

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2019
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.08.2019	31.08.2018	31.08.2019	31.08.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	314,570	420,401	314,570	420,401
Cost of sales	(287,650)	(385,925)	(287,650)	(385,925)
Gross profit	26,920	34,476	26,920	34,476
Other income	976	2,296	976	2,296
Selling and distribution expenses	(16,018)	(15,307)	(16,018)	(15,307)
Administrative expenses	(7,355)	(11,685)	(7,355)	(11,685)
Other expenses	(1,021)	(1,591)	(1,021)	(1,591)
Finance costs	(2,871)	(2,870)	(2,871)	(2,870)
Share of results of associates, net of tax	(136)	76	(136)	76
Profit before tax	495	5,395	495	5,395
Taxation	(2,136)	(2,061)	(2,136)	(2,061)
Net (loss)/profit for the period	(1,641)	3,334	(1,641)	3,334
Net (loss)/profit attributable to:				
Owners of the parent	(1,125)	3,082	(1,125)	3,082
Non-controlling interests	(516)	252	(516)	252
	(1,641)	3,334	(1,641)	3,334
(Loss)/Earnings per share attributable to owners of the parent (sen)				
- basic	(0.63)	1.64	(0.63)	1.64
- 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 2019)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2019
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.08.2019 RM'000	31.08.2018 RM'000	31.08.2019 RM'000	31.08.2018 RM'000
Net (loss)/profit for the period	<u>(1,641)</u>	<u>3,334</u>	<u>(1,641)</u>	<u>3,334</u>
Other comprehensive income:				
Currency translation differences	1,414	2,181	1,414	2,181
Re-measurement of defined benefit liability	-	-	-	-
Other comprehensive income for the period	<u>1,414</u>	<u>2,181</u>	<u>1,414</u>	<u>2,181</u>
Total comprehensive (loss)/income for the period	<u><u>(227)</u></u>	<u><u>5,515</u></u>	<u><u>(227)</u></u>	<u><u>5,515</u></u>
Total comprehensive (loss)/income attributable to:				
Owners of the parent	239	4,896	239	4,896
Non-controlling interests	<u>(466)</u>	<u>619</u>	<u>(466)</u>	<u>619</u>
	<u><u>(227)</u></u>	<u><u>5,515</u></u>	<u><u>(227)</u></u>	<u><u>5,515</u></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 2019)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	As at 31.08.2019 RM'000 (Unaudited)	As at 31.05.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	147,182	147,340
Investment in associates	2,701	3,579
Goodwill arising on consolidation	101,391	100,661
Deferred tax assets	26,173	25,770
Right-to-use assets	34,977	-
	<u>312,424</u>	<u>277,350</u>
Current assets		
Inventories	107,040	130,518
Trade and other receivables	225,313	241,991
Investment securities	684	662
Income tax recoverable	1,701	2,089
Short-term deposits with licensed banks	15,553	17,960
Cash and bank balances	60,188	50,107
	<u>410,479</u>	<u>443,327</u>
TOTAL ASSETS	<u>722,903</u>	<u>720,677</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	195,143	195,143
Reserves	26,169	24,805
Retained profits	118,628	119,753
Less: Treasury shares, at cost	(11,564)	(10,062)
	<u>328,376</u>	<u>329,639</u>
Non-controlling interests	<u>11,898</u>	<u>11,216</u>
Total equity	<u>340,274</u>	<u>340,855</u>
Non-current liabilities		
Deferred tax liabilities	2,387	2,380
Long term borrowings	37,521	38,558
Provision for retirement benefits	4,762	4,666
Long term lease liabilities	18,523	-
	<u>63,193</u>	<u>45,604</u>
Current liabilities		
Trade and other payables	97,890	121,169
Short-term borrowings	203,651	211,727
Income tax payable	1,438	1,322
Derivative liabilities	3	-
Short-term lease liabilities	16,454	-
	<u>319,436</u>	<u>334,218</u>
Total liabilities	<u>382,629</u>	<u>379,822</u>
TOTAL EQUITY AND LIABILITIES	<u>722,903</u>	<u>720,677</u>
Net assets per share attributable to owners of the parent (RM)	1.85	1.83

(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 2019)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2019

