

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2014  
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.08.2014 RM'000	31.08.2013 RM'000	31.08.2014 RM'000	31.08.2013 RM'000
Revenue	358,833	416,953	358,833	416,953
Cost of Sales	<u>(332,779)</u>	<u>(387,324)</u>	<u>(332,779)</u>	<u>(387,324)</u>
<b>Gross Profit</b>	26,054	29,629	26,054	29,629
Other income	411	582	411	582
Selling and distribution expenses	(11,246)	(13,969)	(11,246)	(13,969)
Administrative expenses	(8,189)	(9,958)	(8,189)	(9,958)
Other expenses	(265)	(539)	(265)	(539)
Finance cost	<u>(2,147)</u>	<u>(2,257)</u>	<u>(2,147)</u>	<u>(2,257)</u>
<b>Profit before taxation</b>	4,618	3,488	4,618	3,488
Taxation	<u>(2,047)</u>	<u>(1,645)</u>	<u>(2,047)</u>	<u>(1,645)</u>
<b>Profit for the period</b>	<u>2,571</u>	<u>1,843</u>	<u>2,571</u>	<u>1,843</u>
Profit attributable to:				
Owners of the parent	2,925	2,334	2,925	2,334
Non-controlling interests	<u>(354)</u>	<u>(491)</u>	<u>(354)</u>	<u>(491)</u>
	<u>2,571</u>	<u>1,843</u>	<u>2,571</u>	<u>1,843</u>
Earnings per share attributable to owners of the parent (sen)				
- basic	1.52	1.21	1.52	1.21
- diluted	N/A	N/A	N/A	N/A

**(The Condensed Consolidated Income Statements should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2014)**

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2014  
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.08.2014 RM'000	31.08.2013 RM'000	31.08.2014 RM'000	31.08.2013 RM'000
<b>Profit for the period</b>	<u>2,571</u>	<u>1,843</u>	<u>2,571</u>	<u>1,843</u>
Other comprehensive (loss)/income:				
Currency translation differences	<u>(2,933)</u>	<u>3,812</u>	<u>(2,933)</u>	<u>3,812</u>
<b>Other comprehensive (loss)/income for the period</b>	<u>(2,933)</u>	<u>3,812</u>	<u>(2,933)</u>	<u>3,812</u>
<b>Total comprehensive (loss)/income for the period</b>	<u>(362)</u>	<u>5,655</u>	<u>(362)</u>	<u>5,655</u>
Total comprehensive income attributable to:				
Owners of the parent	394	6,134	394	6,134
Non-controlling interests	<u>(756)</u>	<u>(479)</u>	<u>(756)</u>	<u>(479)</u>
	<u>(362)</u>	<u>5,655</u>	<u>(362)</u>	<u>5,655</u>

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2014)

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 AUGUST 2014**

	<b>As at 31.08.2014 RM'000 (Unaudited)</b>	<b>As at 31.05.2014 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,156	59,750
Goodwill arising on consolidation	82,934	84,065
Deferred tax assets	29,600	29,487
	<u>171,690</u>	<u>173,302</u>
<b>Current assets</b>		
Inventories	104,072	108,394
Trade debtors	221,833	220,874
Other debtors, deposits and prepayments	26,319	19,306
Investment securities	417	428
Tax recoverable	2,913	2,791
Amount owing by related companies	11,943	11,718
Derivative assets	12	17
Short-term deposits	9,320	8,876
Cash and bank balances	55,549	67,449
	<u>432,378</u>	<u>439,853</u>
<b>TOTAL ASSETS</b>	<b><u>604,068</u></b>	<b><u>613,155</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	194,338	194,338
Reserves	(2,479)	52
Retained profits	98,310	95,385
Less: Treasury shares, at cost	(882)	(869)
	<u>289,287</u>	<u>288,906</u>
<b>Non-controlling interests</b>	11,472	12,320
	<u>300,759</u>	<u>301,226</u>
<b>Total equity</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,671	1,654
Long term borrowings	5,908	48
Provision for retirement benefits	2,936	2,882
	<u>10,515</u>	<u>4,584</u>
<b>Current liabilities</b>		
Trade creditors	127,626	134,970
Other creditors and accrued expenses	23,466	18,414
Amount owing to related companies	1	-
Short-term borrowings	140,570	153,592
Provision for taxation	1,131	369
	<u>292,794</u>	<u>307,345</u>
<b>Total liabilities</b>	<u>303,309</u>	<u>311,929</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>604,068</u></b>	<b><u>613,155</u></b>
Net Assets per share attributable to owners of the parent (RM)	1.50	1.50

