.1 billion pieces to 9 billion pieces currently," he said.

The group had noted that due to escalatin[...] natural rubber prices and the weakening of th[...] US dollar, it was increasingly difficult for natural rubber (NR) glove producers to grow the[...] capacities, he added.

"As a result, we are seeing more competitio[...] from NR glove producers which are convertin[...] to nitrile," he said.

Laba naik RM49.203j

Untung bersih Hartalega Holdings Bhd pada suku kewangan ketiga berakhir 31 Disember 2010 meningkat kepada RM49.203 juta berbanding RM37.20 juta pada suku sama tahun sebelumnya.

Ia diraih daripada pendapatan yang meningkat kepada RM188.123 juta daripada RM148.599 juta.

Pengeluar sarung tangan getah itu mencatat untung bersih terkumpul berjumlah RM137.763 juta untuk tempoh sembilan bulan berakhir 31 Disember 2010 berbanding RM96.681 ju[...] tahun sebel[...] pendapatan[...]

Laba Hartega RM49.2 juta

KUALA LUMPUR 8 Feb. - Pengeluar sarung tangan sintetik, Hartalega Holdings Bhd. (Hartalega) merekodkan keuntungan selepas cukai (PAT) berjumlah RM49.2 juta bagi suku ketiga berakhir pada 31 Disember 2010.

Jumlah itu meningkat sebanyak 32.1 peratus daripada RM37.2 juta bagi tempoh yang sama sebelumnya.

Sehubungan itu, keuntungan selepas cukai terkumpul untuk sembilan bulan pertama tahun ini berjumlah RM138 juta, meningkat 42 peratus berbanding RM97 juta bagi tempoh yang sama pada tahun 2009.

Pengarah Urusan Hartalega, Kuan Kam Hon berkata, pertumbuhan yang konsisten sentiasa menjadi keutamaan syarikat bagi menjaga kepentingan para pelabur.

Katanya, bagi suku ketiga, syarikat itu merekodkan keuntungan sebelum cukai sebanyak RM62.2 juta, meningkat sebanyak 31 peratus daripada RM47.5 juta semasa suku ketiga tahun kewangan lalu.

Pendapatan terkumpul dalam tahun kewangan semasa juga meningkat sebanyak 33 peratus menjadi RM542.4 juta berbanding RM409 juta pada tempoh sama tahun kewangan lalu, katanya.

"Pendapatan sesaham di bawah tempoh kajian meningkat kepada 13.54 sen berbanding 10.23 sen yang dicapai pada tempoh [...] sama tahun sebelumnya," kata[...] liau.

Kam Hon berkata, dalam [...] menuhi permintaan sarung tan[...] jenis nitrile, pihaknya menam[...] tiga lagi kapasiti pengeluaran se[...] gus meningkatkan keupayaan [...]ngeluaran daripada 8.1 bilion [...]ping kepada 9.0 bilion keping.

"Baki penambahbaikan kap[...] pengeluaran dijangka siap pada su[...]

Higher Q4 profit for Hartalega

PETALING JAYA: Hartalega Holdings Bhd, the world's largest synthetic glove manufacturer, posted a higher fourth-quarter net profit [...] compared with [...]ar ago.

[...]months ended March [...]eased to RM192.5mil [...]il previously.

[...]venue was due to the [...]inuous expansion in [...]pacity, increase in [...]ve cost control and [...]n production proc-[...]

[...]alaysia filing yester-[...] said its revenue for [...]ar ended March 31 [...]sed by 28.5% to [...]om RM571.9mil in [...]

[...]as at RM190.16mil [...] RM142.9mil previ-[...]

[...]nt year prospects, [...]t expected demand [...]etic gloves to grow by 30% as European markets switched from using natural rubber gloves.

However, the company noted that the market might see higher levels of competition with more manufacturers producing nitrile synthetic gloves.

"Also, challenging times are ahead with the sharp increase in nitrile material price and a weaker US dollar," it said.

Hartalega has declared a third interim dividend of 6 sen per share single tier for the financial year ending March 31 which is payable on June 10.

The company will also seek its shareholders' approval for a share buy-back at its upcoming AGM.

Hartalega 4Q net profit up 13% to RM52m

by Chong Jin Hun
FD@bizedge.com

KUALA LUMPUR: Hartalega Holdings Bhd's 4Q net profit rose 13% from a year earlier as the nitrile glove manufacturer expanded its production capacity and raked in higher sales. This came amid stiffer competition from rivals switching to nitrile or synthetic rubber products due to costlier natural rubber.

In a statement to the stock exchange yesterday, Hartalega said net profit for the quarter ended [...] came to RM52.4 million [...]rsus RM46.41 [...]

[...] million from RM163.39 million previously.

As at end-March this year, Hartalega's net assets per share stood at RM1.36.

"Our group is well-positioned with the competitive advantage, leveraging on our technological competency and we will be able to deal with the competitive environment, limiting the impact on our margin and absolute profit.

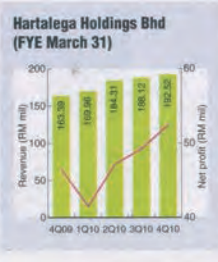
"The group has achieved the internal target growth of net profit for FY11. The board of directors is optimistic that the group will achieve continuous growth and secure better results for the next financial year," [...] said in its announcement.

Cumulative full-year net profit increased 33% to RM190.16 million, or 52.31 sen a share, against RM142.91 million or 39.32 sen a share a year earlier. Revenue was up 29% to RM734.92 million from RM571.89 million in the previous year.

Hartalega has proposed a 12 sen a share dividend payout for 4Q comprising an interim dividend of six sen per share and another final dividend of a similar quantum. This brings the total dividend for FY11 in review to 21 sen a share against FY10's dividend of 20 sen.

Looking ahead, Hartalega foresees nitrile glove demand to expand 30% this year in line with higher demand for synthetic rubber products in Europe.

Hartalega shares closed unchanged at RM5.70 yesterday.



Hartalega 贺特佳全年淨利漲33%

（吉隆坡10日讯）基于生产线更具效益，加上丁晴手套需求增长，贺特佳（HARTA，5168，主板工业产品组）截至2011年3月31日第四季，净利扬升12.90%至5千239万8千令吉，前期为4千640万9千令吉，并带动全年净利涨升33.06%至1亿9千零16万1千令吉，前期为1亿4千290万9千令吉。

派12仙终期股息

第四季营业额走高17.83%至1亿9千252万4千令吉，激励全年营业额挺升28.51%至7亿3千491万7千令吉。

该公司建议派发12仙终期股息。

贺特佳发文告指出，第5厂房更具效益的生产线已开始提升产能，且手套在医药领域的使用广泛，进而激励需求，管理层乐观看待下财政年取得更优越表现。

同时，丁晴手套已开始在欧洲攫取商机，相信今年欧洲的需求将增长30%，并令公司从中受惠。不过，丁晴原料价格直线上升，加上美元趋软，将成为未来的重要挑战。

Profile of Directors

From left to right

Dato' Mohamed Zakri bin Abdul Rashid	Independent Non-Executive Director
Liew Ben Poh	Non-Independent Non-Executive Director
Kuan Mun Leong	Non-Independent Executive Director
Chuah Phaik Sim	Independent Non-Executive Director
Kuan Kam Hon @ Kwan Kam Onn	Executive Chairman and Managing Director
Sannusi bin Ngah	Non-Independent Non-Executive Director
Kuan Mun Keng	Non-Independent Executive Director
Abdul Hamid bin Sh Mohamed	Independent Non-Executive Director

Profile of Directors

Kuan Kam Hon @ Kwan Kam Onn
Executive Chairman and Managing Director,
Malaysian

Kuan Kam Hon @ Kwan Kam Onn, aged 64, was appointed as Executive Chairman and Managing Director on May 7, 2007. Kuan Kam Hon is primarily responsible for the overall business, strategic planning and entire operations of the Group, including research and development. He began his career in the building and construction sector in 1969 under Kuan Yuen & Sons Company, a well-known quality homebuilder in the 70s specialising in upper-class residential units in the Klang Valley. In 1978, he started Timol Weaving Sdn Bhd, one of the pioneers in woven labels and badges. In 1981, he formed Hartalega Sdn Bhd. Under his leadership, Hartalega Sdn Bhd has since become a reputable manufacturer of latex gloves in the industry and is now a public listed company on the Main Board of Bursa Malaysia Securities Berhad, known as Hartalega Holdings Berhad. He has established a set of management values that is quality-driven and encourages creativity and innovation to produce highly-skilled personnel. He presently sits on the Board of several other private limited companies as well.

Abdul Hamid bin Sh Mohamed
Independent Non-Executive Director,
Malaysian

Abdul Hamid bin Sh Mohamed, aged 46, was appointed as Independent Non-Executive Director on May 7, 2007. Abdul Hamid is a Fellow of the Association of Chartered Certified Accountants. He is presently Executive Director of Symphony House Berhad, a listed business process outsourcing company, a post he has held since December 2003. Prior to that, he was Chief Financial Officer of the Kuala Lumpur Stock Exchange (“KLSE”) now known as Bursa Malaysia. He joined the KLSE in 1998 as Senior Vice President in charge of Strategic Planning & International Affairs and was promoted to Deputy President (Strategy & Development) in 2002 and was re-designated to Chief Financial Officer in 2003. During his five years with the KLSE Group, he had diverse roles and experience in strategy, corporate finance, business transformation, finance and administration, treasury, external affairs and public relations. He led KLSE’s acquisitions of Kuala Lumpur Options and Financial Futures Exchange (KLOFFE) and Commodity and Monetary Exchange of Malaysia (COMMEX) and their merger to form the Malaysia Derivatives Exchange (MDEX), and the acquisition of MESDAQ. He also led the KLSE’s demutualisation exercise. He started his career in the accounting firm Messrs Arthur Yong, before moving on to merchant banking with Bumiputra Merchant Bankers Berhad. He later moved on to the Amanah Capital Malaysia Berhad Group, an investment

Profile of Directors

banking and finance group, where he oversaw the corporate planning and finance functions until 1998 when he joined the KLSE. He also serves on the Boards of Pos Malaysia Berhad and Genesis Malaysia Maju Fund Limited as Independent Non-Executive Director and Co-Chairman of Outsourcing Malaysia, an industry trade association.

Dato' Mohamed Zakri bin Abdul Rashid
Independent Non-Executive Director,
Malaysian

Dato' Mohamed Zakri bin Abdul Rashid, aged 68, was appointed as Independent Non-Executive Director on May 7, 2007 and sits on the Audit Committee. Dato' Mohamed Zakri was appointed to Hartalega Sdn Bhd's Board on November 27, 1998 as a Non-Executive Director. He holds a Bachelor of Arts Degree with Honours and a Diploma in Public Administration from Universiti Malaya. He also holds a Masters Degree in Public Administration from the University of Southern California, USA. He retired from Government service in 1998 as Director General of the Department of Immigration of Malaysia after having served the department for more than four years. Previously, he served the Government in various capacities in the Ministry of Transport, Ministry of Finance and the Prime Minister's Department for more than 30 years. He also serves as an Independent Non-Executive Director of Dialog Group Berhad.

Profile of Directors

Sannusi bin Ngah

Non-Independent Non-Executive Director, Malaysian

Sannusi bin Ngah, aged 53, was appointed as Non-Independent Non-Executive Director on May 7, 2007. He holds a Masters in Business Administration majoring in Finance from the University of New Haven, Connecticut, USA, a Bachelor of Business Administration majoring in Finance from Ohio University, Athens, USA, and a Diploma in Accountancy from Universiti Teknologi Mara. In 1987, he joined Kewangan Usaha Bersatu Berhad, a licensed finance company, as an Internal Audit Officer. In January 1990, he joined Rakyat Merchant Bankers Berhad as Assistant Manager in the Corporate Finance Department. His last position at Rakyat Merchant Bankers Berhad was Senior Manager of Corporate Finance Department. In October 1993, he joined Chase Perdana Berhad as Group General Manager, Corporate and Projects. In June 1995, he left Chase Perdana Berhad and was appointed Director in several private limited companies. During the tenure of the above appointments, he was involved in various corporate advisory exercises ranging from initial public offerings, mergers and acquisitions, take-overs, reverse take-overs, general offers, corporate restructuring and other capital raising exercises. He currently also sits on the board of Poly Tower Ventures Berhad as a Non-Independent Non-Executive Director.

Chuah Phaik Sim

Independent Non-Executive Director, Malaysian

Chuah Phaik Sim, aged 42, was appointed as Independent Non-Executive Director on May 7, 2007. Chuah is a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant with the Malaysian Institute of Accountants. She started her career in January 1989 with KPMG Desa Megat & Co (now known as KPMG) as an articled student and rose through the ranks to become a qualified Audit Senior in 1993. Her experience in KPMG includes external audits, restructuring, as well as initial public offering and valuation exercises. She left KPMG in 1994 to become a Finance Manager of a public listed company and was responsible for the overall financial and administrative management of the company and the consolidation of the group's accounts. In 1995, she joined Kumpulan Jetson Berhad as the Internal Auditor, reporting functionally to the Audit Committee. She was responsible for the setting up and overall management of the Internal Audit Department. In 2000, she left Kumpulan Jetson Berhad and was appointed Director of several private limited companies. She has since remained active in providing corporate advisory and consultancy services in respect of restructuring, mergers and acquisitions, and valuation exercises.

Profile of Directors

Liew Ben Poh

Non-Independent Non-Executive Director, Malaysian

Liew Ben Poh, aged 62, was appointed as Executive Director on May 7, 2007 and re-designated as a Non-Executive Director on July 14, 2010 after he retired from the position of Sales and Marketing Director. On July 7, 2011 he had been appointed as a member to the Nomination and Remuneration Committee. During his 16 years of service, he has helped Hartalega Holdings Berhad in establishing a strong international client base. In addition, he is one of the key personnel involved in the research and development aspects of Hartalega Holdings Berhad. He is very active in the latex glove industry and was President of the Malaysian Rubber Glove Manufacturers' Association (MARGMA) for two terms. He was the first Chairman of the ASEAN Rubber Gloves Manufacturers' Association and was re-elected to serve as Chairman for 2008-2009. He is also a Board Member of the Malaysian Rubber Export and Promotion Council (MREPC) under the Ministry of Primary Products and Commodities. Owing to his vast knowledge of the latex glove industry, he is regularly invited to speak at international conferences in Malaysia as well as overseas.

Kuan Mun Leong

Non-Independent Executive Director, Malaysian

Kuan Mun Leong, aged 35, joined the company's Engineering Department in 2001. He was appointed as an Executive Director of the Group in 2007 and is also the Deputy Managing Director, assisting the Managing Director in the business operations of Hartalega. He graduated from Monash University, Australia with a Bachelor's Degree in Mechanical Engineering in 1999 and later obtained a Masters in Business Administration (MBA) from University of Strathclyde, Scotland in 2007. He began his career in the industrial boiler sector and subsequently brought in-depth knowledge of green energy technology into Hartalega. He then spearheaded the implementation of the sector's first oil palm empty fruit bunch biomass energy plant in 2004 and was instrumental in leading the plant to a successful registration with the United Nations Framework Convention on Climate Change (Kyoto Protocol) in 2007, enabling Hartalega to sell emission reduction credits. Throughout his career in Hartalega, he has lead capacity expansion projects that have not only increased production capacity by seven fold but also accomplished several sectors' unprecedented engineering breakthroughs in production technology. Today Hartalega is touted as the sector's most efficient rubber glove manufacturer.

Profile of Directors

Kuan Mun Keng

Non-Independent Executive Director, Malaysian

Kuan Mun Keng, aged 36, was appointed as Executive Director on July 4, 2008. Presently, he is the Sales and Marketing Director of Hartalega Holdings Berhad and is also responsible for the Group's Corporate Finance. He graduated with a Bachelor's Degree in Business (Accounting) and a Bachelor's Degree in Computing from Monash University, Australia in 1997. He is also a Certified Practising Accountant with CPA Australia. Upon graduation, he joined Kassim Chan Business Services as an Analyst in the Information Technology Consultation Division in 1997. In 1998, he left and joined Hartalega as a Production Executive. He then worked in the Accounts and Management Information Services Departments implementing various beneficial changes before he was promoted to Deputy Operations Manager in 2003. His long experience in operations is a complement to the Sales and Marketing team as he is able to align functions in the company with the needs and wants of customers.

Notes

- **Family Relationship with Director and/or Major Shareholder**
  Kuan Kam Hon is the father of Kuan Mun Keng and Kuan Mun Leong. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

- **Conflict of Interest**
  None of the Directors has any conflict of interest with the Company.

- **Conviction of Offences**
  None of the Directors has been convicted of any offences in the past ten (10) years.

Executive Chairman's Statement

Kuan Kam Hon @ Kwan Kam Onn
Executive Chairman and Managing Director

Dear Shareholder,

Market dynamics of the glove manufacturing sector are constantly impacted by renewed challenges. Despite these hurdles, your Group has delivered handsomely during the 2011 financial year. Our strong focus on keeping to our core strategies, coupled with intense research and development efforts, have reinforced our reputation as Malaysia's largest premium high quality nitrile glove manufacturer.

The period under review marked Hartalega's fourth year on Bursa Malaysia and from our humble beginning as a one-line-operation more than two decades ago, we now have production lines that are running at twice the speed of the industry's current average. This is but one of a long list of 'firsts' that has placed your Group on a steady growth path that has resulted in significantly strong earnings as evidenced by our financial results.

On this note, I am pleased to present to you our annual report for the year ended March 31, 2011.

Executive Chairman's Statement

Economic Landscape

The announcement of the 12 New Key Economic Areas that are part of the Government's Economic Transformation Programme could not have been more timely. Our quest to become a high income nation has been given a renewed push which is fundamental especially looking at the highly competitive global environment at present where countries are vying for investments while struggling to retain home-grown talent.

The year under review went by without a major healthcare epidemic compared with the previous fiscal year's H1N1 virus outbreak which consequently saw heightened demand for gloves. Nevertheless, your Group experienced robust growth attributed to the fact that nitrile gloves are becoming the preferred choice for healthcare practitioners the world over.

