

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2017
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	30.11.2017	30.11.2016	30.11.2017	30.11.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	363,360	314,354	677,001	587,512
Cost of sales	(324,655)	(277,568)	(608,254)	(522,776)
Gross profit	38,705	36,786	68,747	64,736
Other income	720	222	1,457	964
Selling and distribution expenses	(14,820)	(14,183)	(29,422)	(27,846)
Administrative expenses	(10,273)	(10,679)	(19,708)	(20,839)
Other expenses	(730)	96	(918)	(149)
Finance costs	(2,536)	(1,619)	(5,335)	(3,178)
Share of results of an associate	(65)	-	(150)	-
Profit before tax	11,001	10,623	14,671	13,688
Taxation	(3,321)	(4,146)	(5,422)	(6,143)
Net profit for the period	7,680	6,477	9,249	7,545
Net profit attributable to:				
Owners of the parent	7,012	6,105	8,658	6,575
Non-controlling interests	668	372	591	970
	7,680	6,477	9,249	7,545
Earnings per share attributable to owners of the parent (sen)				
- basic	3.66	3.18	4.51	3.42
- diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2017)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2017
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	30.11.2017	30.11.2016	30.11.2017	30.11.2016
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	<u>7,680</u>	<u>6,477</u>	<u>9,249</u>	<u>7,545</u>
Other comprehensive (loss)/income :				
Currency translation differences	(7,684)	13,935	(8,140)	12,567
Re-measurement of defined benefit liability	-	-	-	(9)
Other comprehensive (loss)/income for the period	<u>(7,684)</u>	<u>13,935</u>	<u>(8,140)</u>	<u>12,558</u>
Total comprehensive (loss)/income for the period	<u>(4)</u>	<u>20,412</u>	<u>1,109</u>	<u>20,103</u>
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(171)	19,136	1,048	18,393
Non-controlling interests	<u>167</u>	<u>1,276</u>	<u>61</u>	<u>1,710</u>
	<u>(4)</u>	<u>20,412</u>	<u>1,109</u>	<u>20,103</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 2017)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017**

	As at 30.11.2017 RM'000 (Unaudited)	As at 31.05.2017 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	152,489	159,706
Investment in an associate	165	315
Goodwill arising on consolidation	104,824	108,348
Deferred tax assets	25,531	25,590
	<u>283,009</u>	<u>293,959</u>
Current assets		
Inventories	105,463	118,586
Trade debtors	224,395	232,240
Other debtors, deposits and prepayments	28,602	29,779
Investment securities	1,012	546
Income tax recoverable	940	827
Amount owing by related companies	21,942	20,352
Short-term deposits	21,530	26,371
Cash and bank balances	82,483	82,678
	<u>486,367</u>	<u>511,379</u>
TOTAL ASSETS	<u>769,376</u>	<u>805,338</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	194,338	194,338
Reserves	25,188	32,798
Retained profits	128,785	120,127
Less: Treasury shares, at cost	(2,682)	(1,386)
	<u>345,629</u>	<u>345,877</u>
Non-controlling interests	16,247	16,586
Total equity	<u>361,876</u>	<u>362,463</u>
Non-current liabilities		
Deferred tax liabilities	1,317	1,307
Long term borrowings	47,424	49,658
Provision for retirement benefits	4,277	4,221
	<u>53,018</u>	<u>55,186</u>
Current liabilities		
Trade creditors	124,780	138,470
Other creditors and accrued expenses	30,224	28,249
Amount owing to related companies	4	27
Short-term borrowings	195,657	216,913
Income tax payable	3,817	4,030
	<u>354,482</u>	<u>387,689</u>
Total liabilities	<u>407,500</u>	<u>442,875</u>
TOTAL EQUITY AND LIABILITIES	<u>769,376</u>	<u>805,338</u>
Net Assets per share attributable to owners of the parent (RM)	1.82	1.80

(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 2017)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2017**