	<----- Attributable to owners of the parent ----->				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000			
<u>3 month period ended 31 August 2019</u>							
Balance as at 01 June 2019	195,143	24,805	119,753	(10,062)	329,639	11,216	340,855
Net loss for the period	-	-	(1,125)	-	(1,125)	(516)	(1,641)
Other comprehensive income	-	1,364	-	-	1,364	50	1,414
Total comprehensive income/(loss) for the period	-	1,364	(1,125)	-	239	(466)	(227)
Transactions with owners							
Acquisition of a subsidiary	-	-	-	-	-	1,148	1,148
Purchase of treasury shares	-	-	-	(1,502)	(1,502)	-	(1,502)
Total transactions with owners	-	-	-	(1,502)	(1,502)	1,148	(354)
Balance as at 31 August 2019	195,143	26,169	118,628	(11,564)	328,376	11,898	340,274
<u>3 month period ended 31 August 2018</u>							
Balance as at 01 June 2018	195,143	18,612	135,353	(4,883)	344,225	16,011	360,236
Effects of adoption of MFRS 9	-	-	(1,370)	-	(1,370)	-	(1,370)
Balance as at 01 June 2019, restated	195,143	18,612	133,983	(4,883)	342,855	16,011	358,866
Net profit for the period	-	-	3,082	-	3,082	252	3,334
Other comprehensive income	-	1,814	-	-	1,814	367	2,181
Total comprehensive income for the period	-	1,814	3,082	-	4,896	619	5,515
Transactions with owners							
Disposal of a subsidiary	-	-	-	-	-	(1,636)	(1,636)
Acquisition of non-controlling interests of a subsidiary	-	-	10	-	10	(696)	(686)
Purchase of treasury shares	-	-	-	(82)	(82)	-	(82)
Total transactions with owners	-	-	10	(82)	(72)	(2,332)	(2,404)
Balance as at 31 August 2018	195,143	20,426	137,075	(4,965)	347,679	14,298	361,977

(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 2019)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2019

	FY 2020 3 months ended 31.08.2019 RM'000 (Unaudited)	FY 2019 3 months ended 31.08.2018 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	495	5,395
Adjustments for non-cash items	4,911	4,216
Operating cash flows before working capital changes	5,406	9,611
Working Capital Changes		
Receivables	21,902	(5,472)
Inventories	24,410	(39,494)
Payables	(25,024)	58,434
Related companies	5,978	(328)
Associates	(7,682)	(227)
Cash flows generated from operations	24,990	22,524
Tax paid	(1,454)	(2,319)
Retirement benefits paid	(93)	(170)
Net Cash Flows From Operating Activities	23,443	20,035
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	1	202
Purchase of property, plant and equipment	(1,880)	(1,302)
Net cash flows on acquisition of a subsidiary	152	-
Net cash flows on disposal and derecognition of subsidiaries	-	6,683
Acquisition of non-controlling interests in a subsidiary	-	(686)
Interest received	219	358
Dividend received	17	23
Net Cash Flows (Used In)/From Investing Activities	(1,491)	5,278
Cash Flows From Financing Activities		
Drawdown of borrowings	55,538	52,090
Repayment of borrowings	(65,148)	(75,976)
Purchase of treasury shares	(1,484)	(82)
Interest paid	(2,870)	(2,870)
Net Cash Flows Used In Financing Activities	(13,964)	(26,838)
Net Increase/(Decrease) in Cash and Cash Equivalents	7,988	(1,525)
Effects of Exchange Rate Changes	23	1,357
Cash and Cash Equivalents at beginning of year	65,983	99,038
Effects of Exchange Rate Changes	(336)	(797)
	65,647	98,241
Cash and Cash Equivalents at end of period	73,658	98,073
The Cash and Cash Equivalents comprise:		
Cash and bank balances	60,188	77,349
Short-term deposits	15,553	29,907
	75,741	107,256
Less: Short-term deposits pledged with a licensed bank	-	(6,165)
Short-term deposits with maturity of more than three (3) months	(2,083)	(3,018)
	73,658	98,073

(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 2019)



**Notes to the Interim Financial Report
– For the 1st Financial Quarter Ended 31 August 2020**

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 2019.

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 2019.