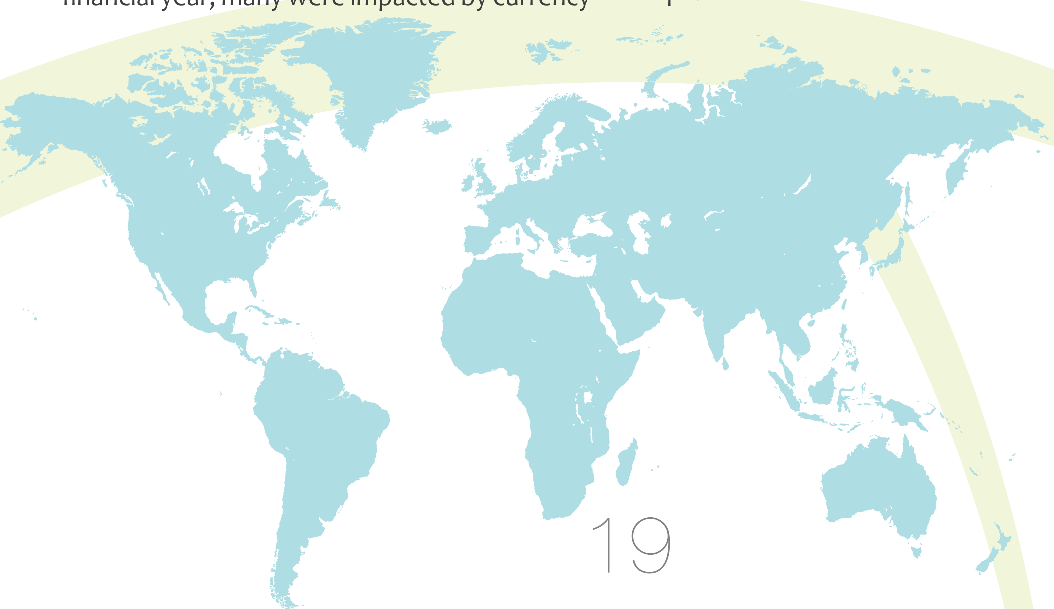
The USA remained a key market for glove manufacturers across the globe contributing 35% of the market share of Malaysian manufacturers. The erratic nature of the US dollar continues to be a key factor in the cost matrix of glove manufacturers and during the financial year, many were impacted by currency fluctuations. Particular impact was felt by natural rubber (NR) glove manufacturers as the weakening US dollar and rising rubber prices caused significant erosion of margins for our peers.

On the flip side, nitrile gloves have grown exponentially by 59 fold over the past seven consecutive years mainly due to switching trends from NR to nitrile and the volatility of latex prices. Material costs for nitrile gloves remain competitive compared with NR gloves and the product efficacy for nitrile gloves is growing.

The economic circumstances impacting glove manufacturers will continue to be volatile as industry participants face-off due to shrinking margins as a result of increased material and production costs as well as market dynamics.

Malaysia still holds the reputation of being the world's largest producer of gloves, be it nitrile or NR gloves, with Hartalega leading the way in the nitrile category.

As a major industry participant, Hartalega hopes that the Administration and relevant Government bodies will continue to nurture and strengthen this important sector that contributes to the nation's gross domestic product.



Executive Chairman's Statement

Financial Performance

Your Group is pleased to record a consistent growth in its financial results since its initial public offer barely four years ago. The year under review was no exception in terms of delivering sterling results as we recorded a profit before tax of RM242.8 million, representing a 36.6% increase on a year-on-year basis. Turnover has also grown exponentially to RM734.9 million, a 28.5% jump for the year under review compared with RM571.9 million during the last financial year.

Clearly, we are committed to delivering strong shareholder value. Net cash for your Group remained high at RM117.0 million compared with RM74.6 million for the fiscal year 2010.

I am glad to inform you that since our listing, Hartalega has delivered a compounded annual sales growth rate (CAGR) of 41.8% over a period of 3 years.

We are equally committed to ensuring that our balance sheet and profitability are on track, as such, our earnings before interest, taxation, depreciation and amortisation (EBITDA) for the period under review was RM270.2 million compared with RM201.0 million achieved last year. This represents a 34.4% increase over the last financial year.

Earnings per share ended at 52.35 sen compared with 39.32 sen for the previous financial year.

Executive Chairman's Statement

Net asset per share attributable to the owners of the Company was 136.03 sen, as compared with the previous year's 97.42 sen.

I am pleased to note that whilst our industry peers saw contractions in their profit margins, your Group recorded another healthy balance sheet for the financial year under review. Despite the prevailing pressures on our margins, we still saw margin growth and expansion in our business.

Our objective is clear. We aim to deliver enhanced earnings on an annualised basis by staying at the top of the curve as a technologically-advanced glove manufacturer in the global arena.

Dividends

Improving shareholder value is of unsurpassed importance to your Group. For the year under review, total dividend declared nett of tax was 21 sen against the previous fiscal year's 20 sen.

Your Group's dividend payout ratio during the financial year was 40.1% on our enlarged share capital compared with 33.9% during the previous financial year. We are cognisant of the fact that shareholders have placed their hard-earned investment with our Group and we will return this confidence by ensuring that our dividend payout ratio remains consistently positive.

Executive Chairman's Statement

Operations Review

Research and Development

During the financial year, as evidenced by market dynamics and the ongoing move by our competitors switching to nitrile gloves, Hartalega has been proven right in its decision to build value and strengthen its position as the world's largest manufacturer of nitrile gloves.

To stay ahead in the industry, research and development (R&D) is a primary consideration given that we are a highly innovative Group. It is the key component in driving our earnings growth. Our holistic view of R&D has provided us a far superior head start in terms of our product efficacy, technological prowess in our engineering capabilities and above all, speed to market.

Echoing this sentiment, Plant 5 is now fully operational and due to this, we were able to surpass our targeted productivity from 35,000 to 36,000 pieces of gloves per hour per line. This places us at the top of the world as we are the only manufacturer globally able to achieve this feat.

Environmental Performance

Hartalega is fully cognisant of our obligation to be a responsible glove manufacturer. We aim to work towards a sustainable future through our existing policies.

I am glad to inform that your Group has not only complied with but consistently exceeded the strict regulations and requirements of Jabatan Alam Sekitar (JAS) with regards to the regulatory guidelines.

Conscious of our shared responsibility to protect our valuable water source and air quality, we are committed to maintaining the quality of our effluent water discharge and air emission to levels that are far below the allowable limits set by JAS. In line with that, our Chemical Oxygen Demand and Biological Oxygen Demand levels are about four times below the limit enforced by JAS, whilst our scrubber emission levels are twenty-seven times lower than the allowable limit.

Executive Chairman's Statement

One of our most noted efforts is through a computerised control system that we use on both our waste water and biomass plants. The system, which is linked to the control system through our server, monitors critical parameters related to environmental compliance. The automatic alert system will warn relevant employees in the event of an abnormality in our waste water discharge, thus ensuring that we consistently meet the standards enforced by JAS.

As a technologically-advanced corporation, we are fully aware of the laws that bind us, particularly the Environmental Quality Act 1974. To adhere to the strict regulations governed by this Act, we employ advanced technology in our bid to raise the bar in improving our regulatory requirements to maintain our position as one of Malaysia's most environmentally-conscious manufacturers.

Marketing

Our marketing strategy is simple and to-the-point: to meet and deliver the demands of the global market without compromising on the quality and standard of our gloves.

For the financial year under review, nitrile gloves accounted for 90% of your Group's total glove sales, while the remaining 10% was NR. The United States of America (USA) remains a primary market representing 71% of our total exports, followed by Europe with 15%, whilst Asia Pacific and South America made up the rest of the export market.

Our product efficacy speaks volumes for our reputation and during the financial year we acquired five major customers who represent the largest medical distributors in Europe, USA and Japan, with one of them being the largest in the world.

We are confident this will be a catalyst for us to expand into other markets while setting us apart from our peers.

Executive Chairman's Statement

Human Capital

Our people are indeed our most valuable assets and play an integral role in the continued success of our business. As such, we are categorically committed to recruiting, developing, rewarding and retaining a quality workforce. This commitment is encapsulated in our Human Resource Transformation Programme (HR Transformation), which kicked off in the previous financial year.

The three-year roadmap for our HR Transformation Programme highlights the Group's focus on four key areas: Performance Management, Competency Modelling, Learning and Development as well as Salary and Job Grading.

The timely implementation of this programme came at a time where we were gearing for our future business expansions and as such, it was necessary to have an enlarged talent pool coupled with the right management system.

We are cognisant of the fact that highly trained employees form Hartalega's backbone and as such the development of our employees is an essential component of our HR Transformation Programme. To this end, we exposed our top performers to international best manufacturing practices through our "Tour and Learn" programme, where they were given the opportunity to visit the state-of-the-art manufacturing facilities in Australia of a world-leading automobile maker to learn the ropes of managing a successful establishment. In addition, our "Exhibit and Experience" programme saw the Group's high achievers making a trip to Germany, where they participated in Europe's biggest medical fair. Along with the international exposure, they

Executive Chairman's Statement

brought back with them a better understanding of the medical industry segment as well as fresh ideas that contributed towards the growth of your Group.

Recognising the need to attract talent, we also participated in Malaysia's largest Career and Training Fair. Our objective was to attract local talent to work in our establishment, as well as to benchmark ourselves against other manufacturers in terms of employment competitiveness.

In our effort to boost workforce competitiveness, the Group employed a performance-based reward system in order to increase staff motivation. Our competitive remuneration package also allows us to stay ahead of the pack in terms of attracting and retaining the right talent.

Staff cost as a percentage of revenue remains significantly below the industry average due to our advanced technology. While we place great importance on building our human capital, we will continue to place considerable emphasis on ensuring that our labour cost remains low. Your Group's foundation for growth for the year was strong as it was supported by the seamless performance of its staff.

As a measure to move up the value chain of glove manufacturing, we continue to invest in automation and technology, along with the skilled workforce that is required to manage them. For the financial year 2011, we have a stronghold of 35% skilled workforce at Hartalega, which was received positively. After all, skilled workforce is the core to managing our advanced technology.

This is in line with our Nation's target of having 37% skilled workers by the year 2015 and 50% by the year 2020, which we aim to meet.

Executive Chairman's Statement

Outlook

Our track record is solid and though market trends are indicating that industry peers are shifting to manufacturing nitrile gloves, we are ever ready to take on this gauntlet that has been thrown at us, especially with the shrinking NR market that will evidently influence more manufacturers to compete in the nitrile segment.

A significant shift has taken place during the financial year as Europe has become a major greenfield for Hartalega with our exports to this continent growing from 15% to 20%. This phenomenal growth is contributed by the significant switching to nitrile gloves by medical distributors. We aim to utilise the superior quality of our gloves to bring on board an increased customer base. As such, we foresee our sales to Europe to be in excess of 30% in the next financial year.

On this score, we are heartened by the investing community's confidence in your Group as reflected by our market capitalisation at the close of the financial year, which was in the region of RM2 billion.

The next financial year will see margin compression and pressures on selling price aggravated by escalation in material cost. We expect to remain ahead of these elements by virtue of the fact that in financial year 2011, we were running at full capacity with our lines producing 8.3 billion pieces of gloves annually. The constant change in market dynamics has made us refocus on building capacity and as such, we have put on hold the decommissioning of Plant 1, given that this will not be a prudent move as customers require us to be at full capacity to meet their voracious demand.

We are conscious of the fact that global glove demand is expected to grow at a moderate rate of 8% to 10% per annum. However, we are

Executive Chairman's Statement

confident that nitrile gloves demand will grow at a far larger pace. Manufacturers will also be impacted by external factors such as the recent revision in gas and electricity tariffs. This will barely have a 1% impact on Hartalega's production costs which we will pass through to our customers.

Although more manufacturers are expected to compete in the nitrile market, we are highly confident that our cost of production will be far superior to our peers. As such, we expect to commission two more lines in Plant 5 in the new financial year as we need to realise our capacity requirements as speedily as possible. These lines will see a 20% boost to our capacity in Plant 5.

As we look towards financial year 2012 and beyond, your Group is exceedingly confident and positive of the future given the solid foundation that has been laid over the years.

Acknowledgement

The Group's steady uphill climb is indeed a collective effort. On this note and on behalf of the Group, I would like to express my deepest gratitude to the Board, the management team and our employees for their hard work, dedication and commitment. I must commend their resilience and integrity, and most importantly, their positive outlook as they work hand-in-hand to propel Hartalega to greater heights each year.

Our heartfelt appreciation also goes to the shareholders, financiers, business partners, consultants and relevant approving authorities who have supported the Group's efforts.

Last but not least, I would like to personally thank Encik Sannusi bin Ngah who has been with us since our IPO and who has resigned. He has been a valuable member of the Board and we wish him all the best.

Kuan Kam Hon
Executive Chairman

Corporate Social Responsibility Statement

At Hartalega, we place much importance on progressing in a sustainable manner and our growth thus far clearly reflects this. Not only do we place emphasis on the need to conserve and protect the environment, we are consistent in our efforts to make positive contributions towards the development and well-being of the community we operate in as well as our human capital. Each year, we reaffirm our commitment to good corporate citizenship and by doing so we are able to strike a balance that allows us to develop responsibly.

Environment, Health and Safety (EHS)

Being a leading glove manufacturer in the nation, we are fully aware of the role we can play in mitigating the impact of our operations on the environment with advanced technology and a responsible attitude. The health and safety of our employees are of top priority, and as such systems are constantly reviewed and upgraded. During the financial year, we have taken several measures to further reduce the environmental impact of our operations and consequently lessen our carbon footprint.

Our biomass plants provide 20% of our heat requirement whilst the rest are fuelled by natural gas. This is part of our continuous effort in reducing the carbon footprint of our glove production. Further to that, our biomass plants are registered with the United Nations Framework Convention on Climate Change (Kyoto Protocol). With that, we are awarded emission reduction credits, in which we expect to be certified by the United Nations in the coming financial year.

In tandem with our commitment to providing our employees with a safe and healthy environment, we introduced an ambulance team training module on top of the annual Occupational Health and Safety Management System we practice each year. The training is crucial to elicit a quick response from our employees in the event of an emergency. We believe that this knowledge will enhance their ability to function in an emergency situation.

Corporate Social Responsibility Statement

Community Programme

At Hartalega, we are focused in our efforts to elevate the standards of living and well-being of our community through our commitment to community enhancement initiatives in the field of education, welfare, sports and health.

To this end, providing education assistance to disadvantaged families remained a priority as we believe that only through nurturing our nation's young minds can we pave the way for a brighter future. Financial aid was provided to select recipients and funds were also donated in support of school activities such as Sports' Day, interschool competitions and student motivational programmes.

While education was a key focus of our contributions, we also touched the lives of the people in the community in various other ways. On this note, we reached out to the community through our annual visits to orphanages and old folks' homes during festive holidays such as Hari Raya, Chinese New Year and Deepavali. Our contributions comprised gifts, construction of community facilities, donations, relief aid and sponsorships. In addition, we made contributions in aid of fire victims at Kampung Rantau Panjang, Bestari Jaya.

The year under review also saw your Group participating in a sports carnival. The fun-filled event allowed us to nurture close ties with the Batang Berjuntai community as well as among ourselves.

We like to consider ourselves a big family and to this end we make sure to look out for the welfare of our employees. As such, we made one-off contributions to our staff members to ease the burden of their medical expenses over and above the medical scheme we have in place for them.

Caring for the community is a continuous effort by Hartalega and a collective effort by every employee. Our vision is simple: to give back to the community in whatever ways we can.



Calendar of Events

IRGCE Kuala Lumpur
(28-30 September 2010)

Contributions to High Achieving Students of Bestari Jaya Primary & Secondary Schools,
(12 March 2011)

Calendar of Events

MEDICA, Dusseldorf, Germany
(17-20 November 2010)

Deepavali 2010 at
Jasheirah Old Folks' Home

Annual BB Sports Carnival 2010
(29 October – 26 November 2010)

Corporate Governance Statement

The Board of Directors is committed to safeguarding the interests of its stakeholders and recognises the importance of corporate governance in achieving this objective. The Board knows that transparent disclosure of its organisational and management structure as well as other aspects of its corporate governance helps stakeholders to assess the quality of the Group and its management and assists investors in their investment decisions.

The Board is committed to ensuring that the Group's corporate governance is in line with the principles and best practices set out in Part 1 of The Malaysian Code on Corporate Governance ("the Code"). The Board further acknowledges the recommended best practices and the adopted alternatives practices set out in Part 2 of the Code and continues to evaluate the status of the practices and the adopted alternatives.

A. Board of Directors

Composition of the Board

The Board comprises members who have vast experience in the glove industry as well as professionals in the finance and consulting sectors. The Board brings in a wide spectrum of diverse skills and expertise to the Group which allows it to meet its objectives in the competitive gloves manufacturing landscape.

The board currently has eight (8) members comprising four (4) Non-Independent Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This fulfils the one-third (1/3) independence requirement.

The Board continues to be mindful of the combined role of the Chairman and Managing Director positions currently held by Kuan Kam Hon. This combined role is maintained as the valuable knowledge in the business operation contributed by Kuan Kam Hon is essential to the effective management of the Group and is in its best interest.

Any concerns can be conveyed to any of the Directors as they exercise their responsibilities collectively.

Board Committee

The Board is assisted by several board committees which operate within clearly defined terms of reference.

- Audit Committee
  The Audit Committee assists the Board in meeting its responsibilities regarding financial reporting and review and evaluates the internal and external audit functions.

Corporate Governance Statement

- Remuneration Committee
  The Remuneration Committee recommends to the Board the remuneration of the Executive and Non-Executive Directors. The committee also assists the Board in assessing the responsibility and commitment undertaken by our Board Members.

- Nomination Committee
  The Nomination Committee reviews the composition of the Board and nominates candidates to the Board when the need arises. It also assesses the skills and performance of the Directors and ensures that the Board appointees undergo appropriate training.

Board Meetings and Supply of Information

During the financial year under review, five (5) Board meetings were held. Details of attendance of each individual Director in respect of the meetings held are disclosed below:

Name of Directors	Meetings Attended
Kuan Kam Hon @ Kwan Kam Onn	5/5
Abdul Hamid bin Sh Mohamed	4/5
Chuah Phaik Sim	5/5
Dato' Mohamed Zakri bin Abdul Rashid	5/5
Kuan Mun Keng	4/5
Kuan Mun Leong	5/5
Liew Ben Poh	5/5
Sannusi bin Ngah (Resigned on 31 January 2011)	4/4

Board meetings were held to discuss matters that require members' input and decision. Board meetings are structured with pre-set agendas circulated in advance to ensure sufficient time is given to understand the key issues and contents. The Company Secretary is responsible for ensuring the Board meeting procedures are followed and applicable rules and regulations are complied with.

Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of all the Directors shall retire by rotation at each AGM provided always that all Directors, including the Managing Director, shall retire from office at least once in three (3) years. The Directors retiring from office shall be eligible for re-election by the shareholders.

Corporate Governance Statement

Directors' Training

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. The Directors are mindful that they shall receive appropriate training which may be required from time to time to keep them abreast of developments in the industry as well as new statutory and regulatory developments.

