

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2016
THE FIGURES HAVE NOT BEEN AUDITED**

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------|-------------------|---------------------------|-------------------|
| | 31.08.2016 | 31.08.2015 | 31.08.2016 | 31.08.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 273,158 | 322,818 | 273,158 | 322,818 |
| Cost of sales | <u>(245,208)</u> | <u>(296,010)</u> | <u>(245,208)</u> | <u>(296,010)</u> |
| Gross profit | 27,950 | 26,808 | 27,950 | 26,808 |
| Other income | 742 | 576 | 742 | 576 |
| Selling and distribution expenses | (13,663) | (12,206) | (13,663) | (12,206) |
| Administrative expenses | (10,160) | (9,929) | (10,160) | (9,929) |
| Other expenses | (245) | (176) | (245) | (176) |
| Finance cost | <u>(1,559)</u> | <u>(1,905)</u> | <u>(1,559)</u> | <u>(1,905)</u> |
| Profit before taxation | 3,065 | 3,168 | 3,065 | 3,168 |
| Taxation | <u>(1,997)</u> | <u>(2,081)</u> | <u>(1,997)</u> | <u>(2,081)</u> |
| Profit for the period | <u>1,068</u> | <u>1,087</u> | <u>1,068</u> | <u>1,087</u> |
| Profit for the attributable to: | | | | |
| Owners of the parent | 470 | 1,711 | 470 | 1,711 |
| Non-controlling interests | <u>598</u> | <u>(624)</u> | <u>598</u> | <u>(624)</u> |
| | <u>1,068</u> | <u>1,087</u> | <u>1,068</u> | <u>1,087</u> |
| Earnings per share attributable to owners of the parent (sen) | | | | |
| - basic | 0.24 | 0.89 | 0.24 | 0.89 |
| - 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 2016)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2016
THE FIGURES HAVE NOT BEEN AUDITED**

| | Individual Quarter | | Cumulative Quarter | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.08.2016 RM'000 | 31.08.2015 RM'000 | 31.08.2016 RM'000 | 31.08.2015 RM'000 |
| Profit for the period | 1,068 | 1,087 | 1,068 | 1,087 |
| Other comprehensive (loss)/income : | | | | |
| Currency translation differences | (1,368) | 16,923 | (1,368) | 16,923 |
| Re-measurement of defined benefit liability | (9) | - | (9) | - |
| Other comprehensive (loss)/income for the period | (1,377) | 16,923 | (1,377) | 16,923 |
| Total comprehensive (loss)/income for the period | (309) | 18,010 | (309) | 18,010 |
| Total comprehensive (loss)/income attributable to: | | | | |
| Owners of the parent | (743) | 17,527 | (743) | 17,527 |
| Non-controlling interests | 434 | 483 | 434 | 483 |
| | (309) | 18,010 | (309) | 18,010 |

(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 2016)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 AUGUST 2016**

| | As at 31.08.2016 RM'000 (Unaudited) | As at 31.05.2016 RM'000 (Audited) |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 116,363 | 102,107 |
| Goodwill arising on consolidation | 104,010 | 105,386 |
| Deferred tax assets | 25,682 | 26,014 |
| | <u>246,055</u> | <u>233,507</u> |
| Current assets | | |
| Inventories | 98,987 | 92,778 |
| Trade debtors | 186,730 | 175,142 |
| Other debtors, deposits and prepayments | 11,562 | 9,807 |
| Investment securities | 467 | 476 |
| Income tax recoverable | 687 | 648 |
| Amount owing by related companies | 12,799 | 10,780 |
| Short-term deposits | 18,087 | 14,783 |
| Cash and bank balances | 48,643 | 50,269 |
| | <u>377,962</u> | <u>354,683</u> |
| TOTAL ASSETS | <u>624,017</u> | <u>588,190</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 194,338 | 194,338 |
| Reserves | 24,815 | 26,019 |
| Retained profits | 104,028 | 103,567 |
| Less: Treasury shares, at cost | (1,304) | (1,188) |
| | <u>321,877</u> | <u>322,736</u> |
| Non-controlling interests | <u>13,496</u> | <u>13,103</u> |
| Total equity | <u>335,373</u> | <u>335,839</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 1,184 | 1,239 |
| Long term borrowings | 10,501 | 2,466 |
| Provision for retirement benefits | 3,959 | 3,808 |
| | <u>15,644</u> | <u>7,513</u> |
| Current liabilities | | |
| Trade creditors | 101,590 | 98,414 |
| Other creditors and accrued expenses | 21,571 | 20,186 |
| Amount owing to related companies | 1 | 59 |
| Short-term borrowings | 147,526 | 123,800 |
| Income tax payable | 2,312 | 2,379 |
| | <u>273,000</u> | <u>244,838</u> |
| Total liabilities | <u>288,644</u> | <u>252,351</u> |
| TOTAL EQUITY AND LIABILITIES | <u>624,017</u> | <u>588,190</u> |
| Net Assets per share attributable to owners of the parent (RM) | 1.68 | 1.68 |