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2014)

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

	<----- Attributable to owners of the parent ----->						Non-	
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total RM'000	controlling interests RM'000	Total equity RM'000
<b><u>3 months quarter ended 31 August 2014</u></b>								
Balance as at 01 June 2014	194,338	805	(753)	95,385	(869)	288,906	12,320	301,226
Total comprehensive (loss)/income for the year	-	-	(2,531)	2,925	-	394	(756)	(362)
<b>Transactions with owners</b>								
Winding up of subsidiary	-	-	-	-	-	-	(92)	(92)
Repurchase of shares	-	-	-	-	(13)	(13)	-	(13)
Total transactions with owners	-	-	-	-	(13)	(13)	(92)	(105)
Balance as at 31 August 2014	<u>194,338</u>	<u>805</u>	<u>(3,284)</u>	<u>98,310</u>	<u>(882)</u>	<u>289,287</u>	<u>11,472</u>	<u>300,759</u>
<b><u>3 months quarter ended 31 August 2013</u></b>								
Balance as at 01 June 2013	194,338	805	(136)	90,321	(735)	284,593	3,092	287,685
Total comprehensive income/(loss) for the year	-	-	3,800	2,334	-	6,134	(479)	5,655
<b>Transactions with owners</b>								
Additional interests in subsidiary	-	-	-	-	-	-	2,369	2,369
Total transactions with owners	-	-	-	-	-	-	2,369	2,369
Balance as at 31 August 2013	<u>194,338</u>	<u>805</u>	<u>3,664</u>	<u>92,655</u>	<u>(735)</u>	<u>290,727</u>	<u>4,982</u>	<u>295,709</u>

**(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2014)**

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
FOR THE PERIOD ENDED 31 AUGUST 2014

	FY 2015 3 months ended 31.08.2014 RM'000 (Unaudited)	FY 2014 3 months ended 31.08.2013 RM'000 (Unaudited)
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	4,618	3,488
Adjustments for non-cash items	4,466	4,470
Operating cash flows before working capital changes	9,084	7,958
<b>Working Capital Changes</b>		
Receivables	(9,794)	(5,180)
Inventories	2,737	45,052
Payables	(2,105)	(21,030)
Group companies	925	(1,528)
Cash flows generated from operations	847	25,272
Income tax paid	(1,858)	(2,161)
Retirement benefits paid	-	(130)
<b>Net Cash Flows (Used In)/Generated From Operating Activities</b>	<b>(1,011)</b>	<b>22,981</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(1,299)	(216)
Distribution of surplus assets to minority interests on winding up of a subsidiary	(92)	-
Conversion of loan from non-controlling interests to share capital in a subsidiary	-	2,369
Interest received	353	278
Dividend received	-	8
<b>Net Cash Flows (Used In) /Generated From Investing Activities</b>	<b>(1,038)</b>	<b>2,440</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of hire-purchase creditors	(22)	(5)
Drawdown of term loans and advances	30,982	56,151
Repayment of term loans and advances	(37,465)	(62,540)
Purchase of Company's own shares	(13)	-
Interest paid	(2,147)	(2,257)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(8,665)</b>	<b>(8,651)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(10,714)</b>	<b>16,770</b>
<b>Effects of Exchange Rate Changes</b>	<b>(1,394)</b>	<b>(417)</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b>76,325</b>	<b>46,462</b>
<b>Effects of Exchange Rate Changes</b>	<b>652</b>	<b>12</b>
	<b>76,977</b>	<b>46,474</b>
<b>Cash and Cash Equivalents at end of period</b>	<b>64,869</b>	<b>62,827</b>
<b>The Cash and Cash Equivalents comprise:</b>		
Cash and bank balances	55,549	48,998
Short-term deposits	9,320	13,829
	<b>64,869</b>	<b>62,827</b>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2014)



(Incorporated in Malaysia)  
(Company No.: 9378-T)

## **Notes to the Interim Financial Report – For the 1<sup>st</sup> Financial Quarter Ended 31 August 2014**

<b>A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING AND BURSA SECURITIES LISTING REQUIREMENTS</b>
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### **A1. Basis of Preparation**

This Interim Financial Report (“Report”) is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”). This Report complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

This Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2014.

