

**NYLEX (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)  
[Registration No.: 197001000148 (9378-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2020**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.08.2020 RM'000	31.08.2019 RM'000	31.08.2020 RM'000	31.08.2019 RM'000
Revenue	245,919	314,570	245,919	314,570
Cost of sales	(222,369)	(287,650)	(222,369)	(287,650)
<b>Gross profit</b>	23,550	26,920	23,550	26,920
Other income	586	976	586	976
Selling and distribution expenses	(13,739)	(16,018)	(13,739)	(16,018)
Administrative expenses	(6,922)	(7,355)	(6,922)	(7,355)
Other expenses	(1,075)	(1,021)	(1,075)	(1,021)
Finance costs	(2,214)	(2,871)	(2,214)	(2,871)
Share of results of associates, net of tax	86	(136)	86	(136)
<b>Profit before tax</b>	272	495	272	495
Taxation	(2,071)	(2,136)	(2,071)	(2,136)
<b>Net loss for the period</b>	(1,799)	(1,641)	(1,799)	(1,641)
Net loss attributable to:				
Owners of the parent	(1,518)	(1,125)	(1,518)	(1,125)
Non-controlling interests	(281)	(516)	(281)	(516)
	(1,799)	(1,641)	(1,799)	(1,641)
Loss per share attributable to owners of the parent (sen)				
- basic	(0.84)	(0.63)	(0.84)	(0.63)
- 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 2020)**

**NYLEX (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)  
[Registration No.: 197001000148 (9378-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2020**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.08.2020 RM'000	31.08.2019 RM'000	31.08.2020 RM'000	31.08.2019 RM'000
<b>Net loss for the period</b>	(1,799)	(1,641)	(1,799)	(1,641)
Other comprehensive (loss)/income:				
Currency translation differences	(3,937)	1,414	(3,937)	1,414
Re-measurement of defined benefit liability	-	-	-	-
<b>Other comprehensive (loss)/income for the period</b>	(3,937)	1,414	(3,937)	1,414
<b>Total comprehensive loss for the period</b>	(5,736)	(227)	(5,736)	(227)
Total comprehensive loss attributable to:				
Owners of the parent	(5,168)	239	(5,168)	239
Non-controlling interests	(568)	(466)	(568)	(466)
	(5,736)	(227)	(5,736)	(227)

**(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 2020)**

**NYLEX (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)  
[Registration No.: 197001000148 (9378-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2020**

	<b>As at 31.08.2020 RM'000 (Unaudited)</b>	<b>As at 31.05.2020 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	120,180	123,658
Right-of-use assets	43,799	48,734
Investment in associates	2,682	2,361
Goodwill arising on consolidation	83,374	85,624
Deferred tax assets	25,955	25,854
	<u>275,990</u>	<u>286,231</u>
<b>Current assets</b>		
Inventories	77,180	87,947
Trade and other receivables	178,876	169,123
Investment securities	549	638
Income tax recoverable	3,459	3,050
Short-term deposits with licensed banks	21,665	16,943
Cash and bank balances	71,746	66,985
	<u>353,475</u>	<u>344,686</u>
<b>TOTAL ASSETS</b>	<b><u>629,465</u></b>	<b><u>630,917</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	195,143	195,143
Reserves	17,160	20,810
Retained profits	93,249	94,767
Less: Treasury shares, at cost	(12,916)	(12,916)
	<u>292,636</u>	<u>297,804</u>
<b>Non-controlling interests</b>	<u>9,533</u>	<u>10,101</u>
<b>Total equity</b>	<u>302,169</u>	<u>307,905</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,695	2,695
Long term borrowings	29,620	34,767
Provision for retirement benefits	4,522	4,561
Long term lease liabilities	5,499	7,117
	<u>42,336</u>	<u>49,140</u>
<b>Current liabilities</b>		
Trade and other payables	111,804	80,507
Short-term borrowings	157,426	175,798
Income tax payable	1,865	1,121
Derivative liabilities	-	8
Short-term lease liabilities	13,865	16,438
	<u>284,960</u>	<u>273,872</u>
<b>Total liabilities</b>	<u>327,296</u>	<u>323,012</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>629,465</u></b>	<b><u>630,917</u></b>
Net assets per share attributable to owners of the parent (RM)	1.67	1.70

(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 2020)

**NYLEX (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)  
[Registration No.: 197001000148 (9378-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2020**

