



## **CARING PHARMACY GROUP BERHAD**

(Company No.1011859-D)

### **INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 May 2015**

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**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 May 2015**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31 May 2015 RM'000	Preceding Year Quarter 31 May 2014 RM'000	Current Year To Date 31 May 2015 RM'000	Preceding Year To Date 31 May 2014 RM'000
REVENUE		95,407	88,641	366,699	338,337
COST OF SALES		(77,351)	(70,730)	(287,629)	(255,063)
GROSS PROFIT		18,056	17,911	79,070	83,274
OTHER OPERATING INCOME		9,015	7,503	31,061	22,828
		27,071	25,414	110,131	106,102
SELLING AND DISTRIBUTION		(16,598)	(14,196)	(64,111)	(53,686)
ADMINISTRATIVE EXPENSES		(5,538)	(6,956)	(23,648)	(23,714)
OTHER OPERATING EXPENSES		(1,266)	(1,344)	(3,642)	(5,610)
FINANCE COSTS		(38)	(45)	(231)	(282)
PROFIT BEFORE TAXATION	<b>B5</b>	3,631	2,873	18,499	22,810
TAXATION	<b>B6</b>	(1,319)	(1,510)	(5,482)	(6,534)
PROFIT AFTER TAXATION		2,312	1,363	13,017	16,276
OTHER COMPREHENSIVE INCOME , NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		2,312	1,363	13,017	16,276
PROFIT AFTER TAXATION ATTRIBUTABLE TO :-					
- Owners of the Company		2,628	1,275	12,869	15,078
- Non-Controlling interests		(316)	88	148	1,198
		2,312	1,363	13,017	16,276
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :-					
- Owners of the Company		2,628	1,275	12,869	15,078
- Non-Controlling interests		(316)	88	148	1,198
		2,312	1,363	13,017	16,276
Earning per share (Sen) attributable to Owners of the Company					
- Basic <sup>(2)</sup>	<b>B12</b>	1.21	0.59	5.91	7.47
- Diluted		N/A	N/A	N/A	N/A

**Notes:**

N/A Not applicable.

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying explanatory notes attached to these financial statements.

(2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.

**Unaudited Condensed Consolidated Statement of Financial Position as at 31 May 2015**


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	Note	AS AT 31 May 2015 RM'000	AS AT 31 May 2014 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		36,544	32,854
Intangible assets		2,946	2,946
Deferred tax assets		11	1,342
		<u>39,501</u>	<u>37,142</u>
<b>CURRENT ASSETS</b>			
Inventories		83,486	79,856
Trade receivables		1,061	336
Other receivables and deposits		6,765	5,768
Tax recoverable		1,453	427
Deposit with financial institutions		50,548	58,625
Cash and bank balances		35,697	19,271
		<u>179,010</u>	<u>164,283</u>
<b>TOTAL ASSETS</b>		<u>218,511</u>	<u>201,425</u>

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**Unaudited Condensed Consolidated Statement of Financial Position as at 31 May 2015 (Cont'd)**

	Note	AS AT 31 May 2015 RM'000	AS AT 31 May 2014 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		217,706	217,706
Share premium		7,402	7,402
Retained profits		76,918	71,004
Merger deficit		(181,984)	(181,984)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		120,042	114,128
NON-CONTROLLING INTERESTS		804	3,170
<b>TOTAL EQUITY</b>		120,846	117,298
<b>NON-CURRENT LIABILITIES</b>			
Term loan	B8	9,860	9,779
Deferred tax liabilities		377	278
		10,237	10,057
<b>CURRENT LIABILITIES</b>			
Trade payables		77,402	62,962
Other payables and accruals		4,704	6,814
Amount owing to non-controlling shareholders		3,498	3,532
Provision for taxation		367	641
Term loan	B8	1,457	121
		87,428	74,070
<b>TOTAL LIABILITIES</b>		97,665	84,127
<b>TOTAL EQUITY AND LIABILITIES</b>		218,511	201,425
<b>Net assets per share attributable to ordinary equity holders of the parent (RM) <sup>(2)</sup></b>			
		0.55	0.52

**Notes:**

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying explanatory notes attached to these financial statements.