These notes to the Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2014.

### **A2. Significant accounting policies**

The significant accounting policies and methods of computation adopted by the Group in this Report are consistent with those adopted in the most recent audited financial statements for the year ended 31 May 2014 except for the adoption of the following Amendments to MFRSs and IC Interpretation (collectively referred to as “pronouncements”) which are applicable to the Group for the financial year beginning 1 June 2014 and are relevant to its operations:

#### **Amendments to MFRSs and IC Interpretation**

##### **Amendments to**

MFRS 10, MFRS 12 and MFRS 127	Investment Entities
MFRS 132	Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting

##### **IC Interpretation**

IC Interpretation 21	Levies
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The adoption of the above pronouncements will have no material impact on the financial statements of the Group and of the Company.

### **A3. Seasonality or Cyclicity of Interim Operations**

The operations of the Group were not significantly affected by seasonality and cyclicity factors.

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

There were no items affecting the assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence.

**A5. Changes in Estimates Reported in Prior Interim Periods**

There were no changes in estimated amounts reported in prior periods, which have a material effect on the current period.

**A6. Debts and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter and financial year-to-date, except for the following:

Treasury shares:

At the Company's 43<sup>rd</sup> Annual General Meeting held on 20 November 2013, the shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to 10% of its own ordinary shares. For the current quarter and the financial year-to-date, the Company purchased 20,000 of ordinary shares of RM1.00 each in the Company pursuant to Section 67A of the Companies Act, 1965, details of which are as follows:

Date	No. of Shares	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total Consideration (RM)
August 2014	20,000	0.6700	0.6650	0.6675	13,408

*Notes: The consideration is inclusive of brokerage, contract stamp and clearing fees.*

As at 31 August 2014, a total of 1,550,924 treasury shares at a total cost of RM882,117 were held by the Company pursuant to Section 67A (3A) (b) of the Companies Act, 1965.

**A7. Dividend Paid**

The Company has not declared/paid any dividend for the current financial year-to-date.

**A8. Segment Revenue and Results**

The segment revenue and segment results for business segments for the current financial year-to-date are as follows: -

<b>3-Month period ended 31.08.2014</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External sales	29,505	329,328	-	-	358,833
Inter-segment sales	-	92	-	(92)	-
<b>Total revenue</b>	<b>29,505</b>	<b>329,420</b>	<b>-</b>	<b>(92)</b>	<b>358,833</b>

<b>3-Month period ended 31.08.2014</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Results</b>					
Segment result	2,947	5,254	(1,436)	-	6,765
Finance costs					(2,147)
Profit before taxation					4,618
Taxation					(2,047)
Net profit for the period					2,571
Non-controlling interests					354
Net profit after non-controlling interests					2,925
<b>3-Month period ended 31.08.2013</b>					
	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External sales	30,088	386,865	-	-	416,953
Inter-segment sales	-	44	-	(44)	-
<b>Total revenue</b>	<b>30,088</b>	<b>386,908</b>	<b>-</b>	<b>(44)</b>	<b>416,953</b>
<b>Results</b>					
Segment result	3,314	3,892	(1,461)	-	5,745
Finance costs					(2,257)
Profit before taxation					3,488
Taxation					(1,645)
Net profit for the period					1,843
Non-controlling interests					491
Net profit after non-controlling interests					2,334

#### **A9. Valuation of Property, Plant and Equipment**

The valuations of land and buildings have been brought forward, without amendment from the Audited Financial Statements for the financial year ended 31 May 2014. The carrying values are based on valuations carried out in 1985 by independent qualified valuers less accumulated depreciation. Upon transition to MFRS 1 on 1 June 2011, the Group elected to use the previously revalued leasehold land and buildings carrying amounts as deemed cost.