	<----- Attributable to owners of the parent ----->				Total	Non- controlling interests	Total equity
	Share capital	Translation reserve	Retained profits	Treasury shares			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>3 month period ended 31 August 2020</u></b>							
Balance as at 01 June 2020	195,143	20,810	94,767	(12,916)	297,804	10,101	307,905
Net loss for the period	-	-	(1,518)	-	(1,518)	(281)	(1,799)
Other comprehensive loss	-	(3,650)	-	-	(3,650)	(287)	(3,937)
Total comprehensive loss for the period	-	(3,650)	(1,518)	-	(5,168)	(568)	(5,736)
Balance as at 31 August 2020	<u>195,143</u>	<u>17,160</u>	<u>93,249</u>	<u>(12,916)</u>	<u>292,636</u>	<u>9,533</u>	<u>302,169</u>
<b><u>3 month period ended 31 August 2019</u></b>							
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)
<b>Transactions with owners</b>							
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	<u>195,143</u>	<u>26,169</u>	<u>118,628</u>	<u>(11,564)</u>	<u>328,376</u>	<u>11,898</u>	<u>340,274</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 2020)**

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

[Registration No.: 197001000148 (9378-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 AUGUST 2020**

	FY 2021 3 months ended 31.08.2020 RM'000 (Unaudited)	FY 2020 3 months ended 31.08.2019 RM'000 (Unaudited)
<b>Cash Flows From Operating Activities</b>		
Profit before tax	272	495
Adjustments for non-cash items	11,722	4,911
Operating cash flows before working capital changes	11,994	5,406
<b>Working Capital Changes</b>		
Receivables	(10,466)	21,902
Inventories	8,649	24,410
Payables	32,453	(25,024)
Related companies	(2,194)	5,978
Associates	135	(7,682)
Cash flows generated from operations	40,571	24,990
Tax paid	(1,975)	(1,454)
Retirement benefits paid	(106)	(93)
<b>Net Cash Flows From Operating Activities</b>	<b>38,490</b>	<b>23,443</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	18	1
Purchase of property, plant and equipment	(103)	(1,880)
Acquisition of interest in an associate	(235)	-
Net cash flows on acquisition of a subsidiary	-	152
Interest received	569	219
Dividend received	7	17
<b>Net Cash Flows From/(Used In) Investing Activities</b>	<b>256</b>	<b>(1,491)</b>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	41,981	55,538
Repayment of borrowings	(62,380)	(65,148)
Repayment of lease liabilities	(3,937)	-
Purchase of treasury shares	-	(1,484)
Interest paid	(2,214)	(2,870)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(26,550)</b>	<b>(13,964)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>12,196</b>	<b>7,988</b>
<b>Effects of Exchange Rate Changes</b>	<b>(3,296)</b>	<b>23</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b>80,269</b>	<b>65,983</b>
<b>Effects of Exchange Rate Changes</b>	<b>583</b>	<b>(336)</b>
<b>Cash and Cash Equivalents at end of period</b>	<b>89,752</b>	<b>73,658</b>
<b>The Cash and Cash Equivalents comprise:</b>		
Cash and bank balances	71,746	60,188
Short-term deposits	21,665	15,553
	<b>93,411</b>	<b>75,741</b>
Less: Short-term deposits with maturity of more than three (3) months	(3,659)	(2,083)
	<b>89,752</b>	<b>73,658</b>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2020)



**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

(Registration No.: 197001000148 (9378-T))

**Notes to the Interim Financial Report  
– For the 1<sup>st</sup> 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 2020.

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 2020.

**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 2020 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 2020:

Amendments to References to the Conceptual Framework in MFRS Standards  
Amendments to MFRS 3 Definition of a Business  
Amendments to MFRS 101 and MFRS 108 Definition of Material  
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform

The adoption of the above pronouncements will have no material impact on the financial statements of the Group.

**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 50<sup>th</sup> Annual General Meeting held on 21 October 2020, 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. The Company did not purchase any shares for the current financial year.