(2) Based on the issued share capital of 217,706,400 shares

**Unaudited Condensed Consolidated Statement of Changes in Equity as at 31 May 2015**

	----- Distributable to equity holders of the Company -----			<----- Non-distributable ----->			
	Share Capital	Share Premium	Merger Deficit	Distributable Retained Profits	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 June 2014</b>	217,706	7,402	(181,984)	71,004	114,128	3,170	117,298
Total comprehensive income for the period	-	-	-	12,869	12,869	148	13,017
Accretion in equity interest in subsidiaries	-	-	-	(3,689)	(3,689)	(1,215)	(4,904)
Effect of issue of share capital by a subsidiary	-	-	-		-	20	20
Dividends paid				(3,266)	(3,266)	-	(3,266)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	(1,319)	(1,319)
<b>At 31 May 2015</b>	217,706	7,402	(181,984)	76,918	120,042	804	120,846

**Notes :**

- (1) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying explanatory notes attached to these financial statements.*

**Unaudited Condensed Consolidated Statement of Changes in Equity as at 31 May 2015 (Cont'd)**

	----- Distributable to equity holders of the Company -----			<----- Non-distributable ----->			
	Share Capital	Share Premium	Merger Deficit	Distributable Retained Profits	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 June 2013</b>	182,706	-	(181,984)	59,184	59,906	3,670	63,576
Total comprehensive income for the period	-	-	-	15,078	15,078	1,198	16,276
Public issuance of shares	35,000	8,750	-	-	43,750	-	43,750
Dividends paid	-	-	-	(3,266)	(3,266)	-	(3,266)
Dividends paid by subsidiaries to non-controlling shareholders	-	-	-	-	-	(1,744)	(1,744)
Dilution in equity interest in subsidiaries	-	-	-	8	8	(8)	-
Effect of issue of share capital by a subsidiary	-	-	-	-	-	54	54
Listing expenses	-	(1,348)	-	-	(1,348)	-	(1,348)
<b>At 31 May 2014</b>	217,706	7,402	(181,984)	71,004	114,128	3,170	117,298

**Notes :**

- (1) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying explanatory notes attached to these financial statements.*
- (2) *Listing expenses for the issue of the new CARiNG Shares of RM1.34 million were written off against the share premium account under Section 60 of the Companies Act, 1965.*

**Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Year Ended 31 May 2015**

	<b>Current Year To Date 31 May 2015 RM000</b>	<b>Preceding Year To Date 31 May 2014 RM000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	18,499	22,810
<b>Adjustments for:-</b>		
Impairment loss on property, plant and equipment	228	316
Depreciation of property, plant and equipment	3,413	3,558
Equipment written off	2	-
Gain on disposal of property, plant and equipment	(112)	(184)
Interest expense	231	411
Interest income	(1,645)	(1,284)
Rental income	(145)	(177)
Initial public offering expenses	-	1,736
Operating profit before working capital changes	<u>20,471</u>	<u>27,186</u>
Increase in inventories	(3,630)	(22,348)
Increase in trade and other receivables	(1,721)	(659)
Increase in trade and other payables	12,359	9,792
<b>CASH FROM OPERATION</b>	<u>27,479</u>	<u>13,971</u>
Tax paid	(5,373)	(7,936)
Interest paid	(231)	(411)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>21,875</u>	<u>5,624</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	1,645	1,284
Purchase of property, plant and equipment	(7,392)	(7,835)
Proceeds from disposal of property, plant and equipment	162	189
Rental received	145	177
Accretion in equity interest in subsidiaries	(4,904)	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>(10,344)</u>	<u>(6,185)</u>
<b>CASH (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling shareholders of subsidiaries	(1,319)	(1,744)
Dividend paid	(3,266)	(3,266)
Payment of initial public offering expenses	-	(2,129)
Proceeds from issuance of shares pursuant to Public Issue	-	43,750
Drawdown of term loan	1,980	2,970
Repayment of term loan	(563)	(3,115)
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	20	54
Net advances from non-controlling shareholders	(34)	412
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<u>(3,182)</u>	<u>36,932</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	8,349	36,371
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<u>77,896</u>	<u>41,525</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>86,245</u>	<u>77,896</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD COMPRISE:-</b>		
- Deposits with financial institutions	50,548	58,625
- Cash and bank balances	<u>35,697</u>	<u>19,271</u>
	<u>86,245</u>	<u>77,896</u>

**Notes:**

(1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying explanatory notes attached to these financial statements.