#### **A10. Material Events Subsequent to the End of the Current Period**

There were no material events subsequent to the end of the current period up to the date of this Report that have not been reflected in the financial statements for the current period.

#### **A11. Changes in Composition of the Group**

There were no material changes in the composition of the Group for the current quarter and financial year-to-date including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuing operations.

#### **A12. Contingent Liabilities**

There were no contingent liabilities since the last annual Statements of Financial Position as at 31 May 2014.

**A13. Capital Commitment**

The capital commitments as at 31 August 2014 are as follows:

	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted	19,619
- Approved but not contracted	113
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	19,732
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<b>B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS</b>
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**B1. Detailed Analysis of the Performance of All Operating Segments of the Group for the Current Quarter and Financial Year-To-Date**

For the three months ended 31 August 2014, the Nylex Group achieved lower sales of RM358.8 million, which represents a decrease of 13.9% from RM417.0 million recorded in the same period last financial year. The reduction in sales was due to lower contribution from both the Industrial Chemical Division and Polymer Division. Despite lower sales, the Group recorded higher profit before tax ("PBT") of RM4.6 million, compared to RM3.5 million recorded in the corresponding period last year due mainly to higher profit contribution from the Industrial Chemical Division.

The Polymer Division achieved lower sales of RM29.5 million for the current financial quarter, which represents a slight decrease of 1.9% from RM30.1 million in the corresponding quarter in Q1 FY 2014 due to lower contribution by its manufacturing plant in Surabaya, Indonesia. Consequently, the Division registered lower PBT of RM2.6 million compared with RM3.2 million achieved in the same period last year. The continued weakening of the Indonesian Rupiah coupled with the competition in the domestic market have eroded our margins.

The Industrial Chemical Division has also recorded lower sales of RM329.3 million for the quarter, a decrease of 14.9% compared with RM386.9 million recorded in the same period last year. This was mainly attributed to lower sales by our subsidiaries in Indonesia due to product rationalization where we have discontinued marketing certain products which were loss making. Despite lower sales, the Division contributed higher PBT of RM3.8 million to the Group for Q1 FY 2015 as compared to RM2.1 million achieved in the same period last year. The improved performance of the Division is due to lower losses suffered by foreign subsidiaries as well as higher profit contribution from our local distribution and manufacturing units. Due to short supply of certain products in the market, we have benefited from generating higher margins for some of our products.

**B2. Material Change in the Profit Before Taxation for the Current Quarter as compared with Immediate Preceding Quarter**

For the current quarter under review, the Group achieved lower sales of RM358.8 million but a higher PBT of RM4.6 million compared to sales of RM376.8 million and PBT of RM2.5 million achieved in the immediate preceding quarter.

Despite lower sales achieved for the current quarter, higher PBT of RM4.6 million was recorded compared with immediate preceding quarter of RM2.5 million as the immediate preceding quarter's PBT of RM2.5 million was arrived at after taking into account the impairment of goodwill of about RM5.0 million.

**B3. Current Year's Prospects**

The Board expects the trading environment for the remaining period ending 31 May 2015 will continue to be challenging where there will be pressure on product margins for both the Industrial Chemical Division and Polymer Division.

The Board will continue to seek ways to improve its profitability.

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

This is not applicable as there was no forecast profit or profit guarantee issued in respect of the current financial year.

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year 31.08.2014 RM'000	Preceding Year 31.08.2013 RM'000	Current Year 31.08.2014 RM'000	Preceding year 31.08.2013 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(2,039)	(1,565)	(2,039)	(1,565)
Foreign	(470)	(726)	(470)	(726)
- Deferred tax	462	646	462	646
	<u>(2,047)</u>	<u>(1,645)</u>	<u>(2,047)</u>	<u>(1,645)</u>

The effective tax rate of the Group is higher than the statutory tax rate mainly due to certain expenses which are not deductible for tax purposes and also the losses recorded in certain foreign subsidiaries in the current financial period were not allowed for any tax benefit in the Group.

**B6. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.

**B7. Utilisation of Proceeds**

Not applicable as the Company has not raised any proceeds from any of its corporate exercise.