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 2019 except for the adoption of the following MFRSs/Amendments/Annual Improvements to MFRSs (collectively referred to as “pronouncements”) to be applied for the financial period beginning on or after 1 January 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle

The adoption of the above pronouncements will have no material impact on the financial statements of the Group, other than as disclosed below:

MFRS 16, Leases

The Group has adopted MFRS 16 Leases using the modified retrospective approach with a date of initial application on 1 June 2019. As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance lease and operating lease under the MFRS 117 Leases are no longer required.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

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 49th Annual General Meeting held on 17 October 2019, 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, the Company repurchased 2,454,300 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)
June 2019	381,800	0.6450	0.6100	0.6343	243,436.50
July 2019	1,033,300	0.6300	0.5900	0.6109	634,164.35
August 2019	1,039,200	0.6100	0.5900	0.5975	623,860.34
Total	2,454,300				1,501,461.19

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

As at 31 August 2019, a total of 17,143,624 treasury shares at a total cost of RM11,563,617.90 were held by the Company pursuant to Section 127(4)(b) of the Companies Act 2016.

A7. Dividends 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 31.08.2019	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	25,951	283,833	4,786	-	-	314,570
Inter-segment sales	-	81	972	-	(1,053)	-
Total revenue	25,951	283,914	5,758	-	(1,053)	314,570

Results						
Segment result	2,359	1,939	208	(1,140)	-	3,366
Finance costs						(2,871)
Profit before tax						495
Taxation						(2,136)
Net loss for the period						(1,641)
Non-controlling interests						516
Net loss after non-controlling interests						(1,125)

3-Month period ended 31.08.2018	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	28,734	385,527	6,140	-	-	420,401
Inter-segment sales	-	340	-	-	(340)	-
Total revenue	28,734	385,867	6,140	-	(340)	420,401

Results						
Segment result	2,516	6,990	(673)	(568)		8,265
Finance costs						(2,870)
Profit before tax						5,395
Taxation						(2,061)
Net profit for the period						3,334
Non-controlling interests						(252)
Net profit after non-controlling interests						3,082

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 2019. 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 except as stated below:

On 14 June 2019, a wholly-owned subsidiary of the Company, Perusahaan Kimia Gemilang Sdn. Bhd. ("PKG") has entered into a share sale agreement with Retromark Solutions Sdn. Bhd. for the acquisition of 660,000 ordinary shares, representing 30% of the issued and paid-up share capital in Ancom Kimia Sdn. Bhd. ("AKM") for a total consideration of RM1,000,000 ("Proposed Acquisition"). Upon completion of the Proposed Acquisition on 8 July 2019, AKM became a 60% owned subsidiary of PKG.

A12. Contingent Liabilities

There were no material contingent liabilities since the last annual Statements of Financial Position as at 31 May 2019.

A13. Capital Commitment

The capital commitment as at 31 August 2019 are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted	352
- Approved but not contracted	8
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	360
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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 %
	31.08.2019 RM'million	31.08.2018 RM'million		31.08.2019 RM'million	31.08.2018 RM'million	
Revenue	314.6	420.4	(25.2)	314.6	420.4	(25.2)
Profit before interest and tax	3.4	8.3	(59.3)	3.4	8.3	(59.3)
Profit before tax	0.5	5.4	(90.8)	0.5	5.4	(90.8)
(Loss)/Profit after tax	(1.6)	3.3	(149.2)	(1.6)	3.3	(149.2)
(Loss)/Profit attributable to owners of the parent	(1.1)	3.1	(136.5)	(1.1)	3.1	(136.5)

For the current quarter under review, the Nylex Group registered lower revenue of RM314.6 million, which represents a decrease of 25.2% from RM420.4 million recorded in the same period last financial year. The decrease in revenue was due to lower contribution across the divisions. The Group recorded Profit Before Tax ("PBT") of RM0.5 million, compared to RM5.4 million recorded in the corresponding period last year, mainly attributable to losses suffered by the Industrial Chemical Division.

The Polymer Division posted lower revenue of RM26.0 million for the current financial quarter, compared with RM28.7 million in the corresponding quarter in Q1 FY 2019. Lower demand for our films and coated fabrics (FCF) and geosynthetic drainage products, were the main reason for the decline. Consequently, the Division posted lower PBT of RM2.4 million compared with RM2.5 million achieved in the same period last year.

The Industrial Chemical Division also posted lower revenue of RM283.8 million for the quarter compared with RM385.5 million recorded in the same period last year, contributed by lower volume sold coupled with generally lower average selling prices. The Division posted lower PBT of RM0.3 million for the quarter, as compared to RM5.5 million achieved in the same period last year, due to lower revenue and lower margin earned on certain products.