**Interim Financial Report for the Financial Year Ended 31 May 2015****Part A –Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

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**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Para 9.22 and 9.40 (Appendix 9B Part A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2014 and the accompanying explanatory notes attached to these financial statements.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 May 2014. The interim consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with MFRSs.

The Group has adopted merger accounting method for the preparation of this Interim Financial Statements.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the adopted as disclosed in the Audited Financial Statements for the financial year ended 31 May 2014 except for the adoption of the following :-

**MFRSs and IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The above mentioned accounting standards and interpretations (including the consequential amendments) are not expected to have any material impact on the Group's financial statements.



**Interim Financial Report for the Financial Year Ended 31 May 2015****Part A –Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

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**A3. Auditors' Report on Preceding Annual Financial Statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 May 2014.

**A4. Seasonal or Cyclical Factors**

The financial performance of the Group is not significantly affected by any seasonal or cyclical factors save for the materialization of purchase rebate entitlements from our suppliers which have been reported in the third quarter of the financial year.

**A5. Item of Unusual Nature**

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow because of their nature, size or incidence for the financial quarter under review.

**A6. Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

**A7. Changes in Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

**A8. Dividend Paid**

No dividend was paid by the Company in the current financial quarter.

**A9. Segmental Information**

No segmental analysis is prepared as the Group is primarily engaged in retail pharmacy and related activities in Malaysia.

**A10. Capital Commitments**

There was no capital commitment for property and equipment not provided for as at 31 May 2015.

**Interim Financial Report for the Financial Year Ended 31 May 2015****Part A –Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”)  
134, Interim Financial Reporting**

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**A11. Material Events Subsequent To the End of the Interim Period**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report save for the below :

- a) Disposal of 20,000 ordinary shares of RM 1.00 each in Caring Pharmacy (SK) Sdn Bhd for a total consideration of RM 20,000 on 1 June 2015 by CPRM resulting a decrease in CPRM's effective equity interest in the subsidiary from 90.0% to 70.0%; and
- b) Subscription of 60,000 ordinary shares of RM1.00 each in Caring Pharmacy Rising Sdn Bhd for a total consideration of RM 60,000 on 1 July 2015 by the wholly-owned immediate company, Caring Pharmacy Retail Management Sdn Bhd herein after referred as "CPRM".

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

There were no changes in the composition of the Group for the current quarter under review saves for the acquisition of shares in subsidiaries by CPRM on 31 May 2015 as detailed below:

- a) Acquisition of 30,000 ordinary shares in Caring Pharmacy (Lifeplus) Sdn Bhd for a total cash consideration of RM1.00 resulting an increase in CPRM's effective equity interest in the subsidiary from 70.0% to 100.0%; and
- b) Acquisition of 30,000 ordinary shares in Green Surge Sdn Bhd for a total cash consideration of RM1.00 resulting an increase in CPRM's effective equity interest in the subsidiary from 70.0% to 100.0%.

**A13. Contingent Liabilities or Contingent Assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

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**Interim Financial Report for the Financial Year Ended 31 May 2015****Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities**

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**B1. Review of Performance of the Group**

The Group registered a revenue of RM95.41 million and profit before tax of RM3.63 million for the current quarter as compared to a revenue of RM88.64 million and profit before tax of RM2.87 million reported in the previous year corresponding quarter. The higher revenue was mainly contributed by the 9 new outlets opened during financial year 2015, coupled with the revenue growth from existing outlets.