(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 2016)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016**

| | <----- 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 |
| <u>3 month period ended 31 August 2016</u> | | | | | | | | |
| Balance as at 01 June 2016 | 194,338 | 805 | 25,214 | 103,567 | (1,188) | 322,736 | 13,103 | 335,839 |
| Total comprehensive (loss)/income for the period | - | - | (1,204) | 461 | - | (743) | 434 | (309) |
| Transactions with owners | | | | | | | | |
| Repurchase of shares | - | - | - | - | (116) | (116) | - | (116) |
| Total transactions with owners | - | - | - | - | (116) | (116) | (41) | (157) |
| Balance as at 31 August 2016 | <u>194,338</u> | <u>805</u> | <u>24,010</u> | <u>104,028</u> | <u>(1,304)</u> | <u>321,877</u> | <u>13,496</u> | <u>335,373</u> |
| <u>3 month period ended 31 August 2015</u> | | | | | | | | |
| Balance as at 01 June 2015 | 194,338 | 805 | 10,501 | 96,403 | (888) | 301,159 | 10,877 | 312,036 |
| Total comprehensive income for the year | - | - | 15,816 | 1,711 | - | 17,527 | 483 | 18,010 |
| Transactions with owners | | | | | | | | |
| Repurchase of shares | - | - | - | - | (78) | (78) | - | (78) |
| Total transactions with owners | - | - | - | - | (78) | (78) | - | (78) |
| Balance as at 31 August 2015 | <u>194,338</u> | <u>805</u> | <u>26,317</u> | <u>98,114</u> | <u>(966)</u> | <u>318,608</u> | <u>11,360</u> | <u>329,968</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 2016)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

| | FY 2017 | FY 2016 |
|---|--------------------|--------------------|
| | 3 months | 3 months |
| | ended | ended |
| | 31.08.2016 | 31.08.2015 |
| | RM'000 | RM'000 |
| | (Unaudited) | (Unaudited) |
| Cash Flows From Operating Activities | | |
| Profit before taxation | 3,065 | 3,168 |
| Adjustments for non-cash items | 4,004 | 786 |
| Operating cash flows before working capital changes | 7,069 | 3,954 |
| Working Capital Changes | | |
| Receivables | (14,618) | (2,223) |
| Inventories | (7,088) | (8,531) |
| Payables | 5,937 | 5,793 |
| Group companies | (2,686) | (6,489) |
| Cash flows used in operations | (11,386) | (7,496) |
| Income tax paid | (1,840) | (254) |
| Retirement benefits paid | 16 | (112) |
| Net Cash Flows Used In Operating Activities | (13,210) | (7,862) |
| Cash Flows From Investing Activities | | |
| Proceeds from disposal of property, plant and equipment | 40 | 44 |
| Purchase of property, plant and equipment | (15,854) | (3,575) |
| Interest received | 334 | 488 |
| Net Cash Flows Used In Investing Activities | (15,480) | (3,043) |
| Cash Flows From Financing Activities | | |
| Dividends paid to non-controlling interests of subsidiary | (41) | - |
| Repayment of hire-purchase creditors | (6) | (21) |
| Drawdown of term loans and advances | 47,716 | 51,426 |
| Repayment of term loans and advances | (15,490) | (55,998) |
| Purchase of Company's own shares | (116) | (78) |
| Interest paid | (1,559) | (1,905) |
| Net Cash Flows Generated From/(Used In) Financing Activities | 30,504 | (6,576) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 1,814 | (17,481) |
| Effects of Exchange Rate Changes | (592) | 7,433 |
| Cash and Cash Equivalents at Beginning of Year | 65,052 | 95,872 |
| Effects of Exchange Rate Changes | 456 | (3,760) |
| Cash and Cash Equivalents at End of Period | 66,730 | 82,064 |
| The Cash and Cash Equivalents Comprise: | | |
| Cash and bank balances | 48,643 | 64,405 |
| Short-term deposits | 18,087 | 17,659 |
| | 66,730 | 82,064 |

(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 2016)



NYLEX (MALAYSIA) BERHAD

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

Notes to the Interim Financial Report – For the 1st Financial Quarter Ended 31 August 2016

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING AND BURSA SECURITIES LISTING REQUIREMENTS

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 2016.

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 2016.