During the quarter, the Logistics Division recorded lower revenue of RM4.8 million compared with RM6.1 million recorded in the same period last financial year, following the disposal of its 60% owned subsidiary in June 2018. The Division recorded a loss before tax of RM0.8 million compared to loss before tax of RM1.7 million suffered in the corresponding quarter in Q1 FY 2019.

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

	Current Quarter	Immediate Preceding Quarter	Changes %
	31.08.2019 RM'million	31.05.2019 RM'million	%
Revenue	314.6	380.3	(17.3)
Profit before interest and tax	3.4	5.1	(33.4)
Profit before tax	0.5	1.8	(72.6)
Loss after tax	(1.6)	(1.1)	(53.9)
(Loss)/Profit attributable to owners of the parent	(1.1)	0.1	(965.4)

For the current quarter under review, the Group recorded lower revenue of RM314.6 million compared to RM380.3 million achieved in the immediate preceding quarter, mainly due to lower sales volume. Consequently, the Group registered lower PBT of RM0.5 million for the quarter, compared with RM1.8 million recorded in the immediate preceding quarter.

B3. Current Year's Prospects

Concerns about global economic outlook and the on-going trade tensions between US and China have resulted in volatility and uncertainties in the global markets. The uncertain market condition coupled with the softening consumer demand will continue to put downward pressure on product margins for the Group's operating divisions for the remaining period of financial year ending 31 May 2020.

The Board will continue to seek ways to safeguard and 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	Preceding Year	Current Year	Preceding Year
	31.08.2019	31.08.2018	31.08.2019	31.08.2018
	RM'000	RM'000	RM'000	RM'000
Taxation based on results for the period				
- Current				
Malaysian	(1,973)	(3,712)	(1,973)	(3,712)
Foreign	(536)	(492)	(536)	(492)
- Deferred tax	373	2,143	373	2,143
	<u>(2,136)</u>	<u>(2,061)</u>	<u>(2,136)</u>	<u>(2,061)</u>

The effective tax rate of the Group is higher than the statutory tax rate mainly due to the losses recorded in certain 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 31.08.2019 (RM'000 equivalent)	As At 31.05.2019 (RM'000 equivalent)
Short-term borrowings		
Secured		
- United States Dollar	8,225	14,363
- Vietnamese Dong	<u>3,072</u>	<u>782</u>
	<u>11,297</u>	<u>15,145</u>
Unsecured		
- Ringgit Malaysia	160,520	159,600
- United States Dollar	<u>31,834</u>	<u>36,982</u>
	<u>192,354</u>	<u>196,582</u>
	<u>203,651</u>	<u>211,727</u>
Long-term borrowings		
Secured		
- United States Dollar	<u>37,521</u>	<u>38,558</u>
Total Borrowings	<u>241,172</u>	<u>250,285</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.

The outstanding foreign exchange derivatives as at 31 August 2019 are as follows.

Type of Derivatives	Currency	Contract/ Notional Value RM'000	Fair Value RM'000
Forward foreign exchange - Less than 1 year	USD	1,678	1,686

The above derivatives were entered into as hedges for 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. Notes to the Consolidated Statements of Profit or Loss for the Current Quarter and Financial Year-To-Date

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

	Current Quarter 31.08.2019 RM'000	Financial Year-To-Date 31.08.2019 RM'000
Interest income	(692)	(692)
Dividend income	(17)	(17)
Interest expense	2,871	2,871
Depreciation and amortisation	2,747	2,747
(Write-back)/Provision for and write off of receivables	(3)	(3)
(Write Back)/Provision for and write off of inventories	(400)	(400)
Gain on remeasurement of previously held interest in an associate	(259)	(259)
(Gain)/Loss on foreign exchange	471	471
Fair value (gain)/loss on investments	144	144
Fair value (gain)/loss on derivatives	(8)	(8)

B11. Material Litigation

There was no change in material litigation since the date of the last annual Statements of Financial Position as at 31 May 2019 except as announced on 13 September 2019.

B12. Dividends

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2019: Nil).

B13. (Loss)/Earnings per Share

Basic (Loss)/Earnings Per Share

The calculation of basic (loss)/earnings per share was based on the net loss attributable to owners of the parent for the current quarter and financial year-to-date of RM1,125,599 (31.08.2018: net profit of RM3,082,773) 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 and financial year-to-date of 178,610,389 (31.08.2018: 187,458,318).

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.

B14. 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 2019.

BY ORDER OF THE BOARD

Choo Se Eng
Stephen Geh Sim Whye
Company Secretaries

Petaling Jaya
29 October 2019