

**HARTALEGA HOLDINGS BERHAD**(Company No. 741883-X)**Condensed Consolidated Income Statement****For the fourth quarter ended 31 March 2010 (Unaudited)**

	Current Quarter Ended 31 Mar 2010 RM'000	Corresponding Quarter Ended 31 Mar 2009 RM'000	Cumulative Year-To-Date 31 Mar 2010 RM'000	Audited Corresponding Year-To-Date 31 Mar 2009 RM'000
Revenue	163,385	124,816	571,892	443,204
Operating expenses	(106,285)	(96,720)	(394,014)	(357,735)
Other operating income	272	7,023	3,432	12,443
Finance costs	(810)	(1,109)	(3,372)	(2,429)
Profit before tax	<u>56,562</u>	<u>34,010</u>	<u>177,938</u>	<u>95,483</u>
Taxation	(10,107)	(3,030)	(34,688)	(10,955)
Net profit for the period	<u>46,455</u>	<u>30,980</u>	<u>143,250</u>	<u>84,528</u>
Attributable to:				
Equity holders of the parent	46,409	31,008	143,090	84,511
Minority Interest	46	(28)	160	17
	<u>46,455</u>	<u>30,980</u>	<u>143,250</u>	<u>84,528</u>
EPS - Basic ( sen )	19.15	12.80	59.05	34.88
- Diluted ( sen )	-	-	-	-

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying notes attached to this interim financial report.)

**HARTALEGA HOLDINGS BERHAD**(Company No. 741883-X)  
**Condensed Consolidated Balance Sheet as at 31 March 2010 (Unaudited)**

	<i>At 31 Mar 2010</i> <i>RM'000</i>	<i>Audited</i> <i>At 31 Mar 2009</i> <i>RM'000</i>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, Plant & Equipment	284,218	246,072
Capital work in progress	8,399	-
Prepaid land lease payment	148	150
Other investment	175	175
	<u>292,940</u>	<u>246,397</u>
<b>Current assets</b>		
Inventories	28,069	24,595
Trade receivables	77,687	57,579
Other receivables, deposits and prepayment	3,002	7,924
Tax assets	58	88
Cash & bank balances	74,731	38,260
	<u>183,547</u>	<u>128,446</u>
<b>TOTAL ASSETS</b>	<u>476,487</u>	<u>374,843</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	121,156	121,156
Reserves	233,113	133,259
<b>Shareholders' equity</b>	<u>354,269</u>	<u>254,415</u>
<b>Minority interest</b>	304	85
<b>Total Equity</b>	<u>354,573</u>	<u>254,500</u>
<b>Non current liabilities</b>		
Long term borrowing	27,688	42,677
Deferred tax liabilities	27,782	24,821
	<u>55,470</u>	<u>67,498</u>
<b>Current liabilities</b>		
Trade payables	23,645	17,782
Other payables and accruals	18,270	18,423
Amount owing to directors	3	3
Short term borrowing	13,721	15,078
Tax payables	10,805	1,559
	<u>66,444</u>	<u>52,845</u>
<b>Total Liabilities</b>	<u>121,914</u>	<u>120,343</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>476,487</u>	<u>374,843</u>
Net assets per share attributable to the equity holders of the parent (sen)	146.20	104.99

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying notes attached to this interim financial report)

**HARTALEGA HOLDINGS BERHAD**(Company No. 741883-X)**Condensed Consolidated Statement of Changes in Equity****For the fourth quarter ended 31 March 2010 (Unaudited)**