During the financial year, the Directors have attended the following conferences and training programmes:-

Name of Directors	Training Attended
Kuan Kam Hon @ Kwan Kam Onn	• 5th International Rubber Glove Conference & Exhibition (IRGCE) • HR Transformation Workshop
Abdul Hamid bin Sh Mohamed	• Government Transformation Plan • Tax Seminar • Talk on Economic Crisis • MSC-ICM/IAP 2010: Economic Transformation Programme Briefing • UBS Global Economic Outlook • Legal Workshop – Personal Data Protection Act 2010
Chuah Phaik Sim	• Directors & Officers Face Higher Risk under the Amended Companies Act 1965 • Recent Trends in Valuation • KPMG Malaysian Tax Summit 2010
Dato' Mohamed Zakri bin Abdul Rashid	• Corporate Governance Guide – Towards Boardroom Excellence • Independent Directors – View from the Boardroom
Kuan Mun Keng	• 5th International Rubber Glove Conference & Exhibition (IRGCE) • HR Transformation – Focus Group • HR Transformation – Balanced Scorecard • HR Transformation – Job Evaluation • HR Transformation – Performance Management System (PMS) • HR Transformation – KPI • HR Transformation Workshop (Gallery Walk) • HR Transformation Workshop • HR Transformation – Train the Trainer

Corporate Governance Statement

Kuan Mun Leong	• 5th International Rubber Glove Conference & Exhibition (IRGCE) • HR Transformation – Focus Group • HR Transformation – Balanced Scorecard • HR Transformation – Job Evaluation • HR Transformation – Performance Management System (PMS) • HR Transformation – KPI • HR Transformation Workshop (Gallery Walk) • HR Transformation Workshop
Liew Ben Poh	• 5th International Rubber Glove Conference & Exhibition (IRGCE)

All Directors of the Company attended the Mandatory Accreditation Programme (MAP) prescribed by Bursa Malaysia Securities Berhad for directors of public listed companies.

B. Directors' Remuneration

In the case of Executive Directors the remuneration package is structured to reward corporate and individual performance while for Non-Executive Directors, the remuneration reflects the experience and level of responsibilities undertaken.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year was as follows:-

Category	Fees (RM)	Salaries & Other Emoluments (RM)	Benefit in Kind (RM)
Executive Director	138,000	2,562,433	50,200
Non-Executive Director	169,000	73,510	0

Corporate Governance Statement

Directors' remuneration is broadly categorised into the following bands:-

Range of Remuneration RM	No. of Executive Directors	No. of Non-Executive Directors
Below 50,000	0	3
50,001 – 100,000	0	2
350,001 – 400,000	1	0
450,001 – 500,000	1	0
1,850,001 – 1,900,000	1	0

C. Relationship with Shareholders and Investors

The Group recognises the importance of communication with its shareholders and utilises multiple channels to disseminate information and to interact with them. The Group has a website in which shareholders and the public can access up-to-date information about the business and the Group. The Group's website can be accessed via www.hartalega.com.my. Within the website, the Group has created an Investor Relations Portal.

In addition, the Group makes various announcements on business developments using traditional mass media throughout the year. The Group also releases financial results on a quarterly basis according to Bursa Malaysia's requirements.

The Group also aims to have full interaction with fund managers, institutional investors and analysts. The Group has established a Corporate Affairs department designated for investor relations. During the year, the Group arranged for Executive Directors and Senior Management to communicate and meet with investors and analysts to brief them on the on-going business landscape.

Information is disseminated in strict adherence to disclosure requirements of Bursa Malaysia.

D. Accountability and Audit

Financial Reporting
The Board aims to present a balanced assessment of the Company and the Group's financial performance and prospects through its Annual Report, quarterly announcements and press releases.

The Statement of Directors' Responsibility in relation to the preparation of the annual financial statements is set out in pg. 44 of this report.

Corporate Governance Statement

Internal Control

The Board is committed to maintaining a sound system of internal control within the Group. The Board acknowledges that a good system of internal control covering all aspects of the business including compliance and risk management is required to safeguard shareholders' investment and the Group's assets.

Information on the Group's internal control is set out in Statement on Internal Control located within pg 42 of this report.

Relationship with External Auditor

The Board has a formal and transparent relationship with its auditor, Moore Stephens AC. The external auditor through its statutory audit function continues to review, evaluate and refine the Group's accounting policies and procedures including internal control measures.

This statement is made in accordance with the resolution of the Board of Directors dated 15 July, 2011.

Audit Committee Report

A. Composition and Attendance

The Audit Committee comprises of the following members and details of attendance of each member at committee meetings held during the year ended 31 March 2011 are as follows:-

Composition of the Committee	Attendance
Chuah Phaik Sim (Chairperson/Independent Non-Executive Director)	5/5
Abdul Hamid bin Sh Mohamed (Independent Non-Executive Director)	4/5
Dato' Mohamed Zakri bin Abdul Rashid (Independent Non-Executive Director)	5/5

B. Composition Compliance

The Audit Committee consists of three (3) members of which all are Independent Non-Executive Directors. None of them are alternate Directors. Chuah Phaik Sim, who is a member of MIA, chairs the Audit Committee.

C. Terms of Reference

Authority

The Committee shall, in accordance with procedures determined by the Board and at the expense of the Company:

- Investigate any activity within its terms of reference, with the co-operation of all employees as directed by the Board and the Committee;
- Have full and unrestricted access to all information, documents and resources required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;
- Obtain independent professional advice or other advice and secure the attendance of external parties with relevant experience and expertise if necessary;
- Convene meetings with the internal or external auditors, without the attendance of the Executive Directors, whenever deemed necessary; and
- Make relevant reports when necessary to the relevant authorities when a breach of the Listing Requirements has occurred.

Responsibilities and Duties

The Audit Committee shall be the focal point for communication between external auditors, internal auditors, Directors and the Management on matters in connection with financial accounting, reporting and controls. It shall also ensure that accounting policies and practices are adhered to by the Company and its subsidiaries.

Audit Committee Report

The duties of the Audit Committee shall include the following:-

i) To review the quality of the external auditors and to make recommendations on their appointment, termination and remuneration;

ii) To review the audit plan and audit reports, including the evaluation of the internal control system with the external auditors;

iii) To review the independence and objectivity of the external auditors and their services, including non-audit services;

iv) To review the liaison between the external auditors, Management and the Board, and the assistance given by Management to the external auditors;

v) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss;

vi) To review the external auditor's audit report, management letter and Management's response;

vii) To review the assistance given by the employees of the Company and its subsidiaries to the external auditor;

viii) To consider the appointment of the internal auditor, the audit fees and any questions of their resignation or dismissal;

ix) To review the internal audit functions namely:-
- The adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- The internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal auditor; and
- The performance of the internal auditor, whose role includes the examination and evaluation of the Group's operations and their compliance with the relevant policies, codes and legislations.

x) To review the quarterly reporting to Bursa Malaysia Securities Berhad and year-end annual financial statements before submission to the Board, focusing on major accounting policy changes, significant audit issues in relation to the estimates and judgement areas, significant and unusual events, and compliance with accounting standards and other legal requirements;

xi) To monitor any related party transactions and recurring related party transactions that may arise within the Group and to report, if any, transactions that may arise within the Group and any related party outside the Group that are not based on arms-length terms and are disadvantageous to the Group;

xii) To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or cause of conduct that may raise questions of management integrity;

xiii) To consider the major findings of internal investigations and Management's response;

xiv) To review and monitor the effectiveness of the Group's system of internal control; and

xv) To consider other matters as defined by the Board.

Audit Committee Report

Meetings
The Committee will meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. The external auditors may request a meeting if they consider that one is necessary.

The Quorum for each meeting shall be two (2) members and the majority of members present must be Independent Non-Executive Directors.

The authorised Officers and a representative of the external auditors may attend meetings at the invitation of the Committee. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors without Executive Board members present.

The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.

The Secretary shall be responsible, in conjunction with the Chairman, for drawing up the Agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meeting of the Committee, and circulating to the Committee members and to other members of the Board.

A Resolution in Writing signed or approved by letter by all the members of the Audit Committee who are sufficient to form a Quorum shall be valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolution shall be described as "Audit Committee Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

D. Summary of Activities

The following activities were carried out by the Audit Committee during the year under review:-
i) Reviewed the quarterly financial statements and Annual Report of the Group prior to presentation to the Board for approval;
ii) Reviewed the audit fees and remuneration payable to external and internal auditors;
iii) Reviewed with internal auditors their audit plan prior to commencement of audit;
iv) Reviewed the audit plan and audit reports, including the evaluation of the internal control system with the external auditors;
v) Reviewed the internal audit reports and ensured that appropriate actions were taken on the recommendations of the internal auditor;

The Committee discharged its duties and responsibilities in accordance with its Terms of Reference.

Audit Committee Report

E. Internal Audit Function

The Group outsourced its internal audit function to an external consultant. The cost incurred for the internal audit function in respect of the financial year ended 31 March 2011 was RM55,000 (2010: RM40,000).

The role of the internal audit function is to assist the Audit Committee and the Board of Directors in monitoring and managing risks and internal controls of the Group. A systematic and disciplined approach is used to evaluate and improve the effectiveness of risk management, operational and internal controls, and compliance with laws and regulations.

The internal annual audit planning memorandum established is reviewed and approved by the Audit Committee before commencement of the financial year.

Internal audits are carried out in accordance with the internal annual planning memorandum and reports are issued to the Audit Committee for tabling at the Audit Committee meetings. The Audit Committee deliberates on the findings and recommendations as reported by the Internal Auditors and monitors to ensure appropriate follow-up actions are taken on the recommendations of the internal auditor.

Statement on Internal Control

The Board of Directors is committed to maintaining a sound system of internal control within the Group. The Board acknowledges that a good system of internal control covering all aspects of the business including compliance and risk management, is required to safeguard shareholders' investment and the Group's assets. The Board also further acknowledges that it is their responsibility to review the internal control system for its adequacy and integrity to achieve the said objectives. The following outlines the nature and scope of internal control of the Group.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate the risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable and not absolute assurance against material misstatement or financial losses or fraud. In achieving the Group's business objectives, the Board assumes its responsibilities in designing the system of internal control based on the principles of identifying and prioritising risk, evaluating the likelihood of those risks being realised and the impact should they be realised, and then, managing them effectively, efficiently and economically. The Group has appointed BDO Consulting Sdn Bhd to assist in establishing and formalising its enterprise risk management framework.

The key elements of the Group's internal control system are described below:-

- Company policies and procedures that adhere to ISO 9001:2008 and ISO 13485:2003 quality management systems are in place for its major subsidiary company, Hartalega Sdn Bhd, and they are reviewed annually for their effectiveness;
- Clearly defined organisational structure with proper delegation of responsibilities and accountability. Appropriate authority limits are established for the approval process, therefore minimising the risk of unauthorised transactions;
- Requirement for the timely submission of monthly financial reports and key operational performance indicators to the management;
- Human resource function sets out policies for recruitment, training and staff appraisal to ensure that staff is competent and adequately trained in carrying out their responsibilities; and
- All new products go through defined design control, and new machines and production processes go through a verification and validation process before implementation.

Assurance Mechanism

To maintain a sound system of internal control, the Group relies on its two (2) assurance mechanisms namely the:

i) Internal Audit; and

ii) ISO Audit.

The internal audit function has been outsourced to provide independence to the activities and operations of the Group, thereby providing the Audit Committee and the Board the assurance with regards to the adequacy and integrity of the system of internal control.

Statement on Internal Control

As per requirement of the ISO 9001 and ISO 13485 certifications, scheduled audits are conducted internally as well as by the certification body, TÜV SÜD. Issues arising from these audits are forwarded to the Quality Management Representative for review.

The Group applies a balanced approach to risk-taking and is committed to implementing an active approach to the mitigation of risk. There were no material internal control failures which resulted in material losses or contingencies during the financial year.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the year ended 31 March 2011 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Directors' Responsibility Statement

The Directors are required by the Companies Act 1965 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the Group and the Company's results and cash flows for the financial year. The Directors consider that in presenting the financial statements, the Group has used appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors have a general responsibility for ensuring that the Group and the Company keep accounting records and financial statements which disclose with reasonable accuracy, the financial position of the Group and of the Company. The Directors have taken steps to ensure that such financial statements comply with the Companies Act 1965, approved accounting standards in Malaysia and other regulatory provisions.

Report and Financial Statements

For the year ended 31 March 2011

Directors' Report

Hartalega Holdings Berhad
(Incorporated in Malaysia)

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2011.

Principal Activities

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiary companies are stated in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	190,324,283	60,820,696
Attributable to:		
Equity holders of the Company	190,296,590	60,820,696
Minority interests	27,693	-
	190,324,283	60,820,696

Dividends

Dividends paid by the Company since the end of the previous financial year were:-

(i) Third interim single tier exempt dividend of 5 sen per share amounting to RM12,115,600 in respect of the previous financial year as reported in the Directors' Report of that year, declared on 11 May 2010 and paid on 25 June 2010;

(ii) Final single tier exempt dividend of 5 sen per share amounting to RM12,115,600 in respect of the previous financial year as reported in the Directors' Report of that year, declared on 18 August 2010 and paid on 17 September 2010;

(iii) First interim single tier exempt dividend of 4 sen per share amounting to RM14,538,720 in respect of the current financial year, declared on 9 November 2010 and paid on 9 December 2010;

(iv) Second interim single tier exempt dividend of 5 sen per share amounting to RM18,176,885 in respect of the current financial year, declared on 7 February 2011 and paid on 11 March 2011; and

(v) Third interim single tier exempt dividend of 6 sen per share amounting to RM21,813,432 in respect of the current financial year, declared on 10 May 2011 and paid on 10 June 2011.

Directors' Report (cont'd)

Dividends (cont'd)

The Directors recommended a final single tier exempt dividend of 6 sen per share amounting to RM21,825,276 based on the number of outstanding ordinary shares in issue as at the date of this report, in respect of the current financial year, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect the third interim dividend and final dividend. Such dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2012.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Bad and Doubtful Debts

Before the Statements of Comprehensive Income and Statements of Financial Position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off as bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

Current Assets

Before the Statements of Comprehensive Income and Statements of Financial Position of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Valuation Methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report (cont'd)

Contingent and Other Liabilities

At the date of this report, there does not exist:-

(i) Any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) Any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

No contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

Change of Circumstances

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Items of an Unusual Nature

In the opinion of the Directors:-

(i) The results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Issue of Shares

During the financial year, the issued and paid-up ordinary share capital of the Company has been increased from RM121,156,000 to RM181,778,600 by way of the issuance as follows:-

(a) 121,156,000 ordinary shares of RM0.50 each pursuant to the bonus issue of the Company on the basis of one bonus share for every two existing Company's shares held; and

(b) 89,200 ordinary shares of RM0.50 each pursuant to the exercise of Executive Share Option Scheme ("ESOS") of the Company at an exercise price of RM4.50 per ordinary share.

Directors' Report (cont'd)

Executive Share Option Scheme

At an Extraordinary General Meeting held on 25 March 2010, shareholders approved the Executive Share Option Scheme ("ESOS") to subscribe for unissued new ordinary shares of RM0.50 each in the Company which were granted to eligible Executive Directors and Executives of the Company and/or its subsidiary companies (excluding subsidiary companies that are dormant).

The salient features and other terms of the ESOS are disclosed in Note 16 to the financial statements.

During the financial year, the Company granted a total of 5,217,360 share options under the ESOS.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 March 2011 are as follows:-

Expiry Date	Exercise Price RM	Number of Options
24.3.2015	4.50	5,816,840
24.3.2015	4.38	281,100
24.3.2015	4.47	637,200
24.3.2015	4.98	361,700
		7,096,840

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the name of option holders, other than Directors, who have been granted options to subscribe for less than 100,000 ordinary shares of RM0.50 each. The names of option holders granted options to subscribe for 100,000 or more ordinary shares of RM0.50 each during the financial year are as follows:-

				<-------------- Number of Share Options -------------->			
Name	Grant Date	Expiry Date	Exercise Price RM	Granted '000	Adjustment for Bonus Issue '000	Exercised '000	At 31.3.2011 '000
Lim Yin Peng	10.5.2010	24.3.2015	4.50	100.0	50.0	-	150.0
Pua Kim Hung	10.5.2010	24.3.2015	4.50	100.0	50.0	(30.0)	120.0
Mohamed Salim Bin Abdul Hamid	21.12.2010	24.3.2015	4.47	146.2	-	-	146.2
				346.2	100.0	(30.0)	416.2

No options were granted to Directors of the Company during the financial year.

Directors' Report (cont'd)

Directors of the Company

The Directors in office since the date of the last report are:-

KUAN KAM HON @ KWAN KAM ONN
DATO' MOHAMED ZAKRI BIN ABDUL RASHID
ABDUL HAMID BIN SH MOHAMED
CHUAH PHAIK SIM
KUAN MUN KENG
KUAN MUN LEONG
LIEW BEN POH
SANNUSI BIN NGAH (Resigned on 31 January 2011)
DR DANARAJ A/L NADARAJAH (Appointed on 2 July 2011)

Directors' Interests

The interests of the Directors in office as at the end of the financial year in shares of the Company and of the related corporations during the financial year are as follows:-

(a) **Shareholdings in the Holding Company**
- Hartalega Industries Sdn Bhd

	Number of Preference Shares of RM1.00 Each			
	At 1.4.2010	Bought	Sold	At 31.3.2011
Direct interests				
Kuan Kam Hon @ Kwan Kam Onn	45,933	-	-	45,933

	Number of Ordinary Shares of RM1.00 Each			
	At 1.4.2010	Bought	Sold	At 31.3.2011
Direct interests				
Kuan Kam Hon @ Kwan Kam Onn	45,959	-	-	45,959
Deemed interests				
Kuan Kam Hon @ Kwan Kam Onn (1)	49	-	-	49

Directors' Report (cont'd)

Directors' Interests (cont'd)

(b) Shareholdings in the Company

	Number of Ordinary Shares of RM0.50 Each				
	At 1.4.2010	Bought	Sold	Bonus Issue	At 31.3.2011
Direct Interests					
Dato' Mohamed Zakri bin Abdul Rashid	357,000	24,000	-	189,500	570,500
Abdul Hamid bin Sh Mohamed	600,000	-	(100,000)	300,000	800,000
Chuah Phaik Sim	50,000	742,500	-	25,000	817,500
Kuan Mun Keng	458,000	-	-	229,000	687,000
Kuan Mun Leong	459,000	-	-	229,500	688,500
Liew Ben Poh	313,000	128,600	(141,400)	220,800	521,000
Deemed Interests					
Dato' Mohamed Zakri bin Abdul Rashid	-	18,000	-	7,500	25,500
Kuan Kam Hon @ Kwan Kam Onn (2)	122,234,000	384,100	-	61,309,052	183,927,152
Abdul Hamid bin Sh Mohamed (1)	10,909,000	-	-	5,454,500	16,363,500
Chuah Phaik Sim (1)	4,852,000	2,175,000	(7,278,000)	2,426,000	2,175,000
Liew Ben Poh (3)	4,000	-	-	2,000	6,000

(1) Shares held through a corporation in which the Director has substantial financial interests.