As at 31 August 2020, a total of 19,419,024 treasury shares at a total cost of RM12,916,236.91 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:

<b>3-Month period ended 31.08.2020</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Logistics RM'000</b>	<b>Investment Holding RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External sales	25,144	217,510	3,265	-	-	245,919
Inter-segment sales	-	127	-	-	(127)	-
<b>Total revenue</b>	<b>25,144</b>	<b>217,637</b>	<b>3,265</b>	<b>-</b>	<b>(2,318)</b>	<b>1,136,305</b>

<b>Results</b>						
Segment result	1,726	2,120	(300)	(1,060)	-	2,486
Finance costs						(2,214)
Profit before tax						272
Taxation						(2,071)
Net loss for the period						(1,799)
Non-controlling interests						281
Net loss after non-controlling interests						(1,518)

<b>3-Month period ended 31.08.2019</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Logistics RM'000</b>	<b>Investment Holding RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External sales	25,951	283,833	4,786	-	-	314,570
Inter-segment sales	-	81	972	-	(1,053)	-
<b>Total revenue</b>	<b>25,951</b>	<b>283,914</b>	<b>5,758</b>	<b>-</b>	<b>(1,053)</b>	<b>314,570</b>

<b>Results</b>						
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)

**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 2020. 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 material contingent liabilities since the last annual Statements of Financial Position as at 31 May 2020.

**A13. Capital Commitment**

The capital commitment as at 31 August 2020 are as follows:

	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted	1,617
- Approved but not contracted	8,619
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	10,236
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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 %
	31.08.2020 RM'million	31.08.2019 RM'million		31.08.2020 RM'million	31.08.2019 RM'million	
Revenue	245.9	314.6	(21.8)	245.9	314.6	(21.8)
Profit before interest and tax	2.5	3.4	(26.1)	2.5	3.4	(26.1)
Profit before tax	0.3	0.5	(45.1)	0.3	0.5	(45.1)
Loss after tax	(1.8)	(1.6)	(9.6)	(1.8)	(1.6)	(9.6)
Loss attributable to owners of the parent	(1.5)	(1.1)	(34.9)	(1.5)	(1.1)	(34.9)

For the current quarter under review, the Nylex Group posted lower revenue of RM245.9 million, which represents a decrease of 21.8% from RM314.6 million recorded in the same period last financial year. The decline in revenue was mainly due to lower contribution across all its divisions. The Group recorded Profit Before Tax ("PBT") of RM0.3 million, compared to RM0.5 million recorded in the corresponding period last year after taking into account share of results of associates, some corporate expenses and loss on foreign exchange of about RM2.9 million. The Group recorded a gain on foreign exchange of RM0.5 million in the same period last financial year.

The Covid-19 pandemic continues to depress market sentiment and weaken consumer demand. The necessary containment measures have posed challenges on the economic activities.

The Polymer Division achieved lower sales of RM25.1 million for the current financial quarter, which represents a decrease of 3.1% from RM26.0 million in the corresponding quarter in Q1 FY 2020. This was mainly attributed to lower sales by its manufacturing plant in Surabaya, Indonesia. In tandem with lower revenue, the Division recorded a lower PBT of RM1.7 million compared with PBT of RM2.4 million achieved in the same period last year.

The Industrial Chemical Division has also recorded lower revenue of RM217.5 million for the quarter, a decrease of 23.4% compared with RM283.8 million recorded in the same period last year, mainly attributed to lower sales by its subsidiaries in Malaysia, Indonesia and Vietnam. Despite lower revenue, the Division managed to record higher PBT of RM1.1 million for Q1 FY 2021 as compared to RM0.3 million recorded in the same period last year, assisted by the improved earnings generated by its Ethanol business. One of Ethanol's application is used for manufacturing of sanitizers and disinfectants.

During the quarter, the Logistics Division recorded lower revenue of RM3.3 million compared with RM4.8 million recorded in the same period last year. The Division suffered higher Loss Before Tax ("LBT") of RM1.3 million compared to LBT of RM0.8 million registered in the corresponding quarter in Q1 FY 2020. The declined performance was due to lower charter volume shipped across the ASEAN region.

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

	<b>Current Quarter 31.08.2020 RM'million</b>	<b>Immediate Preceding Quarter 31.05.2020 RM'million</b>	<b>Changes %</b>
Revenue	245.9	230.7	6.6
Profit/(Loss) before interest and tax	2.5	(13.8)	118.0
Profit/(Loss) before tax	0.3	(17.5)	101.6
Loss after tax	(1.8)	(19.7)	90.9
Loss attributable to owners of the parent	(1.5)	(18.7)	91.9

For the current quarter under review, the Group recorded higher revenue of RM245.9 million compared to RM230.7 million achieved in the immediate preceding quarter. In tandem with higher revenue, the Group registered higher PBT of RM0.3 million for Q1 FY 2021 compared with LBT of RM17.5 million in the immediate preceding quarter. The LBT of RM17.5 million recorded in Q4 FY 2020 was arrived at after taking into account the impairment of goodwill of RM10.9 million and gain on foreign exchange of RM2.1 million. The Group recorded a loss on foreign exchange of RM2.9 million for the current quarter under review.