	<----- Attributable to owners of the parent ----->						Non-	Total
	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	equity RM'000
6 month period ended 30 November 2017								
Balance as at 01 June 2017	194,338	805	31,993	120,127	(1,386)	345,877	16,586	362,463
Net profit for the period	-	-	-	8,658	-	8,658	591	9,249
Other comprehensive loss	-	-	(7,610)	-	-	(7,610)	(530)	(8,140)
Total comprehensive (loss)/income for the period	-	-	(7,610)	8,658	-	1,048	61	1,109
Transactions with owners								
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(400)	(400)
Purchase of treasury shares	-	-	-	-	(1,296)	(1,296)	-	(1,296)
Total transactions with owners	-	-	-	-	(1,296)	(1,296)	(400)	(1,696)
Balance as at 30 November 2017	194,338	805	24,383	128,785	(2,682)	345,629	16,247	361,876
6 month period ended 30 November 2016								
Balance as at 01 June 2016	194,338	805	25,214	103,567	(1,188)	322,736	13,103	335,839
Net profit for the period	-	-	-	6,575	-	6,575	970	7,545
Other comprehensive income/(loss)	-	-	11,827	(9)	-	11,818	740	12,558
Total comprehensive income for the period	-	-	11,827	6,566	-	18,393	1,710	20,103
Transactions with owners								
Dividends paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(42)	(42)
Purchase of treasury shares	-	-	-	-	(157)	(157)	-	(157)
Total transactions with owners	-	-	-	-	(157)	(157)	(42)	(199)
Balance as at 30 November 2016	194,338	805	37,041	110,133	(1,345)	340,972	14,771	355,743

(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 2017)

NYLEX (MALAYSIA) BERHAD

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2017**

	FY 2018	FY 2017
	6 months ended 30.11.2017 RM'000 (Unaudited)	6 months ended 30.11.2016 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	14,671	13,688
Adjustments for non-cash items	11,057	6,009
Operating cash flows before working capital changes	25,728	19,697
Working Capital Changes		
Receivables	4,874	(2,136)
Inventories	11,212	(5,579)
Payables	(8,511)	20,905
Group companies	(787)	(4,710)
Cash flows generated from operations	32,516	28,177
Income tax paid	(5,641)	(3,710)
Retirement benefits paid	(39)	18
Net Cash Flows Generated From Operating Activities	26,836	24,485
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	197	65
Purchase of property, plant and equipment	(821)	(26,600)
Acquisition of investment securities	(650)	-
Acquisition of interest in associate company	-	(400)
Interest received	1,041	743
Dividend received	7	4
Net Cash Flows Used In Investing Activities	(226)	(26,188)
Cash Flows From Financing Activities		
Dividends paid to non-controlling interests of subsidiary	(400)	(42)
Repayment of hire-purchase creditors	-	(8)
Drawdown of term loans and advances	71,355	40,963
Repayment of term loans and advances	(90,911)	(16,813)
Purchase of treasury shares	(1,166)	(156)
Interest paid	(5,335)	(3,178)
Net Cash Flows (Used In)/From Financing Activities	(26,457)	20,766
Net Increase in Cash and Cash Equivalents	153	19,063
Effects of Exchange Rate Changes	(7,419)	6,336
Cash and Cash Equivalents at Beginning of Year	109,049	65,052
Effects of Exchange Rate Changes	2,230	(2,746)
	111,279	62,306
Cash and Cash Equivalents at End of Period	104,013	87,705
The Cash and Cash Equivalents Comprise:		
Cash and bank balances	82,483	61,110
Short-term deposits	21,530	26,595
	104,013	87,705

(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 2017)



NYLEX (MALAYSIA) BERHAD

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

**Notes to the Interim Financial Report
– For the 2nd Financial Quarter Ended 30 November 2017**

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING AND BURSA SECURITIES LISTING REQUIREMENTS
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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 2017.

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 2017.

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 2017 except for the adoption of the following Amendments to MFRSs (collectively referred to as “pronouncements”):

MFRS 12	Annual Improvements to MFRS Standards 2014-2016 Cycle
MFRS 107	Disclosure Initiatives
MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

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 47th Annual General Meeting held on 19 October 2017, 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 1,573,800 ordinary shares in the Company pursuant to Section 127 of the Companies Act, 2016, details of which are as follows:

Date	No. of Shares	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total Consideration (RM)
November 2017	1,573,800	0.89	0.80	0.8194	1,295,205.91

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

As at 30 November 2017, a total of 4,010,724 treasury shares at a total cost of RM2,681,622.13 were held by the Company pursuant to Section 127 (4) (b) of the Companies Act, 2016.