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 2016 except for the adoption of the following MFRS/Amendments/Annual Improvements to MFRSs (collectively referred to as “pronouncements”):

| | |
|--|--|
| MFRS 14 | Regulatory Deferral Accounts |
| MFRS 10, MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception |
| MFRS 101 | Disclosure Initiatives |
| MFRS 116 and MFRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations |
| MFRS 116 and MFRS 141 | Agriculture: Bearer Plants |
| MFRS 127 | Equity Method in Separate Financial Statements |
| Annual Improvements to MFRSs 2012 – 2014 Cycle | |

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 46th Annual General Meeting held on 19 October 2016, 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 202,400 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) |
|-------------|---------------|--------------------|-------------------|--------------------|--------------------------|
| June 2016 | 80,200 | 0.5500 | 0.5200 | 0.5350 | 43,395 |
| July 2016 | 10,300 | 0.5450 | 0.5150 | 0.5349 | 5,645 |
| August 2016 | 111,900 | 0.6050 | 0.5550 | 0.5860 | 66,231 |
| | 202,400 | | | | 115,271 |

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

As at 31 August 2016, a total of 2,297,924 treasury shares at a total cost of RM1,303,573 were held by the Company pursuant to Section 67A (3A) (b) of the Companies Act, 1965.

A7. Dividend Paid

The Company has not 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: -

| 3-Month period ended 31.08.2016 | Polymer RM'000 | Industrial Chemical RM'000 | Logistics RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|--|---------------------------|---|-----------------------------|--------------------------|--------------------------------|--------------------------------|
| Revenue | | | | | | |
| External sales | 29,063 | 242,118 | 1,977 | - | - | 273,158 |
| Inter-segment sales | - | 64 | - | - | (64) | - |
| Total revenue | 29,063 | 242,182 | 1,977 | - | (64) | 273,158 |

| 3-Month period ended 31.08.2016 | Polymer RM'000 | Industrial Chemical RM'000 | Logistics RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---------------------------|---|-----------------------------|--------------------------|--------------------------------|--------------------------------|
| Results | | | | | | |
| Segment result | 3,617 | 1,862 | 407 | (1,262) | - | 4,624 |
| Finance costs | | | | | | (1,559) |
| Profit before taxation | | | | | | 3,065 |
| Taxation | | | | | | (1,997) |
| Net profit for the period | | | | | | 1,068 |
| Non-controlling interests | | | | | | (598) |
| Net profit after non-controlling interests | | | | | | 470 |

| 3-Month period ended 31.08.2015 | Polymer RM'000 | Industrial Chemical RM'000 | Logistics RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|--|---------------------------|---|-----------------------------|--------------------------|--------------------------------|--------------------------------|
| Revenue | | | | | | |
| External sales | 27,422 | 295,396 | - | - | - | 322,818 |
| Inter-segment sales | - | 925 | - | - | (925) | - |
| Total revenue | 27,422 | 296,321 | - | - | (925) | 322,818 |

| | | | | | | |
|---|-------|-------|---|---------|---|---------|
| Results | | | | | | |
| Segment result | 2,827 | 3,601 | - | (1,355) | - | 5,073 |
| Finance costs | | | | | | (1,905) |
| Profit before taxation | | | | | | 3,168 |
| Taxation | | | | | | (2,081) |
| Net profit for the period | | | | | | 1,087 |
| Non-controlling interests | | | | | | 624 |
| Net profit after non-controlling interests | | | | | | 1,711 |

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 2016. 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 2016.

A13. Capital Commitment

The capital commitment as at 31 August 2016 are as follows:

| | RM'000 |
|-------------------------------|---------------|
| Property, plant and equipment | |
| - Approved and contracted | 27,427 |
| - Approved but not contracted | <u>5</u> |
| | <u>27,432</u> |

| |
|--|
| B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS |
|--|

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 2016, the Nylex Group posted lower revenue of RM273.2 million, which represents a decrease of 15.4% from RM322.8 million recorded in the last financial year. The reduction in revenue was due to lower contribution from the Industrial Chemical Division. The Group recorded slightly lower profit before tax ("PBT") of RM3.1 million, compared to RM3.2 million recorded in the last financial year. The PBT during the quarter has incorporated the earnings from the newly acquired 60% own subsidiary, NYL Logistics Sdn Bhd.

The Polymer Division recorded higher revenue of RM29.1 million for the current financial quarter, which represents an increase of 6.0% from RM27.4 million in the corresponding quarter in Q1 FY 2016 mainly due to higher contribution by its manufacturing plant in Surabaya, Indonesia. Consequently, the Division registered higher PBT of RM3.5 million compared with RM2.4 million achieved in the same period last year.

Due to lower average selling prices, the Industrial Chemical Division's revenue decreased by 18.0% from RM295.4 million recorded in the same period last year to RM242.1 million for the quarter. As a result of lower revenue, the Division generated lower PBT of RM0.8 million for the quarter, as compared to RM2.4 million achieved in the same period last year.