**B3. Current Year's Prospects**

The outlook for the global economy is subject to uncertainty around the evolution and persistence of the Covid-19 pandemic. The resurgence in infections in some part of the region have heightened caution about another spate of lockdowns. The pandemic concerns led to depressed market sentiment and weaker demand.

The depressed demand coupled with oil price volatility will continue to put downward pressure on the demand and margins of our products for the Group's operating divisions for the remaining period of financial year ending 31 May 2021.

The Board will continue to seek opportunities to strengthen our businesses and to improve the Group's performance for FY 2021.

**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**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year 31.08.2020 RM'000</b>	<b>Preceding Year 31.08.2019 RM'000</b>	<b>Current Year 31.08.2020 RM'000</b>	<b>Preceding year 31.08.2019 RM'000</b>
Taxation based on results for the period				
- Current				
Malaysian	(1,830)	(1,973)	(1,830)	(1,973)
Foreign	(467)	(536)	(467)	(536)
- Deferred tax	237	373	237	373
	<u>(2,060)</u>	<u>(2,136)</u>	<u>(2,060)</u>	<u>(2,136)</u>
Over /(Under) provision in prior years	(11)	-	(11)	-
	<u>(2,071)</u>	<u>(2,136)</u>	<u>(2,071)</u>	<u>(2,136)</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 and not completed as at the date of this report, other than the following:

Nylex had on 16 July 2020 announced that Nylex’s holding company, Ancom Berhad (“Ancom”) and Ancom Logistic Berhad (“ALB”) (a subsidiary of Ancom), had on the same date entered into a Heads of Agreement (“HOA”) with S7 Holdings Sdn Bhd, Merrington Assets Limited, MY E.G. Capital Sdn Bhd and Avocat Sdn Bhd regarding corporate exercises involving ALB. In the said HOA, ALB proposed to dispose of the entire equity interest in its wholly-owned subsidiary, Synergy Trans-Link Sdn Bhd and its subsidiaries to Nylex at a valuation to be agreed by Nylex and ALB (“Proposed Acquisition”). The Board has on 15 July 2020 approved in principle the Proposed Acquisition subject to the terms and conditions to be determined by Nylex and ALB at later date.

As at the date of this Report, the Proposed Acquisition is yet to be completed.

**B7. Utilisation of Proceeds**

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

**B8. Group Borrowings**

	<b>As At 31.08.2020 (RM'000 equivalent)</b>	<b>As At 31.05.2020 (RM'000 equivalent)</b>
<b>Short-term borrowings</b>		
Secured		
- United States Dollar	10,708	5,513
- Vietnamese Dong	3,874	6,454
	<u>14,582</u>	<u>11,967</u>
Unsecured		
- Ringgit Malaysia	109,700	130,380
- United States Dollar	33,144	33,451
	<u>142,844</u>	<u>163,831</u>
	<u>157,426</u>	<u>175,798</u>
<b>Long-term borrowings</b>		
Secured		
- United States Dollar	29,620	34,767
	<u>29,620</u>	<u>34,767</u>
<b>Total Borrowings</b>	<u>187,046</u>	<u>210,565</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 2020.

**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:

	<b>Current Quarter 31.08.2020 RM'000</b>	<b>Financial Year-To-Date 31.08.2020 RM'000</b>
Interest income	(569)	(569)
Dividend income	(7)	(7)
Interest expense	2,214	2,214
Depreciation	6,782	6,782
Provision for and write off/(Write-back) of receivables	(50)	(50)
Loss on foreign exchange	2,874	2,874
Fair value loss on investments	89	89

**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 2020.

**B12. Dividends**

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2020: Nil).

**B13. Loss per Share**

*Basic Loss Per Share*

The calculation of basic loss per share was based on the net loss attributable to owners of the parent for the current quarter and financial year-to-date of RM1,518,612 (31.08.2019: net loss of RM1,125,599) 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 180,814,977 (31.08.2019: 178,610,389).

*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 2020.

**BY ORDER OF THE BOARD**

Choo Se Eng  
Stephen Geh Sim Whye  
*Company Secretaries*

Petaling Jaya  
27 October 2020