	<-----Attributable to the equity holders of the parent ----->							
	<i>Share Capital</i>	<i>Share Premium</i>	<i>Translation Reserve</i>	<i>Share-based Payment Reserve</i>	<i>Retained Profit</i>	<i>Sub Total</i>	<i>Minority Interest</i>	<i>Total Equity</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<b>12 Months Ended 31 March 2010</b>								
<b>Balance as at 01 April 2009</b>	121,156	792	(134)	352	132,249	254,415	85	254,500
Foreign exchange translation difference			256			256	59	315
Share-based payment reserves				124		124		124
Transfer from share-based payment reserves				(104)	104	-		-
Net profit for the period					143,090	143,090	160	143,250
Second interim tax exempt dividend 4 sen per share for FYE 31 March 2009					(9,692)	(9,692)		(9,692)
Final tax exempt dividend 4 sen per share for FYE 31 March 2009					(9,692)	(9,692)		(9,692)
First interim single tier dividend 5 sen per share for FYE 31 March 2010					(12,116)	(12,116)		(12,116)
Second interim single tier dividend 5 sen per share for FYE 31 March 2010					(12,116)	(12,116)		(12,116)
<b>Balance as at 31 March 2010</b>	<b>121,156</b>	<b>792</b>	<b>122</b>	<b>372</b>	<b>231,827</b>	<b>354,269</b>	<b>304</b>	<b>354,573</b>
<b>12 Months Ended 31 March 2009</b>								
<b>Balance as at 01 April 2008</b>	121,156	792	89	-	57,430	179,467	122	179,589
Foreign exchange translation difference			(223)			(223)	(54)	(277)
Share-Based Payment Reserves				352		352		352
Net profit for the period					84,511	84,511	17	84,528
First interim tax exempt dividend 4 sen per share for FYE 31 March 2010					(9,692)	(9,692)		(9,692)
<b>Balance as at 31 March 2009</b>	<b>121,156</b>	<b>792</b>	<b>(134)</b>	<b>352</b>	<b>132,249</b>	<b>254,415</b>	<b>85</b>	<b>254,500</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying notes attached to this interim financial report.)

**HARTALEGA HOLDINGS BERHAD**(Company No. 741883-X)**Condensed Consolidated Cash Flow Statements****For the fourth quarter ended 31 March 2010 (Unaudited)**

	Current Year-To-Date 31 Mar 2010 RM'000	Audited Corresponding Year-To-Date 31 Mar 2009 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before tax	177,938	95,482
Adjustment for:		
Non cash items	25,833	17,906
Operating profit before changes in working capital	203,771	113,388
Changes in working capital		
Net change in inventories	(3,474)	(2,543)
Net change in receivables	(18,413)	(25,995)
Net change in payables	5,710	7,195
Cash generated from operations	187,594	92,045
Interest paid	(3,372)	(3,329)
Interest received	1,274	205
Taxation paid	(22,451)	(3,880)
<b>Net cash from operating activities</b>	<b>163,045</b>	<b>85,041</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	329	75
Capital work in progress incurred	(49,988)	(43,044)
Purchase of property, plant and equipment	(16,921)	(17,805)
Placement of fixed deposit	-	(76)
<b>Net cash used in investing activities</b>	<b>(66,580)</b>	<b>(60,850)</b>
<b>Cash Flows from Financing Activities</b>		
Draw down of term loan	-	36,300
Repayment of term loan	(16,334)	(9,844)
Bank borrowings (BA, ECR, OFCL)	-	(12,319)
Repayment of finance lease	(11)	(8)
Dividend paid	(43,616)	(8,481)
<b>Net cash (used in)/generated from financing activities</b>	<b>(59,961)</b>	<b>5,648</b>
<b>Net change in cash &amp; cash equivalents</b>	<b>36,504</b>	<b>29,839</b>
<b>Cash &amp; cash equivalents at beginning of period</b>	<b>38,151</b>	<b>8,312</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>74,655</b>	<b>38,151</b>
<b>Cash &amp; cash equivalents at end of period comprise:</b>		
Deposits with licensed banks	57,808	22,559
Cash in hand and at banks	16,923	15,701
	74,731	38,260
Less : Fixed deposit pledged	(76)	(109)
	74,655	38,151

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying notes attached to this interim financial report.)



**Notes to the Interim financial report for the Fourth Quarter ended 31 March 2010**

**A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with requirement of Financial Reporting Standard 134 (FRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B part A of the Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Bhd (“Bursa Securities”).