During the quarter, the newly acquired 60% subsidiary, NYL Logistics Sdn Bhd, which is involved in the provision of transport, cartage, and haulage contractors and agencies services, has contributed revenue of RM2.0 million to the Logistics Division, with PBT of RM0.4 million.

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 recorded lower revenue of RM273.2 million and a lower PBT of RM3.1 million compared to revenue of RM291.0 million and PBT of RM8.8 million achieved in the immediate preceding quarter.

The lower revenue and PBT for the current quarter is due to generally lower product selling prices.

B3. Current Year's Prospects

The regional economic outlook remains challenging given the tough operating environment amid low commodity prices, weak consumer demand and financial market volatility. The uncertain market conditions will continue to impact product margins for the Group's operating divisions for the remaining period of financial year ending 31 May 2017.

The Board will continue to seek ways to safeguard the Group's 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 31.08.2016 | Preceding Year 31.08.2015 | Current Year 31.08.2016 | Preceding year 31.08.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Taxation based on results for the period | | | | |
| - Current | | | | |
| Malaysian | (1,032) | (1,794) | (1,032) | (1,794) |
| Foreign | (702) | (328) | (702) | (328) |
| - Deferred tax | (263) | 31 | (263) | 31 |
| | <u>(1,997)</u> | <u>(2,091)</u> | <u>(1,997)</u> | <u>(2,091)</u> |
| Over provision in prior years | 0 | 10 | 0 | 10 |
| | <u>(1,997)</u> | <u>(2,081)</u> | <u>(1,997)</u> | <u>(2,081)</u> |

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

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 31.08.2016 (RM'000 equivalent) | As At 31.05.2016 (RM'000 equivalent) |
|------------------------------|---|---|
| Short-term borrowings | | |
| Secured | | |
| - Indonesian Rupiah | 1,229 | 2,376 |
| - United States Dollar | 24,696 | 22,284 |
| - Vietnamese Dong | <u>1,872</u> | <u>5,487</u> |
| | <u>27,797</u> | <u>30,147</u> |
| Unsecured | | |
| - Ringgit Malaysia | 118,240 | 92,909 |
| - United States Dollar | <u>1,489</u> | <u>744</u> |
| | <u>119,729</u> | <u>93,653</u> |
| | <u>147,526</u> | <u>123,800</u> |

Long-term borrowings

| | | |
|-------------------------|----------------|----------------|
| Secured | | |
| - Indonesian Rupiah | 2,782 | 2,466 |
| - United States Dollar | 7,719 | 0 |
| | <u>10,501</u> | <u>2,466</u> |
| Total Borrowings | <u>158,027</u> | <u>126,266</u> |

B9. Derivatives Financial Instruments

The Group enters 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.

There were no outstanding foreign exchange derivatives as at 31 August 2016.

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 2016, pursuant to the format prescribed by Bursa Securities, is as follows:

| | As At End of Current Quarter 31.08.2016 RM'000 | As At End of Last Financial Year 31.05.2016 RM'000 |
|---|---|---|
| Total retained profits of Nylex (Malaysia) Berhad and its subsidiaries: | | |
| - Realised | 139,045 | 134,219 |
| - Unrealised | <u>23,444</u> | <u>26,312</u> |
| | 162,489 | 160,531 |
| Less: Consolidation adjustments | <u>(58,461)</u> | <u>(56,964)</u> |
| Total Group retained profits as per consolidated accounts | <u>104,028</u> | <u>103,567</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:

| | Current Quarter 31.08.2016 RM'000 | Financial Year-To-Date 31.08.2016 RM'000 |
|---|--|---|
| Interest income | (334) | (334) |
| Dividend income | - | - |
| Interest expense | 1,559 | 1,559 |
| Depreciation and amortisation | 1,898 | 1,898 |
| Write-back of receivables | (169) | (169) |
| Provision for and write off of inventories | - | - |
| Loss/(Gain) on disposal of unquoted investments | - | - |
| Loss on foreign exchange | 355 | 355 |
| Impairment of goodwill | - | - |
| Fair value loss on investments | 9 | 9 |
| Fair value gain on derivatives | - | - |

B12. Material Litigation

There was no material litigation since the date of the last annual Statements of Financial Position as at 31 May 2016.

B13. Dividends

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2016: 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 RM469,615 (31.08.2015: RM1,711,171) 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 192,150,582 (31.08.2015: 192,742,751).

Diluted Earnings Per Share

The Group has no potential ordinary shares in issue as at reporting date. Therefore, Diluted Earnings Per Share equals to Basic Earnings Per Share.

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 2016.

BY ORDER OF THE BOARD

Stephen Geh Sim Whye
Company Secretary

Petaling Jaya
26 October 2016