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: -

6-Month period ended 30.11.2017	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	62,347	600,897	13,757	-	-	677,001
Inter-segment sales	-	1,480	-	-	(1,480)	-
Total revenue	62,347	602,377	13,757	-	(1,480)	677,001
Results						
Segment result	8,607	14,228	1,356	(4,185)	-	20,006
Finance costs						(5,335)
Profit before tax						14,671
Taxation						(5,422)
Net profit for the period						9,249
Non-controlling interests						(591)
Net profit after non-controlling interests						<u>8,658</u>

6-Month period ended 30.11.2016	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	61,584	521,595	4,333	-	-	587,512
Inter-segment sales	-	165	-	-	(165)	-
Total revenue	61,584	521,760	4,333	-	(165)	587,512
Results						
Segment result	6,909	11,843	1,010	(2,896)	-	16,866
Finance costs						(3,178)
Profit before tax						13,688
Taxation						(6,143)
Net profit for the period						7,545
Non-controlling interests						(970)
Net profit after non-controlling interests						6,575

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 2017. 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 2017.

A13. Capital Commitment

The capital commitment as at 30 November 2017 are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted	214
- Approved but not contracted	104
	<u>318</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

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	Changes %	Current Year	Preceding Year	Changes %
	30.11.2017 RM'million	30.11.2016 RM'million		30.11.2017 RM'million	30.11.2016 RM'million	
Revenue	363.4	314.4	15.6	677.0	587.5	15.2
Profit before interest and tax	13.5	12.2	10.6	20.0	16.9	18.6
Profit before tax	11.0	10.6	3.6	14.7	13.7	7.2
Profit after tax	7.7	6.5	18.6	9.2	7.5	22.6
Profit attributable to owners of the parent	7.0	6.1	14.9	8.7	6.6	31.7

For the six months ended 30 November 2017, the Nylex Group posted higher revenue of RM677.0 million, which represents an increase of 15.2% from RM587.5 million recorded in the same period last financial year. The increase in revenue was due to higher contribution from all the three Divisions – namely, Industrial Chemical Division, Polymer Division and Logistics Division. The Group’s profit before tax (“PBT”) rose 7.2% to RM14.7 million, from RM13.7 million recorded in the corresponding period last financial year after taking into account the share of result (loss) of an associate of RM150,000 and corporate expenses.

For the current quarter under review, the Nylex Group registered higher revenue of RM363.4 million, which represents an increase of 15.6% from RM314.4 million recorded in the same period last financial year. The increase in revenue was mainly due to higher contribution from the Industrial Chemical Division. The PBT for the period increased to RM11.0 million, compared to RM10.6 million recorded in the corresponding period last year.

The Polymer Division posted lower revenue of RM30.8 million for the current financial quarter, a decline of 5.3%, compared with RM32.5 million in the corresponding quarter in Q2 FY 2017 mainly due to lower contribution by its manufacturing plant in Surabaya, Indonesia. The Division posted higher PBT of RM4.0 million compared with RM3.2 million achieved in the same period last year, as a result of steps taken to adjust the selling prices for certain products and controlling operating expenses.

The Industrial Chemical Division posted 16.4% higher revenue of RM325.2 million for the quarter compared with RM279.5 million recorded in the same period last year, lifted by generally higher average selling prices for its products. The Division posted higher PBT of RM10.5 million for the quarter, as compared to RM8.8 million achieved in the same period last year.

During the quarter, the Logistics Division contributed higher revenue of RM7.4 million compared with 2.4 million recorded in the same period last year, after incorporating revenue generated by the new vessel, *Nylex 1*, which was constructed and delivered by the Japanese builder in mid-January 2017. The Division suffered a loss of RM0.7 million compared to a PBT of RM0.6 million in the corresponding quarter in Q2 FY 2017, attributed to under-recovery of overheads by *Nylex 1*.