(2) Shares held through the holding company, Hartalega Industries Sdn Bhd in which the Director has substantial financial interests.

(3) Shares held through spouse/children of the Director who herself/himself is not Director of the Company.

By virtue of his substantial interests in the shares of the Company, Mr Kuan Kam Hon @ Kwan Kam Onn is also deemed interested in the shares of the subsidiary companies during the financial year to the extent that the Company has an interest.

(c) Employee Equity Scheme ("EES")

	Number of EES over Ordinary Shares of RM0.50 Each				
	At 1.4.2010	Granted	Exercised	Adjustment for Bonus Issue	At 31.3.2011
Liew Ben Poh	182,900	-	(90,000)	46,450	139,350

Directors' Report (cont'd)

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 26 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose objective is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than those arising from the ordinary shares granted under the Employee Equity Scheme.

Ultimate Holding Company

The Directors regard Hartalega Industries Sdn Bhd, a private limited company incorporated in Malaysia, as the ultimate holding company of the Company.

Significant Events

Details of significant events arising during the financial year are disclosed in Note 29 to the financial statements.

Subsequent Event

Details of subsequent event are disclosed in Note 30 to the financial statements.

Auditors

The auditors, Messrs. Moore Stephens AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 July 2011.

KUAN KAM HON @ KWAN KAM ONN

KUAN MUN LEONG

Statement by Directors

(Pursuant to Section 169(15) of the Companies Act 1965)

We, the undersigned, being two of the Directors of the Company, do hereby state that in the opinion of the Directors, the accompanying financial statements as set out on pages 56 to 129, are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2011 and of their financial performance and cash flows for the year then ended.

The supplemental information set out in Note 34 to the financial statements has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants ("MIA Guidance") and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 July 2011.

KUAN KAM HON @ KWAN KAM ONN

KUAN MUN LEONG

Statutory Declaration

(Pursuant to Section 169(16) of the Companies Act 1965)

I, Kuan Kam Hon @ Kwan Kam Onn, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 56 to 129 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 15 July 2011

KUAN KAM HON @ KWAN KAM ONN

Before me

TENGKU FARIDDUDIN BIN TENGKU SULAIMAN (W 533)
Commissioner for Oaths

Independent Auditors' Report to the Members of Hartalega Holdings Berhad

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Hartalega Holdings Berhad, which comprise the Statements of Financial Position as at 31 March 2011 of the Group and of the Company, and the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 56 to 129.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2011 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report to the Members of Hartalega Holdings Berhad (cont'd) (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 34 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MOORE STEPHENS AC
Chartered Accountants
AF 001826

DATO' CHONG KWONG CHIN, DIMP., JP
707/04/12 (J/PH)
Chartered Accountant

Kuala Lumpur

Consolidated Statement of Financial Position

As at 31 March 2011

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM	As at 1.4.2009 RM
ASSETS			(Restated)	(Restated)
Non-current Assets				
Property, plant and equipment	4	348,622,650	284,364,126	246,222,757
Capital work-in-progress	5	10,736	8,399,101	-
Intangible asset	6	50,007	53,681	-
Other investment	8	180,000	175,000	175,000
Deferred tax assets	9	29,278	20,062	-
		348,892,671	293,011,970	246,397,757
Current Assets				
Inventories	10	64,672,881	28,078,160	24,595,243
Trade and other receivables	11	101,005,839	82,964,464	65,503,117
Tax assets	12	69,158	75,247	87,935
Derivative assets	13	3,340,300	-	-
Cash and bank balances	14	116,982,830	74,731,104	38,259,589
		286,071,008	185,848,975	128,445,884
TOTAL ASSETS		634,963,679	478,860,945	374,843,641

Consolidated Statement of Financial Position As at 31 March 2011 (cont'd)

Hartalega Holdings Berhad (Incorporated in Malaysia)

	Note	2011 RM	2010 RM	As at 1.4.2009 RM
EQUITY AND LIABILITIES			(Restated)	(Restated)
Equity				
Share capital	15	181,778,600	121,156,000	121,156,000
Reserves	16	312,665,114	232,933,425	133,259,348
Total Equity Attributable to Equity Holders of the Company		494,443,714	354,089,425	254,415,348
Minority interests		350,670	292,823	85,070
Total Equity		494,794,384	354,382,248	254,500,418
Liabilities				
Non-current Liabilities				
Loans and borrowings	17	24,450,934	27,686,848	42,677,231
Deferred tax liabilities	9	36,867,648	27,782,332	24,820,887
		61,318,582	55,469,180	67,498,118
Current Liabilities				
Trade and other payables	18	57,166,155	44,409,392	36,207,756
Loans and borrowings	17	14,526,016	13,723,075	15,077,653
Tax liabilities		7,158,542	10,877,050	1,559,696
		78,850,713	69,009,517	52,845,105
Total Liabilities		140,169,295	124,478,697	120,343,223
TOTAL EQUITY AND LIABILITIES		634,963,679	478,860,945	374,843,641

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2011

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM
Operating revenue	19	734,920,894	571,892,668
Cost of sales		(461,855,394)	(363,765,902)
Gross Profit		273,065,500	208,126,766
Other income		9,569,150	3,397,292
Distribution costs		(10,392,931)	(9,972,176)
Administrative costs		(24,943,976)	(16,650,464)
Other operating costs		(1,993,129)	(3,749,960)
		(37,330,036)	(30,372,600)
Profit from Operations		245,304,614	181,151,458
Finance costs		(2,470,506)	(3,376,207)
Profit before Taxation	20	242,834,108	177,775,251
Taxation	21	(52,509,825)	(34,718,501)
Profit for the Year		190,324,283	143,056,750
Other Comprehensive Income			
Foreign currency translation		158,223	317,575
Other comprehensive income for the year		158,223	317,575
Total Comprehensive Income for the Year		190,482,506	143,374,325

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2011 (cont'd)

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM
Profit Attributable to:-			
Owners of the parent		190,296,590	142,908,975
Minority interests		27,693	147,775
		190,324,283	143,056,750
Total Comprehensive Income Attributable to:-			
Owners of the parent		190,424,659	143,166,572
Minority interests		57,847	207,753
		190,482,506	143,374,325
Basic earnings per ordinary share (sen)	22	52.35	39.32
Diluted earnings per ordinary share (sen)	22	52.23	39.32

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2011

Hartalega Holdings Berhad (Incorporated in Malaysia)

		<------ Attributable to Equity Holders of the Company								
			<------ Non-Distributable			------>	Distributable			
		Share Capital	Share Premium	Translation Reserve	Share-based Payment Reserve	Fair Value Reserves	Retained Profits	Sub Total	Minority Interests	Total Equity
	Note	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1.4.2009		121,156,000	792,233	(133,929)	351,969	-	132,249,075	254,415,348	85,070	254,500,418
Total comprehensive income for the year		-	-	257,597	-	-	142,908,975	143,166,572	207,753	143,374,325
Transaction with Owners										
Dividends	23	-	-	-	-	-	(43,616,160)	(43,616,160)	-	(43,616,160)
Share-based payment granted under EES	16.4	-	-	-	123,665	-	-	123,665	-	123,665
Transfer from Share-based payment upon exercise of EES		-	-	-	(104,064)	-	104,064	-	-	-
Total transaction with owners		-	-	-	19,601	-	(43,512,096)	(43,492,495)	-	(43,492,495)
At 31.3.2010		121,156,000	792,233	123,668	371,570	-	231,645,954	354,089,425	292,823	354,382,248

Consolidated Statement of Changes in Equity
For the year ended 31 March 2011 (cont'd)

Hartalega Holdings Berhad
(Incorporated in Malaysia)

		<----- Attributable to Equity Holders of the Company ----->								
		<----- Non-Distributable ----->					Distributable			
		Share Capital	Share Premium	Translation Reserve	Share-based Payment Reserve	Fair Value Reserves	Retained Profits	Sub Total	Minority Interests	Total Equity
	Note	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1.4.2010		121,156,000	792,233	123,668	371,570	-	231,645,954	354,089,425	292,823	354,382,248
Effect of adopting FRS 139		-	-	-	-	5,000	1,845,750	1,850,750	-	1,850,750
		121,156,000	792,233	123,668	371,570	5,000	233,491,704	355,940,175	292,823	356,232,998
Total comprehensive income for the year		-	-	128,069	-	-	190,296,590	190,424,659	57,847	190,482,506
Transaction with Owners										
Dividends	23	-	-	-	-	-	(56,946,805)	(56,946,805)	-	(56,946,805)
Share-based payment granted under EES & ESOS	16.4	-	-	-	4,702,951	-	-	4,702,951	-	4,702,951
Issuance of bonus share		60,578,000	(713,567)	-	-	-	(59,864,433)	-	-	-
Share issuance expenses		-	(78,666)	-	-	-	-	(78,666)	-	(78,666)
Issuance of ordinary shares pursuant to ESOS		44,600	356,800	-	-	-	-	401,400	-	401,400
Transfer from Share-based payment upon exercise of EES & ESOS		-	143,612	-	(341,290)	-	197,678	-	-	-
Total transaction with owners		60,622,600	(291,821)	-	4,361,661	-	(116,613,560)	(51,921,120)	-	(51,921,120)
At 31.3.2011		181,778,600	500,412	251,737	4,733,231	5,000	307,174,734	494,443,714	350,670	494,794,384

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2011

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM
Cash Flows from Operating Activities			
Profit before taxation		242,834,108	177,775,251
Adjustments for:-			
Amortisation of intangible asset		3,674	3,674
Bad debts written off		165	-
Depreciation of property, plant and equipment		24,949,786	19,833,630
Interest expense		2,470,506	3,376,207
Property, plant and equipment written off		364,592	192,689
Share-based payment expense		4,702,951	123,665
Unrealised loss on foreign exchange		1,462,498	3,227,491
Net fair value gain on derivative assets		(879,300)	-
(Gain)/Loss on disposal of property, plant and equipment		(3,802)	183,392
Interest income		(2,406,900)	(1,274,155)
(Reversal of impairment loss)/Impairment loss on trade receivables		(1,320)	2,504
Operating profit before working capital changes		273,496,958	203,444,348
Change in inventories		(36,594,721)	(3,482,917)
Change in receivables		(17,012,498)	(21,312,116)
Change in payables		12,756,763	9,847,616
Cash generated from operations		232,646,502	188,496,931
Interest paid		(2,470,506)	(3,376,207)
Interest received		2,406,900	1,274,155
Tax paid		(47,760,714)	(22,468,473)
Net cash from operating activities		184,822,182	163,926,406
Cash Flows from Investing Activities			
Capital work-in-progress incurred		(59,614,019)	(49,976,844)
Proceeds from disposal of property, plant and equipment		171,000	326,500
Net withdrawal of fixed deposits		108,583	482
Purchase of property, plant and equipment	24	(21,660,909)	(17,099,178)
Net cash used in investing activities		(80,995,345)	(66,749,040)
Balance carried down		103,826,837	97,177,366

Consolidated Statement of Cash Flows
For the year ended 31 March 2011 (cont'd)

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM
Balance brought down		103,826,837	97,177,366
Cash Flows from Financing Activities			
Drawdown of term loans		13,502,000	-
Dividend paid		(56,946,805)	(44,827,720)
Net proceeds from exercise of ESOS		401,400	-
Repayments of term loans		(15,968,044)	(14,694,897)
Payments of finance lease		(49,619)	(11,025)
Share issuance expenses		(78,666)	-
Net cash used in financing activities		(59,139,734)	(59,533,642)
Net Increase in Cash and Cash Equivalents		44,687,103	37,643,724
Effect of exchange rate fluctuations on cash and cash equivalents		(2,326,794)	(1,171,727)
Cash and cash equivalents at beginning of the year		74,622,521	38,150,524
Cash and Cash Equivalents at End of the Year		116,982,830	74,622,521

Cash and Cash Equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:-

	Note	2011 RM	2010 RM
Cash at banks and on hand	14	17,352,830	16,922,521
Deposits with licensed banks	14	39,130,000	57,808,583
Licensed Fund Management Company - Fixed income fund	14	60,500,000	-
		116,982,830	74,731,104
Less: Pledged deposits	14	-	(108,583)
		116,982,830	74,622,521

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Financial Position

As at 31 March 2011

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM
ASSETS			
Non-current Asset			
Investments in subsidiary companies	7	128,878,585	124,175,634
Current assets			
Trade and other receivables	11	4,500	7,020
Dividends receivable		-	60,767,738
Tax assets		2,934	75,117
Cash and bank balances	14	66,807,703	1,726,296
		66,815,137	62,576,171
TOTAL ASSETS		195,693,722	186,751,805
EQUITY AND LIABILITY			
Equity			
Share capital	15	181,778,600	121,156,000
Reserves	16	13,612,370	65,335,394
Total Equity		195,390,970	186,491,394
Current Liability			
Other payable and accruals	18	302,752	260,411
Total Liability		302,752	260,411
TOTAL EQUITY AND LIABILITY		195,693,722	186,751,805

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Comprehensive Income

For the year ended 31 March 2011

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM
Operating revenue	19	60,532,508	117,614,978
Other income		1,491,073	87,073
		62,023,581	117,702,051
Administrative costs		(931,652)	(675,297)
Profit before Taxation	20	61,091,929	117,026,754
Taxation	21	(271,233)	(19,420,735)
Profit for the Year, Representing Total Comprehensive Income for the Year		60,820,696	97,606,019

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2011

Hartalega Holdings Berhad
(Incorporated in Malaysia)

		<---- Non-Distributable ---->			Distributable	
		Share Capital	Share Premium	Share-based Payment Reserve	Retained Profits	Total Equity
	Note	RM	RM	RM	RM	RM
At 1.4.2009		121,156,000	792,233	351,969	10,077,668	132,377,870
Total comprehensive income for the year		-	-	-	97,606,019	97,606,019
Transaction with Owners						
Dividends	23	-	-	-	(43,616,160)	(43,616,160)
Share-based payment granted under EES	16.4	-	-	123,665	-	123,665
Transfer from Share-based payment upon exercise of EES		-	-	(104,064)	104,064	-
Transaction with owners		-	-	19,601	(43,512,096)	(43,492,495)
At 31.3.2010		121,156,000	792,233	371,570	64,171,591	186,491,394
Total comprehensive income for the year		-	-	-	60,820,696	60,820,696
Transaction with Owners						
Dividends	23	-	-	-	(56,946,805)	(56,946,805)
Share-based payment granted under EES & ESOS	16.4	-	-	4,702,951	-	4,702,951
Issuance of bonus share		60,578,000	(713,567)	-	(59,864,433)	-
Share issuance expenses			(78,666)			(78,666)
Issuance of ordinary shares pursuant to ESOS		44,600	356,800	-	-	401,400
Transfer from Share-based payment upon exercise of EES & ESOS		-	143,612	(341,290)	197,678	-
Transaction with owners		60,622,600	(291,821)	4,361,661	(116,613,560)	(51,921,120)
At 31.3.2011		181,778,600	500,412	4,733,231	8,378,727	195,390,970

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Cash Flows
For the year ended 31 March 2011

Hartalega Holdings Berhad
(Incorporated in Malaysia)

	Note	2011 RM	2010 RM
Cash Flows from Operating Activities			
Profit before taxation		61,091,929	117,026,754
Adjustments for:-			
Dividend income		(60,532,508)	(117,614,978)
Interest income		(1,490,977)	(87,073)
Operating loss before working capital changes		(931,556)	(675,297)
Change in receivables		2,520	(2,520)
Change in payables		42,341	15,911
Cash used in operations		(886,695)	(661,906)
Interest received		1,490,977	87,073
Tax paid		(199,050)	(1,445)
Net cash from/(used in) operating activities		405,232	(576,278)
Cash Flows from Investing Activity			
Dividend received, representing net cash from investing activity		121,300,246	47,790,886
Cash Flows from Financing Activities			
Dividend paid		(56,946,805)	(44,827,720)
Net proceeds from exercise of ESOS		401,400	-
Net repayment to a subsidiary company		-	(720,104)
Share issuance expenses		(78,666)	-
Net cash used in financing activities		(56,624,071)	(45,547,824)
Net Increase in Cash and Cash Equivalents		65,081,407	1,666,784
Cash and cash equivalents at beginning of the year		1,726,296	59,512
Cash and Cash Equivalents at End of the Year		66,807,703	1,726,296
Cash and Cash Equivalents			
Cash and cash equivalents included in the statement of cash flows comprise the following amounts:-			
Cash at banks and on hand	14	277,703	126,296
Deposits with licensed banks	14	6,030,000	1,600,000
Licensed Fund Management Company - Fixed income fund	14	60,500,000	-
		66,807,703	1,726,296

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

31 March 2011

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at No. 6, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur.

The principal place of business of the Company is located at C-G-9, Jalan Dataran SD1, Dataran SD PJU9, Bandar Sri Damansara, 52200 Kuala Lumpur.

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiary companies are stated in Note 7. There have been no significant changes in the nature of these activities during the year.

The holding and ultimate holding company of the Company during the year is Hartalega Industries Sdn Bhd, a private limited company incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors on 15 July 2011.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act 1965.

New and Revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") Adopted

At 1 April 2010, the Group and the Company adopted the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TRs:-

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

New and Revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") Adopted (cont'd)

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR 3	Guidance on Disclosures of Transition to IFRSs
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TRs does not have any significant effect on the financial performance and position of the Group and of the Company except for those discussed below.

FRS 7 Financial Instruments: Disclosures

Prior to 1 April 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 March 2011.

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

New and Revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") Adopted (cont'd)

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that no reportable operating segments will be presented as the Group Managing Director reviews the operating results of the Group as a whole. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 27.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income. It presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement. New terminologies have replaced 'balance sheet' with 'statement of financial position' and 'cash flow statement' with 'statement of cash flows'.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

New and Revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") Adopted (cont'd)

Amendments to FRSs: Improvements to FRSs (2009) – FRS 117 Leases

Prior to 1 April 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group and the Company as operating lease. The amendments to FRS 117 require an entity with existing leases of land and buildings to reassess the classification of land as a finance or operating lease.