During the quarter under review, we have established an additional 1 new shopping complex outlet and 1 high street outlet. As of 31 May 2015, we have a total of 104 community pharmacies.

The increase in profit before tax for the current quarter compared to the corresponding quarter in the preceding year is mainly contributed by higher revenue and other operating income.

**B2. Variation of Results with the Immediate Preceding Quarter**

For the current quarter under review, the Group reported a decrease in profit before tax by RM7.21 million, from RM10.84 million (immediate preceding quarter) to RM3.63 million. This was because of the target rebate earned from our suppliers which has turned into the higher gross profit in the previous quarter.

**B3. Prospect for the Group**

Malaysia's economic outlook in second half of year 2015 is expected to be challenging with dampened consumer sentiment as a result of higher cost of living coupled with the implementation of Government and Services Tax. Barring unforeseen circumstances, the Group remains cautiously optimistic of the Group's performance for next financial year.

**B4. Profit Forecast and Profit Estimate**

The Group did not issue any profit forecast or profit estimate previously in any public document.

**Interim Financial Report for the Financial Year Ended 31 May 2015**
**Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities**
**B5. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>31-May-15</b>	<b>31-May-14</b>
	<b>31-May-15</b>	<b>31-May-14</b>	<b>31-May-15</b>	<b>31-May-14</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and equipment	1,037	1,027	3,413	3,558
Gain on disposal of equipment	-	(76)	(112)	(184)
Impairment of equipment	228	316	228	316
Interest expense	38	160	231	411
Interest income	(363)	-	(1,645)	(1,284)
Rental income	(37)	(65)	(145)	(177)

*Save for the above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.*

**B6. Income Tax Expense**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>To Date</b>	<b>To Date</b>
	<b>31-May-15</b>	<b>31-May-14</b>	<b>31-May-15</b>	<b>31-May-14</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Income Tax</u></b>				
Current Tax Expense:-				
- Current	(113)	2,249	4,050	7,273
- Prior year	2	28	2	28
	(111)	2,277	4,052	7,301
Deferred Tax Expense:-				
- Current	1,339	(751)	1,339	(751)
- Prior year	91	(16)	91	(16)
	1,430	(767)	1,430	(767)
	1,319	1,510	5,482	6,534

*Note:*

*The effective tax rate for the current quarter and financial year under review is higher than the statutory tax rate of 25% mainly due to deferred tax assets not recognized.*

**Interim Financial Report for the Financial Year Ended 31 May 2015**
**Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities**
**B7. Status of Corporate Proposals**

There were no corporate proposals commenced but not completed as at the date of this report save for the below.

Reference is made to the utilisation of proceeds raised from public issue as disclosed in the Company's prospectus dated 18 October 2013, that was issued in conjunction with the listing of the Company on Main market of Bursa Securities on 13 November 2013 ("IPO"). The Company has raised a total proceed of RM43.75 million from IPO ("IPO Proceeds").

As at 31 May 2015, the Company has yet to fully utilised the IPO Proceeds and does not anticipate to complete the utilisation of the remaining IPO Proceeds within the initial timeframe as disclosed in the Prospectus ("Initial Timeframe"). Accordingly, after taking into consideration the current business needs of the Company and its subsidiaries ("Group"), the Group has resolved to revise part of the proceeds amounting to RM12.50 million allocated for : (i) new community pharmacy outlets; and (ii) pare down borrowings to reduce interest cost to be used for working capital as depicted below ("Revision").

Details on the status of utilisation of the IPO Proceeds as at 31 May 2015 and the Revision in the utilisation of the IPO Proceeds are as follows:-