**B8. Group Borrowings**

	As At 31.08.2014 (RM'000 equivalent)	As At 31.05.2014 (RM'000 equivalent)
<b>Short-term borrowings</b>		
Secured		
- Indonesian Rupiah	168	210
- Vietnam Dong	1,796	1,495
- United States Dollar	<u>29,462</u>	<u>23,517</u>
	<u>31,426</u>	<u>25,222</u>
Unsecured		
- Ringgit Malaysia	107,070	125,479
- United States Dollar	<u>2,074</u>	<u>2,891</u>
	<u>109,144</u>	<u>128,370</u>
	<u>140,570</u>	<u>153,592</u>
<b>Long-term borrowings</b>		
Secured		
- Indonesian Rupiah	<u>5,908</u>	<u>48</u>
<b>Total Borrowings</b>	<u>146,478</u>	<u>153,640</u>

**B9. Derivatives Financial Instruments**

The Group has entered into foreign exchange derivatives to manage the exposure to foreign exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies.

The Foreign exchange derivatives are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

The outstanding foreign exchange derivatives as at 31 August 2014 are as follows:

Type of Derivatives	Currency	Contract/Notional Value RM'000	Fair Value RM'000
Foreign exchange - Less than 1 year	USD	950	938

The above derivatives were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currencies denominated financial assets and liabilities.

There is minimal credit risk as the derivatives were entered into with reputable banks.

**B10. Disclosure of Realised and Unrealised Profits/Losses**

Bursa Securities has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed issuers to disclose the breakdown of unappropriated profits or accumulated losses as at the end of the reporting period, on a group basis, into realised and unrealised profits or losses, as the case may be, in the notes to its quarterly reports.

The breakdown of retained profits of the Group as at 31 August 2014, pursuant to the format prescribed by Bursa Securities, is as follows:

	<b>As At End of Current Quarter 31.08.2014 RM'000</b>	<b>As At End of Last Financial Year 31.05.2014 RM'000</b>
Total retained profits of Nylex (Malaysia) Berhad and its subsidiaries:		
- Realised	125,473	122,119
- Unrealised	27,778	28,796
	<u>153,251</u>	<u>150,915</u>
Less: Consolidation adjustments	(54,941)	(55,530)
Total Group retained profits as per consolidated accounts	<u>98,310</u>	<u>95,385</u>

**B11. Notes to the Statements of Comprehensive Income for the Current Quarter and Financial Year-To-Date**

The Profit Before Taxation was arrived at after charging/(crediting) the following:

	<b>Current Quarter 31.08.2014 RM'000</b>	<b>Financial Year-To-Date 31.08.2014 RM'000</b>
Interest income	(353)	(353)
Dividend income	0	0
Interest expense	2,147	2,147
Depreciation and amortisation	1,539	1,539
Write back of impairment of receivables	(76)	(76)
Provision for and write off of inventories	405	405
Loss on disposal of unquoted investments	0	0
Loss on foreign exchange	1,242	1,242
Impairment of goodwill	0	0
Fair value loss on investments	11	11
Fair value gain on derivatives	(12)	(12)

**B12. Material Litigation**

There was no material litigation since the date of the last annual Statements of Financial Position as at 31 May 2014.

**B13. Dividends**

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2014: Nil).

**B14. Earnings per Share**

*Basic Earnings Per Share*

The calculation of basic earnings per share was based on the net profit attributable to owners of the parent for the current quarter and financial year-to-date of RM2,925,485 (31.08.2013: RM2,334,279) as reported in the condensed consolidated income statements of the Group, divided by the weighted average number of ordinary shares in issue during the current quarter and financial year-to-date of 192,801,719 (31.08.2013: 193,050,236).

*Diluted Earnings Per Share*

Not applicable as the Company does not have dilutive potential ordinary shares in issue as at the date of the Statements of Financial Position.

**B15. Qualification of Auditors' Report of Preceding Financial Statements**

There was no audit qualification in the auditors' report of the Group's Audited Financial Statements for the financial year ended 31 May 2014.

**BY ORDER OF THE BOARD**

Choo Se Eng  
Stephen Geh Sim Whye  
*Company Secretaries*

Petaling Jaya  
23 October 2014