The Group has reassessed and determined that the long term leasehold land of the Group is in substance a finance lease and has reclassified the leasehold land to property, plant and equipment. The Group has adopted the amendments to FRS 117 retrospectively. The effects on the comparative figures arising from the above change in accounting policy are as follows:-

	Group RM
At 1.4.2009	
Statement of Financial Position	
Increase in property, plant and equipment	150,499
Decrease in prepaid land lease payment	(150,499)
At 31.3.2010	
Statement of Financial Position	
Increase in property, plant and equipment	148,618
Decrease in prepaid land lease payment	148,618
Statement of Cash Flows	
Amortisation of prepaid land lease payment	(1,881)
Depreciation of property, plant and equipment	1,881

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

New and Revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") Adopted (cont'd)

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 April 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained profits as at 1 April 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below.

Financial Instruments

Prior to 1 April 2010, the Group classified its investments in golf club memberships which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments are designated at 1 April 2010 as available-for-sale financial assets and accordingly are stated at their fair values as at that date amounting to RM180,000. The adjustments to the previous carrying amounts are recognised as adjustments to the opening balance of retained profits as at 1 April 2010.

Non-hedging Derivative

Prior to 1 April 2010, all derivative financial instruments were recognised in the financial statements only upon settlement. These instruments do not qualify for hedge accounting under FRS 139. Hence, upon the adoption of FRS 139, all derivatives held by the Group as at 1 April 2010 are recognised at their fair values totaling RM2,461,000 and are classified as financial assets at fair value through profit or loss.

The following are effects arising from the adoption of FRS 139:-

	Increase As at 31.3.2011 RM	As at 1.4.2010 RM
Statement of Financial Position		
Group		
Other investments	5,000	5,000
Derivative assets	3,340,300	2,461,000
Deferred tax liabilities	830,075	615,250
Retained profits	2,505,225	1,845,750
Fair value reserve	5,000	5,000

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

New and Revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") Adopted (cont'd)

FRS 139 Financial Instruments: Recognition and Measurement (cont'd)

	Increase 2010 RM
Statement of Comprehensive Income	
Group	
Other income	879,300
Profit before taxation	879,300
Taxation	219,825
Profit for the year	659,475
Total comprehensive income for the year	659,475

New and Revised FRSs, Amendments to FRSs, IC Interpretations and TR Issued but not yet Effective

At the date of authorisation of these financial statements, MASB has issued the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TR that are not yet effective and have not been early adopted in preparing these financial statements:-

		For financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
FRS 124	Related Party Disclosures (Revised)	1 January 2012
FRS 127	Consolidated and Separate Financial Statements (Revised)	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)		1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)		1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)		1 January 2011
Amendments to FRS 2 Share-based Payment		1 July 2010
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)		1 January 2011
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations		1 July 2010
Amendments to FRS 138 Intangible Assets		1 July 2010

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

New and Revised FRSs, Amendments to FRSs, IC Interpretations and TR Issued but not yet Effective (cont'd)

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"		1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 15	Arrangements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)		1 July 2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
TR i-4	Shariah Compliant Sale Contracts	1 January 2011

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR is not expected to have any significant impact on the financial position and performance of the Group and of the Company except for the revised FRS 3 and FRS 127 as described below.

FRS 3 Business Combinations (Revised) and FRS 127 Consolidated and Separate Financial Statements (Revised)

The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest (previously known as minority interest) at either fair value or at its proportionate share of the acquiree's net identifiable assets. The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority shareholders to be absorbed by minority shareholders instead of by the parent. The Group will apply the changes of revised FRS 3 and FRS 127 prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policy notes.

(c) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

(d) Significant Accounting Estimates and Judgements

The preparation of financial statements of the Group and of the Company requires management to make assumptions, estimates and judgements that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Assumptions and estimates are reviewed on an ongoing basis and are recognised in the period in which the assumption or estimate is revised.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:-

(i) Useful life of property, plant and equipment (Note 4) - The cost of property, plant and equipment is depreciated on a reducing balance basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years. These are the common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Taxation (Note 21) - Significant judgement is required in determining the capital allowances, reinvestment allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known.

Notes to the Financial Statements
31 March 2011 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(d) Significant Accounting Estimates and Judgements (cont'd)

(iii) Share-based payment reserve (Note 16) – The measurement of the fair value for Employee Equity Scheme ("EES") and Executive Share Option Scheme ("ESOS") are determined using valuation technique based on assumptions about future volatility of and dividend on the underlying shares.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all of its subsidiary companies which are disclosed in Note 7 made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The results of the subsidiary companies acquired or disposed during the financial year are included in the consolidated financial statements based on the purchase method from the effective date of acquisition or up to the effective date of disposal respectively. Adjustments to those fair values relating to previously held interests are treated as revaluation and recognised in other comprehensive income. The assets, liabilities and contingent liabilities assumed of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements.

Minority interests represent the portion of profit or loss and net assets in subsidiary company not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

The consolidated financial statements are prepared on the basis that excess of losses attributable to minority shareholders over their equity interest will be absorbed by the Group. All profits subsequently reported by the subsidiary company will be allocated to the Group until the minority shareholders share of losses previously absorbed by the Group has been recovered.

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of Consolidation (cont'd)

Any excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities assumed represents goodwill.

Any excess of the Group's interest in the fair value of the identified assets, liabilities and contingent liabilities assumed over the cost of acquisition is recognised immediately in profit or loss.

(b) Subsidiary Company

A subsidiary company is an enterprise in which the Group has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is determined on an individual basis.

Gains or losses arising from the disposal of an investment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the investment, and is recognised in profit or loss.

(c) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Long term leasehold land is depreciated over the lease term of 94 years. Freehold land is not depreciated and depreciation of other property, plant and equipment is calculated on the reducing balance basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings	2%
Plant and machinery	10%
Furniture, fittings and equipment	10% - 25%
Motor vehicles	20%
Renovation	10%

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, Plant and Equipment and Depreciation (cont'd)

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. These are adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(d) Capital Work-In-Progress

Capital work-in-progress is stated at cost during the period of construction.

No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment.

(e) Intangible Assets

Intangible assets representing patent rights, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in the statement of comprehensive income on a straight-line method to allocate the cost of patent rights over their useful lives of 15 years. The residual values, useful lives and amortisation method are reviewed at each financial year end to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the assets.

(f) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of assets exceeds its recoverable amount. An impairment loss is recognised as an expense in profit or loss.

Notes to the Financial Statements 31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Impairment of Non-Financial Assets (cont'd)

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis. Cost includes the actual cost of materials and incidentals in bringing the inventories into store and for manufactured inventories, it also includes a portion of labour and relevant production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, and available-for-sale financial assets.

(i) Financial Assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other losses or other income.

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial Assets (cont'd)

(i) Financial Assets at FVTPL (cont'd)

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loan and receivables comprise trade receivables, other receivables, deposits and cash and bank balances.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Available-for-sale Financial Assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in financial assets at FVPTL, held-to-maturity investments and loans and receivables.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial Assets (cont'd)

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

(i) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Impairment of Financial Assets (cont'd)

(i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost (cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Other Financial Liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, social security contributions and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses as incurred.

(iii) Share-based Payment

Certain shareholders of the Company established the Employee Equity Scheme ("EES") for the benefit of eligible senior management personnel of the Group. Pursuant to the EES, a special purpose company was formed to administer the offering of the EES shares offered by the shareholders to the eligible employees.

The Company operates the Executive Share Option Scheme ("ESOS"), an equity-settled share-based compensation plan which allows the Group's eligible Executives to acquire ordinary shares of the Company.

The total fair value of EES and ESOS granted to employees are recognised as expenses in profit or loss of the Group over the vesting periods of the grant, with a corresponding increase in share-based payment reserve. The fair value of EES and ESOS are measured at grant date, taking into account, if any, the market or non-vesting conditions upon which the EES and the ESOS were granted but excluding the impact of a non-market vesting condition. Non-market vesting conditions are included in assumption about the number of EES and ESOS that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of EES and ESOS that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment in share-based payment reserve over the remaining vesting period.

The share-based payment reserve is transferred to retained profits upon expiry of the EES and ESOS. When the EES and ESOS are exercised, the share-based payment reserve is transferred to retained profits and share premium respectively.

Notes to the Financial Statements 31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Foreign Currencies

(i) Transactions in Foreign Currencies

Transactions in currencies other than the Group entities' functional currency (foreign currencies) are translated into the Group entities' functional currency at the rates of exchange ruling at the time of the transaction date. Monetary items denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(ii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:-

(i) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;

(ii) Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are taken to other comprehensive income.

Notes to the Financial Statements 31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Foreign Currencies (cont'd)

(ii) Foreign Operations (cont'd)

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rate prevailing at the date of acquisition.

Upon disposal of a foreign subsidiary company, the cumulative amount of translation differences at the date of disposal of the subsidiary company is taken to the consolidated statement of comprehensive income.

(o) Taxation

Taxation represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year and any adjustments recognised in the year of current tax of prior years. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised.

(p) Revenue Recognition

(i) Goods Sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of products and when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Notes to the Financial Statements 31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Revenue Recognition (cont'd)

(ii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(q) Leases – the Group as Lessee

(i) Finance Leases

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on the straight-line basis.

(r) Borrowing Costs

All borrowing costs are recognised in profit or loss using the effective interest method in the period in which they are incurred except to the extent that they are capitalised as being directly attributable for the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Notes to the Financial Statements
31 March 2011 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(t) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(u) Segment Reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segment's operating results are reviewed regularly by the chief operating decision maker, which is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements 31 March 2011 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Long-Term Leasehold Land RM	Buildings RM	Plant & Machinery RM	Furniture, Fittings & Equipment RM	Motor Vehicles RM	Renovation RM	Total RM
Group								
Cost								
At 1.4.2010								
As previously stated	15,003,874	-	75,210,459	241,520,883	33,893,334	3,991,693	2,106,280	371,726,523
Effect of adopting the amendments to FRS 117	-	158,023	-	-	-	-	-	158,023
As restated	15,003,874	158,023	75,210,459	241,520,883	33,893,334	3,991,693	2,106,280	371,884,546
Additions	4,075,736	-	1,911,714	13,208,267	1,696,205	851,677	-	21,743,599
Transfer from capital work- in-progress (Note 5)	-	-	7,413,691	55,932,840	4,655,853	-	-	68,002,384
Reclassication	-	-	273,382	47,655	(321,037)		-	-
Written off	-	-	(53,702)	-	(1,444,420)	-	-	(1,498,122)
Disposals	-	-	-	-	-	(516,118)	-	(516,118)
Translation differences	-	-	-	(2,705)	(5,563)	(3,337)	-	(11,605)
At 31.3.2011	19,079,610	158,023	84,755,544	310,706,940	38,474,372	4,323,915	2,106,280	459,604,684
Accumulated Depreciation								
At 1.4.2010								
As previously stated	-	-	5,410,216	69,821,889	10,354,368	1,516,794	407,748	87,511,015
Effect of adopting the amendments to FRS 117	-	9,405	-	-	-	-	-	9,405
As restated	-	9,405	5,410,216	69,821,889	10,354,368	1,516,794	407,748	87,520,420
Charge for the year	-	1,881	1,454,895	19,848,932	2,930,097	551,700	162,281	24,949,786
Reclassication	-	-	51,500	154,069	(205,569)	-	-	-
Written off	-	-	(2,622)	-	(1,130,908)	-	-	(1,133,530)
Disposals	-	-	-	-	-	(348,920)	-	(348,920)
Translation differences	-	-	-	(1,933)	(2,640)	(1,149)	-	(5,722)
At 31.3.2011	-	11,286	6,913,989	89,822,957	11,945,348	1,718,425	570,029	110,982,034
Net Carrying Amount								
At 31.3.2011	19,079,610	146,737	77,841,555	220,883,983	26,529,024	2,605,490	1,536,251	348,622,650

Notes to the Financial Statements
31 March 2011 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold Land	Long-Term Leasehold Land	Buildings	Plant & Machinery	Furniture, Fittings & Equipment	Motor Vehicles	Renovation	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
Cost								
At 1.4.2009								
As previously stated	14,910,527	-	54,594,947	209,730,763	30,244,497	3,581,883	1,670,280	314,732,897
Effect of adopting the amendments to FRS 117	-	158,023	-	-	-	-	-	158,023
As restated	14,910,527	158,023	54,594,947	209,730,763	30,244,497	3,581,883	1,670,280	314,890,920
Additions	93,347		2,012,412	10,678,717	2,700,221	1,178,481	436,000	17,099,178
Transfer from capital work- in-progress (Note 5)	-	-	18,603,100	21,674,506	1,300,137	-	-	41,577,743
Written off	-	-	-	-	(335,563)	(55,784)	-	(391,347)
Disposals	-	-	-	(560,000)	(16,137)	(712,887)	-	(1,289,024)
Translation differences	-	-	-	(3,103)	179	-	-	(2,924)
At 31.3.2010 (Restated)	15,003,874	158,023	75,210,459	241,520,883	33,893,334	3,991,693	2,106,280	371,884,546
Accumulated Depreciation								
At 1.4.2009								
As previously stated	-	-	4,359,163	54,579,131	7,876,955	1,599,780	245,610	68,660,639
Effect of adopting the amendments to FRS 117	-	7,524	-	-	-	-	-	7,524
As restated	-	7,524	4,359,163	54,579,131	7,876,955	1,599,780	245,610	68,668,163
Charge for the year	-	1,881	1,051,053	15,503,614	2,658,149	456,795	162,138	19,833,630
Written off	-		-	-	(163,568)	(35,090)	-	(198,658)
Disposals	-	-	-	(258,304)	(16,137)	(504,691)	-	(779,132)
Translation differences	-	-	-	(2,552)	(1,031)	-	-	(3,583)
At 31.3.2010 (Restated)	-	9,405	5,410,216	69,821,889	10,354,368	1,516,794	407,748	87,520,420
Net Carrying Amount								
At 31.3.2010 (Restated)	15,003,874	148,618	69,800,243	171,698,994	23,538,966	2,474,899	1,698,532	284,364,126
At 1.4.2009 (Restated)	14,910,527	150,499	50,235,784	155,151,632	22,367,542	1,982,103	1,424,670	246,222,757

Notes to the Financial Statements
31 March 2011 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The long term leasehold land of the Group has an unexpired lease period of more than 50 years.

Security

The net carrying amount of the property, plant and equipment pledged as security for banking facilities granted to the Group as disclosed in Note 17 are as follows:-

	Group	
	2011	2010
	RM	RM
Freehold land	10,031,396	14,910,527
Buildings	52,374,759	50,519,690
Plant and machinery	142,623,110	150,193,285
	205,029,265	215,623,502

Assets under Finance Lease

Included in the above property, plant and equipment of the Group are furniture, fittings and equipment acquired under the finance lease arrangements as follows:-

	Group	
	2011	2010
	RM	RM
Cost	107,789	27,125
Net carrying amount	55,599	10,548

5. CAPITAL WORK-IN-PROGRESS

	Group	
	2011	2010
	RM	RM
At beginning of the year	8,399,101	-
Additions	59,614,019	49,976,844
Transfer to property, plant and equipment (Note 4)	(68,002,384)	(41,577,743)
At end of the year	10,736	8,399,101

This is in respect of construction of new factory building and set up of new production lines.

Notes to the Financial Statements
31 March 2011 (cont'd)

6. INTANGIBLE ASSET

	Group	
	2011	**2010**
	RM	**RM**
Patent		
Cost		
At beginning of the year	57,355	-
Additions	-	57,355
At end of the year	57,355	57,355
Accumulated Amortisation		
At beginning of the year	3,674	-
Amortisation during the year	3,674	3,674
At end of the year	7,348	3,674
Net Carrying Amount		
At end of the year	50,007	53,681

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	Group	
	2011	**2010**
	RM	**RM**
Unquoted shares, at cost	128,878,585	124,175,634

Notes to the Financial Statements
31 March 2011 (cont'd)

7. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

The particulars of subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2011	2010
Hartalega Sdn Bhd	Malaysia	Manufacturing of latex gloves	100%	100%
Subsidiary companies of Hartalega Sdn Bhd				
* Pharmatex (Australia) Pty Limited	Australia	Retail and wholesale of gloves	82%	82%
* Pharmatex USA, Incorporated	United States of America	Retail and wholesale of gloves	80%	80%
Sentinel Engineering (M) Sdn Bhd	Malaysia	Leasing of property, research and development of automation systems	100%	100%

* Audited by a firm of auditors other than Moore Stephens AC.

8. OTHER INVESTMENT

	Group	
	2011	2010
	RM	RM
Available-for-sale financial asset		
- Golf club memberships	180,000	175,000

Prior to 1 April 2010, these investments were carried at cost.

Notes to the Financial Statements
31 March 2011 (cont'd)

9. DEFERRED TAX ASSETS AND LIABILITIES

	Group	
	2011	2010
	RM	RM
Deferred Tax Assets		
At beginning of the year	20,062	-
Recognised in profit or loss (Note 21)	8,190	18,442
Translation differences	1,026	1,620
At end of the year	29,278	20,062
Deferred Tax Liabilities		
At beginning of the year	27,782,332	24,820,887
Effect of adopting FRS 139	615,250	-
At beginning of the year	28,397,582	24,820,887
Recognised in profit or loss (Note 21)	8,469,720	2,961,209
Translation differences	346	236
At end of the year	36,867,648	27,782,332

This is in respect of estimated deferred tax assets and liabilities arising from temporary differences as follows:-

	Group	
	2011	2010
	RM	RM
Deferred Tax Assets		
Deductible temporary differences in respect of expenses	29,278	20,062
Deferred Tax Liabilities		
Taxable temporary differences in respect of income	13,852	2,934
Differences between the carrying amount of property, plant and equipment and its tax base	36,922,100	29,113,300
Fair value gain on derivative assets	835,000	-
Unrealised foreign exchange losses	(365,600)	(806,800)
Unrealised profit on inventories	(537,704)	(527,102)
	36,867,648	27,782,332

Notes to the Financial Statements
31 March 2011 (cont'd)

9. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group	
	2011	2010
	RM	RM
Unutilised tax losses	6,600	6,600

The unutilised tax losses do not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of the above item because it is not probable that the future taxable profit will be available against which the subsidiary company can utilise the benefits therefrom.