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

	Current Quarter 30.11.2017 RM'million	Immediate Preceding Quarter 31.08.2017 RM'million	Changes %
Revenue	363.4	313.6	15.9
Profit before interest and tax	13.5	6.5	109.3
Profit before tax	11.0	3.7	199.8
Profit after tax	7.7	1.6	389.5
Profit attributable to owners of the parent	7.0	1.6	326.0

For the current quarter under review, the Group recorded higher revenue of RM363.4 million compared to RM313.6 million achieved in the immediate preceding quarter, mainly due by generally higher average selling prices and higher volume sold for some of its products.

Higher PBT of RM11.0 million was recorded compared with RM3.7 million in the immediate preceding quarter contributed by higher margin earned on certain products.

B3. Current Year's Prospects

The global economy is experiencing a broad-based cyclical recovery. Nevertheless, geopolitical pressures and policies uncertainties in some advanced economies are expected to continue to shadow global sentiment.

The Board will continue its effort to improve the Group's profitability for the remaining period of the financial year ending 31 May 2018.

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 30.11.2017 RM'000	Preceding Year 30.11.2016 RM'000	Current Year 30.11.2017 RM'000	Preceding year 30.11.2016 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(2,610)	(2,661)	(4,225)	(3,693)
Foreign	(635)	(770)	(1,194)	(1,472)
- Deferred tax	(76)	(715)	(3)	(978)
	<u>(3,321)</u>	<u>(4,146)</u>	<u>(5,422)</u>	<u>(6,143)</u>
Over/(Under) provision in prior years	0	0	0	0
	<u>(3,321)</u>	<u>(4,146)</u>	<u>(5,422)</u>	<u>(6,143)</u>

The effective tax rate of the Group is higher than the statutory tax rate mainly due to the losses recorded in certain subsidiary 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 30.11.2017 (RM'000 equivalent)	As At 31.05.2017 (RM'000 equivalent)
Short-term borrowings		
Secured		
- United States Dollar	28,162	34,072
- Vietnamese Dong	3,718	3,389
	<u>31,880</u>	<u>37,461</u>
Unsecured		
- Ringgit Malaysia	162,942	179,452
- United States Dollar	835	0
	<u>163,777</u>	<u>179,452</u>
	<u>195,657</u>	<u>216,913</u>
Long-term borrowings		
Secured		
- United States Dollar	47,424	49,658
	<u>47,424</u>	<u>49,658</u>
Total Borrowings	<u>243,081</u>	<u>266,571</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 30 November 2017.

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 30 November 2017, pursuant to the format prescribed by Bursa Securities, is as follows:

	As At End of Current Quarter 30.11.2017 RM'000	As At End of Last Financial Year 31.05.2017 RM'000
Total retained profits of Nylex (Malaysia) Berhad and its subsidiaries:		
- Realised	170,516	161,732
- Unrealised	23,788	24,447
	<u>194,304</u>	<u>186,179</u>
Less: Consolidation adjustments	(65,519)	(66,052)
Total Group retained profits as per consolidated accounts	<u><u>128,785</u></u>	<u><u>120,127</u></u>

B11. Notes to the Consolidated Statements of Profit or Loss for the Current Quarter and Financial Year-To-Date

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

	Current Quarter 30.11.2017 RM'000	Financial Year-To-Date 30.11.2017 RM'000
Interest income	(673)	(1,313)
Dividend income	(7)	(7)
Interest expense	2,536	5,335
Depreciation and amortisation	2,902	5,764
(Write back)/Impairment of receivables	(33)	(68)
(Write back)/Provision for and write off of inventories	-	(905)
Loss/(Gain) on disposal of unquoted investments	-	-
Loss/(Gain) on foreign exchange	2,702	3,136
Impairment of goodwill	-	-
Fair value loss/(gain) on investments	45	184
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 2017.

B13. Dividends

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2017: 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 of RM7,012,206 (30.11.2016: RM6,105,128) and net profit of RM8,657,974 (30.11.2016: RM6,574,743) for the financial year-to-date as reported in the condensed consolidated statements of profit or loss of the Group, divided by the weighted average number of ordinary shares in issue during the current quarter of 191,799,466 (30.11.2016: 192,000,936) and for the financial year-to-date of 191,850,478 (30.11.2016: 192,076,168).

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 2017.

BY ORDER OF THE BOARD

Soo Shiow Fang
Stephen Geh Sim Whye
Company Secretaries

Petaling Jaya
26 January 2018