The accounting policies and methods of computation adopted in the preparation of this financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 March 2009.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to this interim financial report.

**A2. Auditors’ Report**

The auditors’ report for the immediate preceding annual financial statements of the Company for the financial year ended 31 March 2009 is not qualified.

**A3. Seasonal and Cyclical Factors**

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

**A4. Items of Unusual Nature and Amount**

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

**A5. Changes in Estimates**

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

**A6. Issuances, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year-to-date.



**A7. Dividend Paid**

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

- (a) Second interim dividend of 4 sen per share tax exempt amounting to RM9,692,480 in respect of the financial year ended 31 March 2009 paid on 1 July 2009.
- (b) Final dividend of 4 sen per share tax exempt amounting to RM9,692,480 in respect of the financial year ended 31 March 2009 paid on 8 October 2009.
- (c) Payment of the differences of 0.5 sen per share amounting to RM1,211,560 on 6 November 2009 arising from the amendment of frank dividend to single tier dividend for the first interim dividend in respect of the financial year ended 31 March 2009 as per announcement dated 19 October 2009.
- (d) First interim dividend of 5 sen per share single tier amounting to RM12,115,600 in respect of the financial year ended 31 March 2010 paid on 24 December 2009.
- (e) Second interim dividend of 5 sen per share single tier amounting to RM12,115,600 in respect of the financial year ended 31 March 2010 paid on 25 March 2010.

**A8. Segmental Reporting**

Segmental reporting is not provided as the Group's primary business segment is principally engaged in the manufacturing and sale of gloves and its operation is principally located in Malaysia.

**A9. Valuation of property, plant and equipment**

The valuations of property plant and equipment have been brought forward without amendment from the previous annual financial statements.

**A10. Capital Commitments**

Capital commitment as at end of the current quarter and financial year-to-date are as follows:-

	31 March 2010
	RM'000
Approved and contracted for	20,678
Approved but not contracted for	29,336
Total	<hr/> 50,014 <hr/>

**A11. Material Events Subsequent to the End of Period Reported**

There were no material events subsequent to 31 March 2010 up to latest practicable date, 5 May 2010 that have not been reflected in the financial statements for the current quarter and financial year-to-date.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group in the current quarter and financial year-to-date.

**A13. Contingent liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets that had arisen since the last annual balance sheet date.



**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS**

**B1. Review of Performance of the Company and its Subsidiaries**

The Group's performance for the quarter under review versus the corresponding quarter of the previous financial year is tabled below:

	4rd Quarter ended 31 March 2010	4rd Quarter ended 31 March 2009	Variance	
	RM'000	RM'000	RM'000	%
Revenue	163,385	124,816	38,569	30.9
Profit before tax	56,562	34,010	22,552	66.3

Quarter to quarter, the Group's sales revenue increased by 30.9% and profit before tax increased by 66.3%. The significant achievement in revenue and profit before tax is in line with the Group's continuous expansion in production capacity, increase in demand, improvement in production processes and better cost control.

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

	Current Quarter ended 31 Mar 2010	Preceding Quarter ended 31 Dec 2009	Variance	
	RM'000	RM'000	RM'000	%
Revenue	163,385	148,599	14,786	10.0
Profit before tax	56,562	47,477	9,085	19.1

In the current quarter, the Group's revenue was 10.0% higher and the profit before tax was 19.1% higher when compared to the preceding quarter. The increase in profit before tax is due to increase in demand, effective cost control and increase in average selling price of both nitrile and latex gloves.

**B3. Commentary on Prospects and Targets**

Our Group's products are sold to the Health Care Industry. Glove consumption is inelastic in the medical environment because the usage of glove is mandatory for disease control. Our nitrile synthetic glove was well accepted by the end users due to its high quality and elastic properties that mimic that of a natural rubber glove. Our protein free and competitive priced nitrile glove has made it more affordable for the acute health care industry to continue switching from the natural rubber to our synthetic nitrile glove to avoid the protein allergy problem.