10. INVENTORIES

	Group	
	2011	2010
	RM	RM
At Cost		
Raw materials	11,304,579	6,545,470
Work-in-progress	26,366,926	6,948,024
Finished goods	23,853,692	12,516,491
Goods-in-transit	820,005	581,005
Spare parts and consumables	2,327,679	1,487,170
	64,672,881	28,078,160

Notes to the Financial Statements 31 March 2011 (cont'd)

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade				
Trade receivables	95,771,122	78,432,192	-	-
Less: Allowance for impairment loss				
At beginning of the year	26,637	23,754	-	-
(Reversal)/Additions during the year	(1,320)	2,504	-	-
Translation differences	(530)	379	-	-
At end of the year	(24,787)	(26,637)	-	-
Trade receivables, net	95,746,335	78,405,555	-	-
Non-trade				
Other receivables	984,943	940,353	-	-
Deposits	443,760	367,413	4,500	4,500
Prepayments	3,830,801	3,251,143	-	2,520
	5,259,504	4,558,909	4,500	7,020
	101,005,839	82,964,464	4,500	7,020

(a) **Credit Term of Trade Receivables**

The Group's normal trade credit terms extended to customers range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements
31 March 2011 (cont'd)

11. TRADE AND OTHER RECEIVABLES (cont'd)

(b) Ageing Analysis of Trade Receivables

The ageing analysis of the Group's trade receivables are as follows:-

	Group 2011 RM
Neither past due nor impaired	85,279,884
1 to 30 days past due not impaired	9,696,512
31 to 60 days past due not impaired	31,030
61 to 90 days past due not impaired	568,210
91 to 120 days past due not impaired	16,883
More than 121 days past due not impaired	153,816
	10,466,451
Impaired	24,787
	95,771,122

Receivables that are neither Past Due nor Impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are Past Due but not Impaired

Trade receivables of the Group amounting to RM10,466,451 which are past due but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. An amount of RM6,976,842 included in trade receivables of the Group is secured by standby Letter of Credit from customers.

Notes to the Financial Statements
31 March 2011 (cont'd)

11. TRADE AND OTHER RECEIVABLES (cont'd)

Receivables that are Impaired

The Group's trade receivables that are impaired at the reporting date is as follows:-

	Group Invidually Impaired 2011 RM
Trade receivables (nominal amounts)	24,787
Less: Allowance for impairment loss	(24,787)
	-

The impaired debtors at the reporting date are in significant financial difficulties and had defaulted in payment. These receivables are not secured by any collateral or credit enhancements. Based on historical default rates, the Group believes that no collective impairment loss is necessary in respect of trade receivables past due.

(c) Foreign Currency Exposure of Trade Receivables

	Group	
	2011 RM	2010 RM
United States Dollar	91,104,736	74,469,107

(d) Prepayments

Included in prepayments of the Group is an amount of RM1,840,533 (2010: RM 860,610) being advances to suppliers for purchase of raw materials and machinery.

12. TAX ASSETS

This was in respect of tax instalments paid in advance to the Inland Revenue Board.

Notes to the Financial Statements
31 March 2011 (cont'd)

13. DERIVATIVE ASSETS

	Contract/ Notional Amount RM	Group 2011 RM	Group 2010 RM
Non-hedging Derivatives:			
Current			
Forward currency contracts	161,404,300	3,340,300	-

The Group uses forward currency contracts to manage sales transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's trade receivables and sales denominated in USD, extending to July 2011.

14. CASH AND BANK BALANCES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Licensed Fund Management Company - Fixed income fund (redeemable upon 1 day notice)	60,500,000	-	60,500,000	-
Deposits with licensed banks	39,130,000	57,808,583	6,030,000	1,600,000
Cash at banks and on hand	17,352,830	16,922,521	277,703	126,296
	116,982,830	74,731,104	66,807,703	1,726,296

Deposits with licensed banks of the Group and of the Company bear effective interest at rates ranging from 1.70% to 2.75% (2010: 1.50% to 2.13%) per annum with maturity period ranging from 1 day to 30 days (2010: 2 days to 30 days). Included in the deposits of the Group at the previous year end was an amount of RM108,583 pledged for bank guarantee facilities granted to the Group. The fixed income fund bears interest at a rate of 2.66% (2010: nil) per annum.

Notes to the Financial Statements
31 March 2011 (cont'd)

14. CASH AND BANK BALANCES (cont'd)

Included in cash at banks and on hand of the Group is an amount of RM14,139,272 (2010: RM13,888,943) which bears effective interest at rates ranging from 0.15% to 1.75% (2010: at a rate of 0.15%) per annum.

The foreign currency exposure of cash at banks and on hand of the Group is as follows:-

	Group	
	2011	2010
	RM	RM
United States Dollar	14,139,272	13,888,943

15. SHARE CAPITAL

	Group/Company			
	2011		2010	
	No. of Shares Unit	RM	No. of Shares Unit	RM
Ordinary shares of RM0.50 each				
Authorised:-				
At beginning/end of the year	500,000,000	250,000,000	500,000,000	250,000,000
Issued and Fully Paid:-				
At beginning of the year	242,312,000	121,156,000	242,312,000	121,156,000
Issued during the year				
- exercise of ESOS	89,200	44,600	-	-
- bonus issue	121,156,000	60,578,000	-	-
At end of the year	363,557,200	181,778,600	242,312,000	121,156,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Notes to the Financial Statements
31 March 2011 (cont'd)

16. RESERVES

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Distributable					
Retained profits		307,174,734	231,645,954	8,378,727	64,171,591
Non-distributable					
Share premium	16.1	500,412	792,233	500,412	792,233
Translation reserve	16.2	251,737	123,668	-	-
Fair value reserve	16.3	5,000	-	-	-
Share-based payment reserve	16.4	4,733,231	371,570	4,733,231	371,570
		5,490,380	1,287,471	5,233,643	1,163,803
		312,665,114	232,933,425	13,612,370	65,335,394

Note 16.1

The share premium arose from the issue of the Company's shares at a premium.

Note 16.2

The translation reserve comprises all foreign currency differences arising from translation of the financial statements of the entities within the Group with functional currencies other than RM.

Note 16.3

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

Note 16.4

The share-based payment reserve arose from the granting of Employee Equity Scheme ("EES") to selected senior management and Executive Share Option Scheme ("ESOS") to selected Executives.

EES

In the year 2008, certain shareholders of the Company have allocated an aggregate of 1,475,000 ordinary shares ("EES Shares") for the EES at the strike price of RM1.80 per EES Share for no consideration. A special purpose company, Prelude Rewards Sdn Bhd ("PRSB") was formed to administer the offering of the EES Shares to the selected senior management.

Notes to the Financial Statements
31 March 2011 (cont'd)

16. RESERVES (cont'd)

Note 16.4 (cont'd)

The main features of the EES are as follows:-

(a) The tenure of the EES commenced on 28 March 2008 and will expire on 31 March 2013.

(b) To participate in the EES, each selected senior management will be required to pay RM2.00 as acceptance of the EES Shares offered pursuant to the terms of EES ("Entitlement"). With the payment of RM2.00 by each selected senior management, he/she is deemed to have accepted the Entitlements and legal ownership to those EES Shares would pass from PRSB to the selected senior management.

(c) The allocation of the Entitlements shall be based on the performance, seniority, length of service of the selected senior management and any criteria as may be set by the EES committee, the Company and PRSB from time to time.

(d) As the selected senior management has not paid for his/her EES Shares at the point of acceptance of the Entitlements, the selected senior management will be required, as part of the EES to do the following:

(i) Assign all cash dividends/distributions from retained profits which are made by the Company prior to the exercise of the Entitlement to PRSB. The assignment is in respect of cash dividends/distributions only and does not include any other distributions made by the Company such as non-cash dividends, bonus shares and rights entitlements. Further, the said assignment will not affect the selected senior management's other right to vote and the right to sell his/her EES Shares;

(ii) Open a CDS account with a nominee company ("Nominee"), with whom his/her Entitlements will be allotted to; and

(iii) Provide an irrevocable undertaking that he/she will not transfer his/her EES Shares in his/her CDS account with the Nominee to any other CDS accounts unless such EES Shares have been paid in accordance with the terms and conditions of the EES.

(e) As the selected senior management has not paid for his/her EES Shares at the point of acceptance of their Entitlements, an encumbrance will be created over the unpaid EES Shares and all distributions relating thereto in favour of PRSB.

(f) The selected senior management can sell any of his/her EES Shares at any time subject to, inter alia, the selling price being equal to or above the aggregate of the strike price and relevant transaction costs.

(g) The EES granted will only be exercisable in the following manner:-

From 28 March 2008 to 31 March 2009	From 1 April 2009 to 31 March 2010	From 1 April 2010 to 31 March 2011	From 1 April 2011 to 31 March 2012	From 1 April 2012 to 31 March 2013
20%	20%	20%	20%	20%

Notes to the Financial Statements
31 March 2011 (cont'd)

16. RESERVES (cont'd)

Note 16.4 (cont'd)

(h) On the expiry of the EES period, any EES Shares in the EES not exercised by the selected senior management would be transferred back to PRSB.

The number and strike price of, and movement in outstanding EES during the year are as follows:-

2011

Strike Price	At Begining of the Year '000	Granted '000	Exercised '000	Adjustment for Bonus Issue '000	Exercised '000	At End of the Year '000
RM1.80 (before bonus issue)/RM1.20 (after bonus issue)	1,206	-	(340)	433	(250)	1,049

2010

Strike Price	At Begining of the Year '000	Granted '000	Exercised '000	At End of the Year '000
RM1.80	1,475	-	(269)	1,206

The fair value of EES granted in year 2008 was estimated using the Trinomial model, taking into account the terms and conditions upon which the EES were granted. The fair value of EES measured at grant date and the assumptions used are as follows:-

Grant date	7 April 2008
Number of EES granted (units)	1,475,000
Fair value of EES (RM)	0.39
Share price (RM)	1.80
Expected volatility	31.15
Expected life (years)	5
Risk free rate (%)	3.79
Expected dividend yield (%)	5.56

The expected volatility is based on average of the volatility of similar listing entities and reflects the assumptions that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the Financial Statements 31 March 2011 (cont'd)

16. RESERVES (cont'd)

Note 16.4 (cont'd)

ESOS

At an Extraordinary General Meeting held on 25 March 2010, shareholders approved the ESOS to subscribe for unissued new ordinary shares of RM0.50 each in the Company which were granted to eligible Executive Directors and Executives of the Company and/or its subsidiaries (excluding subsidiaries that are dormant).

The salient features of the ESOS are:-

(a) The maximum number of new shares of the Company, which may be available under the ESOS shall not exceed in aggregate 15% of the total issued and paid-up capital of the Company at any one time during the existence of the ESOS.

(b) The ESOS will be made available for participation by eligible Executives of the Group who meet the following criteria on the Date of Offer:-

- Has attained the age of at least 18 years old;
- Who is confirmed in service in a company within the Group;
- Who has at least 6 months of continuous service within the Group; and/or
- Be under such categories and criteria that Option Committee may decide at its absolute discretion from time to time.

Notwithstanding the above, the eligibility and number of options to be offered to an eligible Executive under the scheme shall be at the sole and absolute discretion of the Option Committee and the decision of the Option Committee shall be final and binding.

(c) The maximum number of new shares of the Company that may be offered under the ESOS and allotted to an eligible Executive shall be at the sole and absolute discretion of the Option Committee after taking into consideration, amongst others, the position and length of service of the eligible Executive and such other factors that the Option Committee may deem relevant, subject to any adjustments under the provisions of the By-Laws and the conditions of not more than 50% of the proposed allocation of the options under the ESOS to be allocated to the Executive Directors and senior management of the Group; and not more than 10% of the proposed allocation of the options under the scheme to be allocated to any eligible Executive either singly or collectively through persons connected, holds 20% or more of issued and paid-up capital of the Company, provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time. There are no performance targets which are required to be met before the options granted under the ESOS can be exercised by the eligible executives, unless otherwise stated in the offer.

(d) The ESOS shall be in force for a period of 5 years from 25 March 2010 and may be extended or renewed (as the case may be), at the sole and absolute discretion of the Board of Directors of the Company upon the recommendation by the Option Committee, provided always that the initial ESOS period stipulated above and such extension of the ESOS made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years from 25 March 2010.

Notes to the Financial Statements
31 March 2011 (cont'd)

16. RESERVES (cont'd)

Note 16.4 (cont'd)

ESOS (cont'd)

(e) The option price payable for each new share of the Company upon exercise of the options shall be the higher of the following:-

(i) The 5-day weighted average market price of the Company's shares at the time the options are offered, with a discount of not more than 10%; or

(ii) The par value of the Company's shares.

The price payable for each new share of the Company upon exercise of the options may however be subject to adjustments under the provisions of the By-Laws.

(f) The options granted may be exercised in the following manner:-

Year 1	Year 2	Year 3	Year 4	Year 5
20%	20%	20%	20%	20%

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years provided that no options shall be exercised beyond the date of expiry of the ESOS.

The movement in the Company's unissued shares under options during the year are as follows:-

Grant Date	Expiry Date	Exercise Price	At Beginning of Year	Granted	Exercised	Balance Prior to Adjustment for Bonus Issue*
		RM	'000	'000	'000	'000
10.5.2010	24.3.2015	6.75	-	3,937.4	-	3,937.4

Grant Date	Expiry Date	Exercise Price	Balance after Adjustment for Bonus Issue*	Granted	Exercised	At end of Year
		RM	'000	'000	'000	'000
10.5.2010	24.3.2015	4.50	5,906.0	-	(89.2)	5,816.8
15.9.2010	24.3.2015	4.38	-	281.1	-	281.1
21.12.2010	24.3.2015	4.47	-	637.2	-	637.2
18.3.2011	24.3.2015	4.98	-	361.7	-	361.7
			5,906.0	1,280.0	(89.2)	7,096.8

* Bonus issue on the basis of one new share for every two existing ordinary shares held.

Notes to the Financial Statements
31 March 2011 (cont'd)

16. RESERVES (cont'd)

Note 16.4 (cont'd)

ESOS (cont'd)

As disclosed in Note 15, options exercised during the year resulted in the issuance of 89,200 (2010: nil) ordinary shares at an exercise price of RM4.50 (2010: RM nil) each and the weighted average share price at the date of exercise was RM5.76 (2010: RM nil) each.

The fair value of ESOS granted during the year was estimated using the Trinomial model, taking into account the terms and conditions upon which the ESOS were granted. The fair value of ESOS measured at grant date and the assumptions used are as follows:-

Weighted average fair value of ESOS (RM)	1.61
Weighted average share price (RM)	5.02
Weighted average exercise price (RM)	4.52
Expected volatility (%)	28.53 - 44.65
Expected life (years)	4 - 5
Risk free rate (%)	3.55 - 3.85
Expected dividend yield (%)	1.96 - 3.05

The expected volatility is based on assumptions that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the ESOS grant were incorporated into the measurement of fair value.

Notes to the Financial Statements 31 March 2011 (cont'd)

17. LOANS AND BORROWINGS

Group	Effective Interest Rate	Short Term Borrowings within 1 Year	<---- Long Term Borrowings ---- 1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	After 5 years	Sub Total ---->	Total
		RM	RM	RM	RM	RM	RM	RM	RM
2011									
Secured									
Fixed Rate Instruments									
Term loans									
- United States Dollar	2.16 - 6.76%	6,971,070	4,450,521	2,614,378	2,614,378	1,246,671	-	10,925,948	17,897,018
- RM	6.50 - 8.00%	7,531,237	8,055,940	4,902,620	136,503	147,833	259,536	13,502,432	21,033,669
Finance lease payables									
- United States Dollar	4.87% - 19.09%	23,709	22,554	-	-	-	-	22,554	46,263
		14,526,016	12,529,015	7,516,998	2,750,881	1,394,504	259,536	24,450,934	38,976,950
2010									
Secured									
Fixed Rate Instruments									
Term loans									
- United States Dollar	6.00 - 6.76%	6,644,289	4,712,467	1,986,086	-	-	-	6,698,553	13,342,842
- RM	6.50 - 8.00%	7,068,488	7,543,469	8,050,391	4,847,668	136,503	407,370	20,985,401	28,053,889
Finance lease payables									
- United States Dollar	19.09%	10,298	2,894	-	-	-	-	2,894	13,192
		13,723,075	12,258,830	10,036,477	4,847,668	136,503	407,370	27,686,848	41,409,923

Notes to the Financial Statements
31 March 2011 (cont'd)

17. LOANS AND BORROWINGS (cont'd)

Present value of finance lease payables is as follows:-

	Group	
	2011	2010
	RM	RM
Minimum lease payments	49,598	14,933
Less: Future finance charges	(3,335)	(1,741)
Present value of minimum lease payments	46,263	13,192
Current liabilities		
Payable within one year		
Minimum lease payments	26,182	11,946
Less: Future finance charges	(2,473)	(1,648)
Present value of minimum lease payments	23,709	10,298
Non-current liabilities		
Payable after one year but not later than five years		
Minimum lease payments	23,416	2,987
Less: Future finance charges	(862)	(93)
Present value of minimum lease payments	22,554	2,894
Total present value of minimum lease payments	46,263	13,192

The term loans of the Group are secured against:-

(i) Legal charges over a subsidiary company's freehold land and buildings (Note 4);
(ii) Fixed and floating charges and debentures over a subsidiary company's assets;
(iii) Specific debenture over a subsidiary company's plant and machinery (Note 4); and
(iv) Corporate guarantee from the Company.

Notes to the Financial Statements
31 March 2011 (cont'd)

18. TRADE AND OTHER PAYABLES

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Trade					
Trade payables	18.1	34,386,497	23,815,700	-	-
Non-trade					
Amount owing to a Director	18.2	-	2,657	-	-
Other payables	18.3	9,188,549	10,851,444	-	-
Advances from customers	18.4	1,504,209	715,673	-	-
Accruals		12,086,900	9,023,918	302,752	260,411
		22,779,658	20,593,692	302,752	260,411
		57,166,155	44,409,392	302,752	260,411

Note 18.1

The normal trade credit terms granted to the Group range from 30 to 60 days.

The foreign currency exposure of trade payables is as follows:-

	Group 2011 RM	Group 2010 RM
United States Dollar	20,153,958	8,834,265

Note 18.2

At the previous year end, the amount owing to a Director was non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

Notes to the Financial Statements
31 March 2011 (cont'd)

18. TRADE AND OTHER PAYABLES (cont'd)

Note 18.3

The foreign currency exposure of other payables is as follows:-

	Group	
	2011	**2010**
	RM	**RM**
United States Dollar	319,168	5,089

Note 18.4

Advances from customers relate to advances for sales order received from customers.