Purposes	Proposed Utilisation	Actual utilisation	Deviation	Unutilised Balance @ 31 May 15	Revision	Revised Balance	Estimated Timeframe for Utilisation Upon Listing
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(i) New community pharmacy							
- Property, plant and equipment	6,000	(2,212)	-	3,788	(2,700)	1,088	Within 24 months
- Inventories	12,000	(6,675)	-	5,325	(3,800)	1,525	Within 24 months
(ii) To pare down borrowings to reduce interest cost	6,000	-	-	6,000	(6,000)	-	Within 24 months
(iii) Renovation of new head office and warehouse	4,000	(4,000)	-	-	-	-	Within 24 months
(iv) Working capital <sup>(1)</sup>	11,750	(12,657)	907	-	12,500	12,500	Within 24 months
(v) Estimated listing expenses <sup>(1)</sup>	4,000	(3,093)	(907)	-	-	-	Within 3 months
<b>Total Proceeds</b>	<b>43,750</b>	<b>(28,637)</b>	<b>-</b>	<b>15,113</b>	<b>-</b>	<b>15,113</b>	

Note:-

(1) Actual listing expenses incurred were less than the estimated listing expenses by approximately RM0.907 million. Pursuant to the Prospectus dated 18 October 2013, the excess will be utilised for working capital purpose.

The Group has earlier set aside a total of RM 18.00 million for purchase of property, plant and equipment and inventory for 20 – 30 new community pharmacy outlets. As at 31 May 2015, the Group has utilised approximately RM8.89 million for 20 new outlets. As the actual cost of opening of a new outlet is lesser than estimated cost, and the Group will further utilise RM2.61 million for the opening of 5 new outlets in next two quarters, and thus, the Board has resolved to reallocate RM6.50 million of the remaining unutilised IPO Proceeds to be used for working capital.

Besides, the Board had accordingly resolved to reallocate the unutilised IPO Proceeds of RM 6.00 million from paring down borrowings to be used for working capital. Nevertheless, the Group will deposit a considerable amount of available working capital fund into loan account for interest saving purpose.

**Interim Financial Report for the Financial Year Ended 31 May 2015**
**Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities**
**B7. Status of Corporate Proposals (Cont'd)**

The Group is of the opinion that the Revision in the Utilisation of the IPO Proceeds is in the best interest of the Group and will not have any material adverse effect on the future Group's financial performance.

The Revision in the Utilisation of IPO Proceeds is not subject to any regulatory approval or shareholders' approval.

**B8. Group Borrowing**

The Group's borrowing as at 31 May 2015 are as follows:

	<b>As at 31-May-15 RM'000</b>	<b>As at 31-May-14 RM'000</b>
Long term borrowing		
Secured:		
Term loan	9,860	9,779
Short term borrowing		
Secured:		
Term loan	1,457	121
Total borrowing	11,317	9,900

**B9. Material Litigation**

There was no material litigation and the Directors do not aware of any proceedings pending or threatened against the Group as at the date of issuance of this interim financial report.

**B10. Dividends**

On 28 July 2015, the Board of Directors proposed a final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 May 2015, subject to the shareholders' approval at the forthcoming Annual General Meeting of the company.

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**Interim Financial Report for the Financial Year Ended 31 May 2015**
**Part B—Explanatory Notes Pursuant To The Listing Requirements of Bursa Securities**
**B11. Realised and Unrealised Profits**

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities.

	<b>As at 31-May-2015 RM'000</b>	<b>As at 31-May-2014 RM'000</b>
Total retained earnings		
- realised	75,397	68,647
- unrealised	(366)	964
	75,031	69,611
Add: consolidated adjustments	1,887	1,393
Total retained earnings	76,918	71,004

**B12. Earnings Per Share**
**(a) Basic Earnings Per Share**

The basic earnings per share for the current quarter and financial year to date are computed as follows:-

	<b>INDIVIDUAL QUARTER Current Year Quarter 31-May-15 RM'000</b>	<b>Preceding Year Quarter 31-May-14 RM'000</b>	<b>CUMULATIVE QUARTER Current Year To Date 31-May-15 RM'000</b>	<b>Preceding Year To Date 31-May-14 RM'000</b>
Profit for the period	2,628	1,275	12,869	15,078
Number of ordinary shares of RM1.00 each in issue	217,706	217,706	217,706	217,706
Basic Earnings Per Share (sen)	1.21	0.59	5.91	7.47

**(b) Diluted Earnings Per Share**

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter and financial year-to-date.

By order of the Board  
28 Jul 2015