Demand for gloves remains strong for both synthetic and natural latex gloves. We have commissioned 2 new advanced high capacity glove production lines for the financial year ended 31 March 2010. With continuous growth in demand for gloves from the healthcare and food sector, the Group has a positive outlook.

The Group has achieved the internal target growth for both sales revenue and net profit for the financial year ended 31 March 2010. The Board of Directors is optimistic that the Group will achieve continuous growth and securing better results for the next financial year.

**B4. Variance of Profit Forecast/Profit Guarantee**

Not applicable as no profit forecast/profit guarantee was issued.

**B5. Taxation**

	Current quarter	Current year-to-date
	RM'000	RM'000
Current tax expense	9,924	31,461
Under provision in prior years	0	267
Deferred tax expense	183	2,960
	<u>10,107</u>	<u>34,688</u>

The effective tax rate of the Group is lower than the statutory tax rate for the current quarter and financial year-to-date is mainly due to the availability of reinvestment allowances arising from the acquisition of qualifying property, plant and equipment.

**B6. Profit from Sale of Unquoted Investments and/or Properties**

There was no disposal of unquoted investments or properties in the current quarter and financial year-to-date.

**B7. Quoted Securities**

- (a) There were no purchases or disposal of quoted securities in the current quarter and financial year-to-date.
- (b) There was no investment in quoted securities as at end of the reporting period.

**B8. Status of Corporate Proposal**

There was no corporate proposal announced or not completed as at the latest practicable date 5 May 2010.





## B9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2010 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings</u>			
Term Loans (USD denominated)	6,644	-	6,644
Term Loans (RM denominated)	7,068	-	7,068
Finance Lease (USD denominated)	9	-	9
	<hr/> 13,721	<hr/> -	<hr/> 13,721
<u>Long term borrowings</u>			
Term Loans (USD denominated)	6,699	-	6,699
Term Loans (RM denominated)	20,985	-	20,985
Finance Lease (USD denominated)	4	-	4
	<hr/> 27,688	<hr/> -	<hr/> 27,688

## B10. Off Balance Sheet Financial Instruments

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

At the latest practicable date, 5 May 2010, the Group has entered into foreign currency forward contracts with the following notional amounts:

Hedged item in RM	Contract Rates	Total Notional Amount	Maturity Within 4 Month
Trade receivables and anticipated sales	RM3.2090 to RM3.4635	USD36,500,000	USD36,500,000

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

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

## B11. Material Litigation

As at the latest practicable date, 5 May 2010, there are no material litigations against the Group or taken by the Group.



## **B12. Dividend**

The Board has declared a third interim dividend of 5 sen per share single tier in respect of the financial year ended 31 March 2010 and payable on 25 June 2010. The entitlement date has been fixed on 27 May 2010.

Based on the number of ordinary shares in issue and with voting rights as at 11 May 2010 of 242,312,000, the third interim dividend distribution for the financial year ended 31 March 2010 is approximate RM12,115,600 representing about 8.5% of the attributable profit of the Group for the financial year ended 31 March 2010.

A depositor shall qualify for the entitlement only in respect of:

(a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 27 May 2010 in respect of ordinary transfers.

(b) Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the rules of BMSB.

The Board of directors also proposed a final dividend of 5 sen per share single tier amounting to RM12,115,600 in respect of the financial year ended 31 March 2010, subject to the shareholders' approval at the forthcoming Annual General Meeting.

The total dividend declared and proposed for the current financial year ended 31 March 2010 was 20 sen per share.

## **B13. Earnings per Share**

<b>Basic Earnings Per Share</b>	<b>Current Quarter Ended 31/03/2010</b>	<b>Corresponding Quarter Ended 31/03/2009</b>	<b>Cumulative Year-To- Date 31/03/2010</b>	<b>Corresponding Year-To-Date 31/03/2009</b>
Profit attributable to equity holders of the parent (RM'000)	46,409	31,008	143,090	84,511
Weighted average number of ordinary shares in issue ('000)	242,312	242,312	242,312	242,312
Basic earnings per share (sen)	19.15	12.80	59.05	34.88