19. OPERATING REVENUE

	Group			Company	
	2011	**2010**		**2011**	**2010**
	RM	**RM**		**RM**	**RM**
Sales of goods	734,920,894	571,892,668		-	-
Dividend income	-	-		60,532,508	117,614,978
	734,920,894	571,892,668	-	60,532,508	117,614,978

Notes to the Financial Statements 31 March 2011 (cont'd)

20. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):-

(a) Other items

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Auditors' remuneration				
- Audit services	157,520	137,867	15,000	14,000
- Other services by auditors of the Company	11,000	7,400	11,000	7,400
Amortisation of intangible asset	3,674	3,674	-	-
Bad debts written off	165	-	-	-
Depreciation of property, plant and equipment	24,949,786	19,833,630	-	-
Interest expense	2,470,506	3,376,207	-	-
Non-Executive Directors' remuneration:				
- Fees				
- Directors of the Company	169,000	144,000	145,000	120,000
- Director of subsidiary company	24,000	20,000	-	-
- Share based payment granted under EES				
- Directors of the Company	10,000	18,571	10,000	18,571
- Other emoluments				
- Directors of the Company	73,510	26,500	19,750	26,500
Property, plant and equipment written off	364,592	192,689	-	-
Rental of machinery	85,375	141,000	-	-
Rental of premises	1,269,909	1,138,433	-	-
Net fair value gain on derivative assets	(879,300)	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	(3,802)	183,392	-	-
(Gain)/Loss on foreign exchange				
- realised	(5,956,744)	(1,855,661)	-	-
- unrealised	1,462,498	3,227,491	-	-
Interest income	(2,406,900)	(1,274,155)	(1,490,977)	(87,073)
(Reversal of impairment loss) /Impairment loss on trade receivables	(1,320)	2,504	-	-

Notes to the Financial Statements 31 March 2011 (cont'd)

20. PROFIT BEFORE TAXATION (cont'd)

(b) Staff costs

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Staff costs	62,467,564	43,979,735	90,000	121,500
Included in staff costs are:-				
Share-based payment granted under EES	66,589	123,665	-	-
Share-based payment granted under ESOS	4,636,362	-	-	-
Contributions to defined contribution plan	2,556,362	1,915,163	-	-

Included in staff costs is the aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the year as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Fees				
- Directors of the Company	138,000	158,000	90,000	120,000
- Directors of the subsidiary companies	72,000	62,000	-	-
Other emoluments				
- Directors of the Company	2,562,433	2,132,639	-	1,500
- Directors of the subsidiary companies	1,871,857	1,536,292	-	-
	4,644,290	3,888,931	90,000	121,500

The estimated monetary value of benefits-in-kind of the Group received by the Directors of the Company and of the subsidiary companies are RM50,200 (2010: RM59,530) and RM48,096 (2010: RM37,342) respectively.

Notes to the Financial Statements
31 March 2011 (cont'd)

21. TAXATION

		Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Current tax expense					
Malaysian	- current year	44,045,000	31,123,147	265,000	19,377,600
	- (over)/under provision	(89,627)	265,851	6,233	43,135
Overseas	- current year	92,922	467,223	-	-
	- over provision in prior year	-	(80,487)	-	-
		44,048,295	31,775,734	271,233	19,420,735
Deferred tax expense					
Origination and reversal of temporary differences		8,361,030	3,489,167	-	-
Under/(Over) provision in prior year		100,500	(546,400)	-	-
		8,461,530	2,942,767	-	-
Tax expense		52,509,825	34,718,501	271,233	19,420,735

Notes to the Financial Statements
31 March 2011 (cont'd)

21. TAXATION (cont'd)

The reconciliation of the tax amount at statutory tax rate to the Group's and the Company's tax expense is as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit before taxation	242,834,108	177,775,251	61,091,929	117,026,754
Tax at the Malaysian statutory income tax rate of 25%	60,708,600	44,443,800	15,273,000	29,256,700
Effect of different tax rate of foreign subsidiary companies	17,152	67,337	-	-
Tax effect of non-taxable income	-	-	(15,218,100)	(9,997,300)
Tax effect of non-deductible expenses	1,971,900	289,000	210,100	118,200
Utilisation of reinvestment allowances	(10,198,700)	(9,720,600)	-	-
Under/(Over) provision of taxation in prior years				
- current tax	(89,627)	185,364	6,233	43,135
- deferred tax	100,500	(546,400)	-	-
Tax expense	52,509,825	34,718,501	271,233	19,420,735

The Group has estimated unutilised tax losses of RM6,600 (2010: RM6,600) available for set off against future taxable profits.

As at 31 March 2011 and 2010, the Company does not have any Section 108 tax credit balance and hence, may distribute dividends out of its entire retained profits under the single tier system and available tax exempt income.

Notes to the Financial Statements 31 March 2011 (cont'd)

22. EARNINGS PER ORDINARY SHARE

	Group 2011 RM	2010 RM
Basic earnings per ordinary share		
Net profit attributable to owners of the parent	190,296,590	142,908,975
Number of shares in issue as at beginning of the year	242,312,000	242,312,000
Effect of exercise of ESOS	15,700	-
Bonus issue during the year	121,156,000	121,156,000
Weighted average number of ordinary shares in issue	363,483,700	363,468,000
Basic earning per ordinary share of RM0.50 (sen)	52.35	39.32

The previous year's basic earnings per share has been restated based on the weighted average number of ordinary shares of 363,468,000 ordinary shares in issue after the adjustment arising from the bonus issue during the year.

	Group 2011 RM	2010 RM
Diluted earnings per ordinary share		
Net profit attributable to owners of the parent	190,296,590	142,908,975
Weighted average number of ordinary shares in issue	363,483,700	363,468,000
Effect of dilutive potential ordinary shares - ESOS	858,000	-
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary shares	364,341,700	363,468,000
Diluted earning per ordinary share of RM0.50 (sen)	52.23	39.32

Notes to the Financial Statements 31 March 2011 (cont'd)

23. DIVIDENDS

	Group / Company	
	2011	2010
	RM	RM
Third interim single tier exempt dividend of 5 sen per share in respect of the year ended 31 March 2010	12,115,600	-
Final single tier exempt dividend of 5 sen per share in respect of the year ended 31 March 2010	12,115,600	-
First interim single tier exempt dividend of 4 sen per share in respect of the year ended 31 March 2011	14,538,720	-
Second interim single tier exempt dividend of 5 sen per share in respect of the year ended 31 March 2011	18,176,885	-
Reversal of debts payable to Inland Revenue Board with the amendment of franked dividend to single tier dividend for first interim dividend in respect of the year ended 31 March 2009		(1,211,560)
Dividend of 0.5 sen per share arising from the amendment of franked dividend to single tier dividend for first interim dividend in respect of the year ended 31 March 2009	-	1,211,560
Second interim dividend of 4 sen per share tax exempt in respect of the year ended 31 March 2009	-	9,692,480
Final dividend of 4 sen per share tax exempt in respect of the year ended 31 March 2009	-	9,692,480
First interim single tier exempt dividend of 5 sen per share in respect of the year ended 31 March 2010	-	12,115,600
Second interim single tier exempt dividend of 5 sen per share in respect of the year ended 31 March 2010	-	12,115,600
	56,946,805	43,616,160

On 10 May 2011, the Directors declared a third interim single tier exempt dividend in respect of the year ended 31 March 2011 of 6 sen per share amounting to RM21,813,432.

In addition, the Directors have also recommended a final single tier exempt dividend in respect of the year ended 31 March 2011 of 6 sen per share amounting to RM21,825,276 based on the number of outstanding ordinary shares in issue as at the date of this report, if approved at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect the third interim dividend and final dividend. The third interim dividend and final dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2012.

Notes to the Financial Statements
31 March 2011 (cont'd)

24. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year, the Group purchased property, plant and equipment with aggregate costs of RM21,743,599 (2010: RM17,099,178).

	Group	
	2011	2010
	RM	RM
Cash payments	21,660,909	17,099,178
Finance lease arrangement	82,690	-
	21,743,599	17,099,178

25. CAPITAL COMMITMENT

In respect of acquisition of property, plant and equipment:-

	Group	
	2011	2010
	RM	RM
Approved and contracted for	10,064,214	20,678,387
Approved but not contracted for	-	29,339,084

26. RELATED PARTY DISCLOSURES

(a) Identity of related parties

Parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence.

The Group and the Company have a related party relationship with the holding company, subsidiary companies, key management personnel and Director-related companies.

Notes to the Financial Statements
31 March 2011 (cont'd)

26. RELATED PARTY DISCLOSURES (cont'd)

(b) Related Party Transactions and Balances

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Received and receivable from subsidiary company:-				
Dividend	-	-	60,532,508	98,208,506
Proceeds from sale of motor vehicle received from Mr. Liew Ben Poh, a Director	-	100,000	-	-
Paid to Director-related companies:-*				
Share registry services	34,446	18,909	34,446	18,909
Public relation and advertising services#	137,916	113,420	137,916	113,420

* companies in which a Director, Mr Abdul Hamid bin Sh Mohamed, is also a Director.

\# a company in which the Director, Mr Abdul Hamid bin Sh Mohamed, also has substantial financial interests.

Information on outstanding balances with related parties as at the reporting date is disclosed in Note 18.2.

(c) Compensation of Key Management Personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any Director of the Group.

The compensation of the key management personnel are as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Directors' fees	379,000	384,000	235,000	240,000
Short term employee benefits	4,074,341	3,341,591	19,750	28,000
Share-based payment granted under EES	10,000	18,571	-	-
Post-employment benefits	433,459	353,840	-	-
Estimated monetary value of benefits-in-kind	98,296	96,872	-	-
	4,995,096	4,194,874	254,750	268,000

Notes to the Financial Statements
31 March 2011 (cont'd)

27. SEGMENT INFORMATION

The Group's business mainly comprises the manufacturing and sale of latex gloves. The Group's manufacturing activities are operated solely in Malaysia whilst its revenue are mainly earned 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 as all information required has been disclosed in the financial statements.

Information about Geographical Areas

Revenue information based on the geographical location of customers is as follows:-

	Group	
	2011	2010
	RM	RM
North America	512,609,919	427,089,124
Europe	118,866,785	67,973,936
Asia (excluding Malaysia)	50,248,398	38,706,250
Australia	23,846,254	18,850,056
Malaysia	18,100,532	4,586,118
South America	11,249,006	14,687,184
	734,920,894	571,892,668

Non-current assets which do not include financial instruments and deferred tax assets analysed by geographical location of the assets are as follows:-

	Group	
	2011	2010
	RM	RM
Malaysia	348,562,693	292,729,820
North America	88,344	61,972
Australia	32,356	25,116
	348,683,393	292,816,908

Notes to the Financial Statements
31 March 2011 (cont'd)

27. SEGMENT INFORMATION (cont'd)

Information about Major Customers

The following are major customers with revenue equal or more than 10% of Group revenue:-

	Group 2011 RM	Group 2010 RM	Geographical Location
Customer A	293,473,284	207,609,455	North America
Customer B	88,462,259	96,467,991	North America
	381,935,543	304,077,446	

28. CONTINGENT LIABILITIES (UNSECURED)

(a) Sentinel Engineering (M) Sdn Bhd and Hartalega Sdn Bhd (the "Plaintiffs"), wholly-owned subsidiaries of the Company, have commenced legal proceedings against Ecotherm (TFT) Sdn Bhd and Ecotherm Sdn Bhd (the "Defendants") by filing a Writ and Statement of Claim on 6 August 2010 at the High Court of Malaya at Kuala Lumpur (the "Court").

The Plaintiffs are seeking, amongst others, the following reliefs against the Defendants:-

(i) A declaration pursuant to Section 57 and 57 of the Patents Act 1983 that Claims 1 to 14 of Malaysia Patent No. MY 121188-A (188 Patent) are invalid and null and void in Malaysia;

(ii) A declaration that the amendments to the application for the 188 Patent are unlawful and ultra vires the Patents Act 1983, further contravene the Patents Regulations 1986 and render the 188 Patent invalid, null and void;

(iii) A declaration pursuant to Section 62 of the Patent Act 1983 that the making, importing, offering for sale, selling or using of the Sentinel/Hartalega System which is the subject matter of Malaysian Patent No. MY 140770-A (770 Patent) does not constitute an infringement of any of the claims on the 188 Patent; and

(iv) Damages and costs.

Notes to the Financial Statements
31 March 2011 (cont'd)

28. CONTINGENT LIABILITIES (UNSECURED) (cont'd)

The Defendants counterclaimed for the following reliefs:-

(i) A declaration pursuant to Sections 56 and 57 of the Patents Act 1983 that Claims 1 to 7 of the 770 Patent are invalid and null and void in Malaysia;
(ii) A declaration that the first and/or the second Defendant, as the case may be, is validly subsisting and has been infringed by the Plaintiffs jointly and severally;
(iii) An injunction to restrain the Plaintiffs from dealing with the Sentinel/Hartalega System which is the subject matter of the 770 Patent or any other systems that infringe the 188 Patent in whatsoever manner; and
(iv) Damages and costs.

The Court has fixed the matter for decision on 28 August 2011. The Directors of the Company, in consultation with the solicitors of the Company, are of the opinion that the Defendants' counter-claim is weak as the respective subsidiary companies have good grounds to argue that the Sentinel/Hartalega System does not infringe the Defendants' 188 Patent. Accordingly, the Group has not made any provision in the financial statements in respect of the counter-claims.

(b) Mr. Seow Hoon Hin (the "Plaintiff"), a shareholder of the Company and a former shareholder of Hartalega Sdn Bhd ("HSB"), has instituted legal proceedings against the Company, HSB and 3 individuals by way of 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 HSB on 24 March 2011.

The Plaintiff claims as against HSB for the following:-

(i) Declaration that HSB is trustee for proceeds and/or profits made from use of certain two assembly lines and substantial parts of another two assembly lines (the "said parts");
(ii) Declaration that HSB is a trustee for unpaid dividends amounting to RM488,765.25 allegedly due and owing to the Plaintiff (the "said dividends");
(iii) An order that HSB account to the Plaintiff for the proceeds and/or profits made from the benefit and use of the said parts (the "said proceeds/profits") and make restitution of the same to the Plaintiff;
(iv) An order that HSB account to the Plaintiff for the said dividends and make restitution of the same to the Plaintiff;
(v) Interest on the said profits and said dividends at the rate of 8% per annum from the date of the respective dividends were payable until full satisfaction; and
(vi) Such other relief as the Court deems fit and costs.

Notes to the Financial Statements 31 March 2011 (cont'd)

28. CONTINGENT LIABILITIES (UNSECURED) (cont'd)

The case management was fixed on 15 July 2011.

The Directors of the Company, in consultation with the solicitors, are of the view that the Action is lacking in merit and that the prospects of successfully defending the Action are good as the Action is largely based on issues and events that are clearly time-barred. Accordingly, the Group has not made any provision on the financial statements.

29. SIGNIFICANT EVENTS

(a) At an Extraordinary General Meeting held on 25 March 2010, shareholders approved the Executive Share Option Scheme ("ESOS") to subscribe for unissued new ordinary shares of RM0.50 each in the Company which were granted to eligible Executive Directors and Executives of the Group. During the year, total ESOS of 5,217,360 ordinary shares were granted to the eligible Executives of the Group.

(b) On 7 September 2010, the issued and paid-up capital of the Company was increased from RM121,156,000 to RM181,734,000 by the bonus issue of 121,156,000 new ordinary shares of RM0.50 each on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held.

30. SUBSEQUENT EVENT

On 26 May 2011, Hartalega Sdn Bhd, a wholly-owned subsidiary of the Company, subscribed for 70% of the registered capital of Yancheng Pharmatex Medical Equipment Co Ltd, a company incorporated in China, for a total consideration of 700,000 Chinese Renminbi.

Notes to the Financial Statements
31 March 2011 (cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of risk in the normal course of business. The Group's risk management seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks are as follows:-

(a) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk when the currency denomination differs from its functional currency.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Ringgit Malaysia ("RM"), United States Dollar ("USD") and Australian Dollar ("AUD"). The foreign currency in which these transactions are denominated is mainly USD.

The Group also holds cash and cash equivalents denominated in USD for working capital purposes and has term loans denominated in USD.

Forward currency contracts are used by the Group to reduce exposure to fluctuations in foreign currency risk. In addition, the Group holds cash and cash equivalents denominated in USD to pay its foreign purchases as a natural hedge against fluctuations in foreign currency risk.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in United States of America and Australia are not hedged as currency positions in USD and AUD are considered to be long-term in nature.

Notes to the Financial Statements
31 March 2011 (cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Foreign Currency Risk (cont'd)

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit for the year to a reasonably possible change in the USD exchange rate against RM, with all other variables held constant.

		Group 2011 RM Profit for the Year
USD/RM	- strengthened 5%	3,178,908
	- weakened 5%	(3,178,908)

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from deposits placed with licensed banks, fixed income fund and borrowings. The deposits placed with licensed banks at fixed rate expose the Group to fair value interest rate risk whilst fixed income fund at variable rate expose the Group to cash flow interest rate risk.

Borrowings and finance lease payables at fixed rate amounting to RM38,976,950 expose the Group to fair value interest rate risk.

The Group manages its interest rate risk exposure by reviewing its debts portfolio to ensure favourable rates are obtained.

The Group does not have any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in the interest rates at the reporting date would not affect profit or loss.

Sensitivity Analysis for Interest Rate Risk

The Group believes that no reasonably possible changes in the risk variable could affect the results of the Group materially as the Group's external borrowings are of which the interest rate is fixed at inception.

Notes to the Financial Statements
31 March 2011 (cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises mainly from its receivables and the maximum risk associated with the recognised financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on a subsidiary company's term loans.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Information regarding credit enhancements, if any, for trade and other receivables is disclosed in Note 11.

Credit Risk Concentration Profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date are as follows:-

	Group	
	2011	
	RM	% of total
By country:		
USA	68,378,649	71.42
Germany	15,030,290	15.70
Australia	4,355,128	4.54
Canada	2,898,280	3.03
Japan	2,382,166	2.49
Brazil	1,556,826	1.63
Others	1,144,996	1.19
	95,746,335	100.00

At the reporting date, approximately 50.89% (2010: 68.82%) of the Group's trade receivables was due from two major customers. Trade receivable balances from those major customers amounted to RM48,727,617 (2010: RM53,961,544) of which RM27,233,100 (2010: RM41,529,000) are secured by standby Letter of Credit from customers.

Notes to the Financial Statements 31 March 2011 (cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Credit Risk (cont'd)

Financial Assets that are neither Past Due nor Impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 11. Cash deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings with no history of default.

Financial Assets that are either Past Due or Impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11.

Financial Guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary company.

The Company monitors on an ongoing basis the repayments made by the subsidiary company and its financial performance.

The maximum exposure to credit risk amounts to RM38,930,687 (2010: RM41,396,731) representing the outstanding term loans of a subsidiary company guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiary company would default on its repayment.

The financial guarantee has not been recognised at fair value on initial recognition as the amount was immaterial.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

Notes to the Financial Statements
31 March 2011 (cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Liquidity Risk (cont'd)

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	Carrying Amount RM	Contractual Cash Flows RM	On Demand or Within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
2011						
Group						
Financial liabilities:-						
Trade payables	34,386,497	34,386,497	34,386,497	-	-	-
Other payables and accruals	22,779,658	22,779,658	22,779,658	-	-	-
Finance lease payables	46,263	49,598	26,182	23,416	-	-
Other borrowings	38,930,687	41,881,228	16,190,161	13,352,353	12,061,532	277,182
	96,143,105	99,096,981	73,382,498	13,375,769	12,061,532	277,182
Company						
Financial liabilities:-						
Accruals	302,752	302,752	302,752	-	-	-

Notes to the Financial Statements 31 March 2011 (cont'd)

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:-

(a) Cash and Cash Equivalents, Trade and Other Receivables and Payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to the insignificant impact of discounting.

(b) Other Investments

The fair value of investment in golf club memberships is determined by reference to the membership fee of similar instrument at the reporting date.

(c) Derivative Assets

Forward currency contracts are valued using a valuation technique with market observation inputs. The fair value of the forward foreign currency contracts is determined by reference to discounting the difference between the contracted rate and the current forward price at the reporting date for the residual maturity of the contracts using risk-free interest rate (based on Government bonds).

(d) Borrowings

The fair value of finance lease payables and fixed rate term loan is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements.

The carrying amounts of financial assets and liabilities recognised in the statements of financial position approximate their fair values except for the following:-

	Group			
	2011		2010	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities				
Finance lease payables	46,263	43,788	13,192	15,366
Term loans	38,930,687	38,493,072	41,396,731	41,426,984

Notes to the Financial Statements
31 March 2011 (cont'd)

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group's capital includes its shareholders' funds and interest-bearing borrowings. The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes since the year ended 31 March 2010.

The Group is not subject to any externally imposed capital requirements.

34. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT OR LOSS

The following analysis of realised and unrealised retained profits of the Group and of the Company at 31 March 2011 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained profits of the Group and of the Company as at 31 March 2011 is analysed as follows:-

	Group RM	Company RM
Total retained profits of the Company and its subsidiary companies:-		
- realised	437,615,536	8,378,727
- unrealised	(34,960,568)	-
	402,654,968	8,378,727
Less: Consolidation adjustments	(95,480,234)	-
Total retained profits	307,174,734	8,378,727

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

Additional Compliance Information

A. Recurrent Related Party Transactions
During the financial year there were no recurrent related party transactions of revenue or trading nature involving the Directors and/or substantial shareholders of the Group.

B. Share Buy-back
During the financial year, the Company had not purchased any of its own shares.

C. Imposition of Sanctions and/or Penalties
There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by any relevant regulatory bodies during the financial year.

D. Non-Audit Fees Paid/Payable
The amount of non-audit fees paid/payable to the external auditor in respect of the financial year was RM11,000 (2010: RM7,400).

E. Variation in Result
There was no profit forecast announced by the Group for the financial year.

F. Profit Guarantees
There was no profit guarantee given by the Group for the financial year.

G. Revaluation of Landed Properties
The Company does not have a revaluation policy on its landed properties.

H. Options, Warrants or Convertible Derivatives
The Company did not issue any options, warrants or convertible securities during the financial year.

I. American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")
During the financial year, the Company did not sponsor any ADR or GDR programme.

J. Materials Contract
During the year, there were no materials contracts entered into by the Company and its subsidiaries which involved Directors' and major shareholders' interests.

K. Contracts Relating Loan
There were no contracts relating to loan by the Company and its subsidiaries in respect of item J.

List of Properties

As at 31 March 2011

Location Address	Existing Use	Approximate Age of Building	Tenure	Date of Acquisition	Area (m^2)	NBV (RM)
No.7, Kawasan Perusahaan Suria 45600 Bestari Jaya Selangor Darul Ehsan	Factory and office building	Between 1 to 16 years	Freehold	1995 to 2011	89,279 (build-up area)	75,270,933
GRN 193487, Lot 4864 Mukim of Batang Berjuntai Daerah Kuala Selangor Selangor Darul Ehsan	Industrial land	N/A	Freehold	1993	43,158	4,901,383
H.S.(D) 276179, P.T. No. 7320 Mukim of Batang Berjuntai Daerah Kuala Selangor Selangor Darul Ehsan	Industrial land	N/A	Freehold	2006 to 2007	57,987	10,031,396
GRN 284673, Lot 3396 Mukim of Batang Berjuntai Daerah Kuala Selangor Selangor Darul Ehsan	Industrial land	N/A	Freehold	2010	20,662	3,888,522
H.S.(D) 1742, P.T. No. 2965 Mukim of Batang Berjuntai Daerah Kuala Selangor Selangor Darul Ehsan	Vacant land	N/A	Leasehold expiring on 14 March 2090	1998	3,237	146,736
C-G-9, Jalan Dataran SD1 Dataran SD PJU 9 Bandar Sri Damansara 52200 Kuala Lumpur	4-storey office building	4 years	Leasehold expiring on 27 Aug 2102	2007	410 (build-up area)	1,697,841
No.2A, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single-storey house-hostel	7 years	Freehold	2009	143	196,934
No.6, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single-storey house-hostel	7 years	Freehold	2009	144	196,939
No.8, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single-storey house-hostel	7 years	Freehold	2009	145	196,944
No.10, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single-storey house-hostel	7 years	Freehold	2009	146	196,961
No.12, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single-storey house-hostel	7 years	Freehold	2010	147	202,089

Analysis of Shareholdings
As at 22 June 2011

Authorised Share Capital	:	RM250,000,000
Issued and Paid Up Share Capital	:	RM181,865,800 comprising 363,731,600 ordinary shares
Class of Shares	:	Ordinary share of RM0.50 each
Voting Rights	:	One vote per ordinary share
Number of Shareholders	:	2,251

SUBSTANTIAL SHAREHOLDERS

The following are the substantial shareholders of the Company according to the Register of Substantial Shareholders.

	Direct Interest		Indirect Interest	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Hartalega Industries Sdn Bhd	183,927,152	50.57	0	0
Kuan Kam Hon @ Kwan Kam Onn	0	0.00	183,927,152*	50.57
Kuan Kam Peng	0	0.00	183,927,152**	50.57
Sannusi bin Ngah	75,000	0.02	18,150,000***	4.99
Md Jais bin Ngah	0	0.00	18,150,000****	4.99
Budi Tenggara Sdn Bhd	18,150,000	4.99	0	0

* Deemed interest through his shareholding in Hartalega Industries Sdn Bhd by virtue of Section 6A of the Companies Act 1965.

** Deemed interest through his shareholding in Hartalega Industries Sdn Bhd by virtue of Section 6A of the Companies Act 1965.

*** Deemed interest through his shareholding in Budi Tenggara Sdn Bhd and his brother, Md Jais bin Ngah's shareholding in Budi Tenggara Sdn Bhd by virtue of Section 6A of the Companies Act 1965.

*** Deemed interest through his shareholding in Budi Tenggara Sdn Bhd and his brother, Sannusi bin Ngah's shareholding in Budi Tenggara Sdn Bhd by virtue of Section 6A of the Companies Act 1965.

Analysis of Shareholdings
As at 22 June 2011

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Kuan Kam Hon @ Kwan Kam Onn	0	0.00	183,927,152*	50.57
Kuan Mun Leong	688,500	0.19	0	0
Kuan Mun Keng	687,000	0.19	0	0
Liew Ben Poh	578,000	0.16	6,000#	0
Dato' Mohamed Zakri bin Abdul Rashid	570,500	0.16	25,500#	0.01
Chuah Phaik Sim	817,500	0.22	2,175,000**	0.60
Abdul Hamid bin Sh Mohamed	800,000	0.22	16,363,500***	4.50

* Deemed interest through his shareholding in Hartalega Industries Sdn Bhd by virtue of Section 6A of the Companies Act 1965.

** Deemed interest through her shareholding in Kinetic Region Sdn Bhd by virtue of Section 6A of the Companies Act 1965.

*** Deemed interest through his shareholding in Kelana Citra Sdn Bhd by virtue of Section 6A of the Companies Act 1965.

Shares held through spouse/children of the director who herself/himself is not Director of the Company.

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	41	1,608	0.00
100 - 1,000	427	340,440	0.09
1,001 - 10,000	1,256	4,984,705	1.37
10,001 to 100,000	401	13,170,950	3.62
100,001 to 18,186,579(*)	125	161,306,745	44.35
18,186,580 and above(**)	1	183,927,152	50.57
	2,251	363,731,600	100.00

Remark: * Less than 5% of issued holdings

** 5% and above of issued holdings

Analysis of Shareholdings
As at 22 June 2011

30 LARGEST SHAREHOLDERS AS AT 22 JUNE 2011

No.	Name of Shareholders	No. of Shares	%
1	HARTALEGA INDUSTRIES SDN BHD	183,927,152	50.57
2	BUDI TENGGARA SDN BHD	18,147,000	4.99
3	KELANA CITRA SDN BHD	16,363,500	4.50
4	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH (A/C CLIENTS-FGN)	14,820,150	4.07
5	KEVIN TEN	12,258,136	3.37
6	SEOW HOON HIN	11,337,800	3.12
7	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	10,584,600	2.91
8	JASON TEN JHIA SEENG	7,755,163	2.13
9	TYE HOLDINGS SDN BHD	5,700,000	1.57
10	PACIFIC VENUE SDN BHD	4,899,600	1.35
11	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (UK)	4,101,281	1.13
12	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (USA)	3,357,100	0.92
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC EQUITY FUND	3,036,300	0.83
14	KINETIC REGION SDN BHD	2,175,000	0.60
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	2,028,150	0.56
16	VALUECAP SDN BHD	2,000,000	0.55
17	KUAN EU JIN	1,715,250	0.47
18	RHB NOMINEES (ASING) SDN BHD MEDLINE INDUSTRIES INC	1,630,000	0.45
19	BHLB TRUSTEE BERHAD PUBLIC FOCUS SELECT FUND	1,598,400	0.44
20	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (CANADA)	1,293,900	0.36
21	LEE KIM TOH	1,256,750	0.35
22	TAN BOOI CHARN	1,230,000	0.34
23	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	1,101,300	0.30
24	LIM BOON KIONG	984,200	0.27
25	WOON CHUAN KEONG	955,000	0.26
26	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR J.P. MORGAN BANK LUXEMBOURG S.A.	952,200	0.26
27	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CLSA LIMITED (CUST-NON RES)	850,100	0.23
28	CHUAH PHAIK SIM	817,500	0.22
29	ABDUL HAMID BIN SH MOHAMED	800,000	0.22
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG GOON KHING (E-BTR)	800,000	0.22

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth (5th) Annual General Meeting of the Company will be held at the **Casuarina and Dillenia Room (Ground Floor), Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur,** on **Thursday, 18 August 2011**, at **9.30 a.m.** for the following purposes:-

AGENDA

AS ORDINARY BUSINESSES

1. To table the Audited Financial Statements for the year ended **31 March 2011** together with the Reports of the Directors and Auditors thereon. **(Please refer to Note A)**

2. To approve the payment of a final dividend of 6 sen per share single tier for the financial year ended **31 March 2011.** **(Resolution 1)**

3. To approve the payment of Directors' Fees totalling RM235,000 for the financial year ended **31 March 2011.** **(Resolution 2)**

4. (i) To re-elect the following Directors retiring in accordance with Article 91 of the Articles of Association of the Company:-
   (a) Madam Chuah Phaik Sim **(Resolution 3)**
   (b) Mr Kuan Mun Keng **(Resolution 4)**
   (ii) To re-elect the following Director retiring in accordance with Article 96 of the Articles of Association of the Company:-
   (a) Dr Danaraj A/L Nadarajah **(Resolution 5)**

5. To re-appoint Messrs. Moore Stephens AC as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass with or without any modifications, the following as Ordinary Resolutions:-

6. **ORDINARY RESOLUTION - AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965**

   "THAT subject to the Companies Act 1965, the Articles of Association of the Company and the approvals of the Securities Commission, Bursa Malaysia Securities Berhad and other relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act 1965 to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 7)**

Notice of Annual General Meeting

7. **ORDINARY RESOLUTION - PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY**

"THAT subject always to the provisions of the Companies Act 1965 ("Act"), the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of Shares in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:-

(i) The aggregate number of Shares bought-back does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any time;
(ii) The maximum amount of funds to be allocated for the Shares buy-back shall not exceed the Company's audited retained earnings and/or share premium account at any point in time;
(iii) The Shares purchased shall be treated in the following manner:-
    (a) The purchased Shares shall be cancelled; or
    (b) The purchased Shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
    (c) Part of the purchased Shares shall be retained as treasury shares and the remainder shall be cancelled; or
    (d) In such other manner as Bursa Securities and other relevant authorities may allow from time to time.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:-

(i) The conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
(ii) The expiration of the period within which the next AGM after that date is required by law to be held; or
(iii) Revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the Shares bought-back) in accordance with the provisions of the Act, the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements." **(Resolution 8)**

Notice of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final dividend of 6 sen per share single tier for the financial year ended 31 March 2011, if approved, will be paid on 21 September 2011 to depositors registered in the Record of Depositors at the close of business on 8 September 2011.

A depositor shall qualify for the dividend in respect of:-

a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 September 2011 in respect of ordinary transfers; and

b) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board

WONG MAW CHUAN (MIA 7413)
HOH KEAN NYUK (MAICSA 7043594)
Company Secretaries

Kuala Lumpur
26 July 2011

Notes:

(A) The Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

(1) A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies, (but not exceeding two (2) proxies), to attend and vote in his stead.

(2) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

(3) A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.

(4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(5) Where the Form of Proxy is executed by a corporation, it must be executed under its seal or under the hand of its attorney.

(6) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must, to be valid, be deposited at the office of the Company's Registrars, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, not less than forty-eight (48) hours before the time set for the meeting or at any adjournment thereof.

Explanatory notes on Special Business:

(7) Resolution 7

Ordinary Resolution - Authority to allot and issue shares pursuant to Section 132D of the Companies Act 1965

The proposed Ordinary Resolution 7 is a renewable mandate for the issue of shares under Section 132D of the Companies Act 1965. If passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares (other than bonus or rights issue) and for such purposes as they consider would be in the best interests of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to the placing of shares, funding future investment(s), acquisition(s) and working capital and thereby reducing administrative time and cost associated with the convening of such meeting(s). No shares has been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 18 August 2010.

(8) Resolution 8

Ordinary Resolution - Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 8 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.

Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company is set out in the Share Buy-Back Statements to Shareholders of the Company which is despatched together with this Annual Report.

Statement Accompanying the Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

There is no person seeking election as Director of the Company at this Fifth Annual General Meeting.

Proxy Form

Hartalega
Holdings Berhad (741883-X)

*I/We, ______________________________ NRIC / Company No. ______________
(Full Name in Capital Letters)

of ______________________________
(Address)

being a *member/members of **HARTALEGA HOLDINGS BERHAD**, hereby appoint ______________________________

______________________________ NRIC No. ______________
(Full Name in Capital Letters)

of ______________________________
(Address)

*and /or failing him/her, ______________________________ NRIC No. ______________
(Full Name in Capital Letters)

of ______________________________
(Address)

or failing *him/her/both, the Chairman of the Meeting as *my/our proxy to vote for* me/us on *my/our behalf at the **Fifth (5th) Annual General Meeting** of **Hartalega Holdings Berhad** to be held at **Casuarina and Dillenia Room (Ground Floor), Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur**, on **Thursday, 18 August 2011**, at **9.30 a.m.** or at any adjournment thereof.

The proportion of *my/our holding to be represented by *my/our proxies are as follows :-
(The next paragraph should be completed only when two proxies are appointed)

* First Proxy (1)______________ %

* Second Proxy (2) ______________ %

Number of Shares Held :

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of a final dividend of 6 sen per share single tier		
2.	To approve the payment of Directors' fees		
3.	To re-elect Madam Chuah Phaik Sim as Director		
4.	To re-elect Mr Kuan Mun Keng as Director		
5.	To re-elect Dr Danaraj A/L Nadarajah as Director		
6.	To re-appoint Messrs. Moore Stephens AC as Auditors and to authorise the Directors to fix their remuneration		
7.	To approve the Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act 1965		
8.	To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company		

*(Please indicate with an (X) in the appropriate spaces provided above as to how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at *his/her discretion).*

Dated this ______________ day of ______________ 2011

____
*Signature(s)/Common Seal of Shareholder(s)
*(*Delete where inapplicable)*

Notes:-
(1) A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies, (but not exceeding two (2) proxies), to attend and vote in his stead.
(2) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
(3) A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
(4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
(5) Where the Form of Proxy is executed by a corporation, it must be executed under its seal or under the hand of its attorney.
(6) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must, to be valid, be deposited at the office of the Company's Registrars, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, not less than forty-eight (48) hours before the time set for the meeting or at any adjournment thereof.

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Stamp

HARTALEGA HOLDINGS BERHAD (741883-X)
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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52200 Kuala Lumpur, Malaysia

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Email : info@hartalega-kl.com.my
Website : www.hartalega.com.my

FACTORY

No. 7, Kawasan Perusahaan Suria,
45600 Bestari Jaya, Selangor Darul Ehsan, Malaysia

Tel : 03 3280 3888
Fax : 03 3271 0135

Hartalega
Holdings Berhad (741883-X)

Addendum to the Hartalega Holdings Berhad's Annual Report 2011 in relation to the Audit Committee Report

To: All Shareholders of Hartalega Holdings Berhad ("HHB")

Dear Sir/Madam,

With reference to HHB Annual Report 2011, the Board of Directors of the Company wishes to inform that the highlighted statement of verification by the Audit Committee in relation to the allocation of options pursuant to a share scheme for employees as required under Rule 8.17 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad was inadvertently omitted from the Audit Committee Report as contained in page 41. The said Audit Committee Report shall therefore be read to include the statement as follow:-

STATEMENT OF VERIFICATION ON ALLOCATION OF OPTIONS PURSUANT TO EXECUTIVE SHARE OPTION SCHEME

Rule 8.17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires a statement by the Audit Committee to verify the allocation of options under the Executive Share Option Scheme ("ESOS") for compliance with the criteria for allocation of options, at the end of each financial year.

The Audit Committee has verified the allocation of share options pursuant to the ESOS is in compliance with criteria as set out in the ESOS Bye-Laws.

During the financial year ended 31 March 2011, there was an allocation of 7,186,000 share options granted (after adjustment for bonus issue) which were accepted by the eligible employees of the Group pursuant to the ESOS.

BY ORDER OF THE BOARD

WONG MAW CHUAN (MIA 7413)
HOH KEAN NYUK (MAICSA 7043594)
Company Secretaries

Kuala Lumpur
26 July 2011