

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2019
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative Quarter	
	30.11.2019 RM'000	30.11.2018 RM'000	30.11.2019 RM'000	30.11.2018 RM'000
Revenue	315,718	434,364	630,288	854,765
Cost of sales	(286,499)	(399,848)	(574,149)	(785,773)
Gross profit	29,219	34,516	56,139	68,992
Other income	697	(54)	1,673	2,242
Selling and distribution expenses	(15,620)	(15,909)	(31,638)	(31,216)
Administrative expenses	(11,284)	(8,845)	(18,639)	(20,530)
Other expenses	503	(1,466)	(518)	(3,057)
Finance costs	(2,799)	(3,169)	(5,670)	(6,039)
Share of results of associates, net of tax	26	29	(110)	105
Profit before tax	742	5,102	1,237	10,497
Taxation	(1,000)	(3,659)	(3,136)	(5,720)
Net (loss)/profit for the period	(258)	1,443	(1,899)	4,777
Net (loss)/profit attributable to:				
Owners of the parent	270	209	(855)	3,291
Non-controlling interests	(528)	1,234	(1,044)	1,486
	(258)	1,443	(1,899)	4,777
Earnings/(Loss) per share attributable to owners of the parent (sen)				
- basic	0.15	0.11	(0.48)	1.76
- 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)
(Registration No.: 197001000148(9378-T))

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2019
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative Quarter	
	30.11.2019 RM'000	30.11.2018 RM'000	30.11.2019 RM'000	30.11.2018 RM'000
Net (loss)/profit for the period	(258)	1,443	(1,899)	4,777
Other comprehensive (loss)/income:				
Currency translation differences	(934)	4,395	480	6,576
Re-measurement of defined benefit liability	-	-	-	-
Other comprehensive (loss)/income for the period	(934)	4,395	480	6,576
Total comprehensive (loss)/income for the period	(1,192)	5,838	(1,419)	11,353
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(580)	4,390	(341)	9,286
Non-controlling interests	(612)	1,448	(1,078)	2,067
	(1,192)	5,838	(1,419)	11,353

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2019

	As at 30.11.2019 RM'000 (Unaudited)	As at 31.05.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	151,416	147,340
Investment in associates	2,727	3,579
Goodwill arising on consolidation	100,651	100,661
Deferred tax assets	26,606	25,770
Right-to-use assets	31,110	-
	<u>312,510</u>	<u>277,350</u>
Current assets		
Inventories	92,730	130,518
Trade and other receivables	200,531	241,991
Investment securities	679	662
Income tax recoverable	1,557	2,089
Short-term deposits with licensed banks	24,508	17,960
Cash and bank balances	62,668	50,107
	<u>382,673</u>	<u>443,327</u>
TOTAL ASSETS	<u>695,183</u>	<u>720,677</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	195,143	195,143
Reserves	25,319	24,805
Retained profits	118,898	119,753
Less: Treasury shares, at cost	(12,907)	(10,062)
	<u>326,453</u>	<u>329,639</u>
Non-controlling interests	<u>11,286</u>	<u>11,216</u>
Total equity	<u>337,739</u>	<u>340,855</u>
Non-current liabilities		
Deferred tax liabilities	2,387	2,380
Long term borrowings	35,908	38,558
Provision for retirement benefits	4,905	4,666
Long term lease liabilities	14,634	-
	<u>57,834</u>	<u>45,604</u>
Current liabilities		
Trade and other payables	84,452	121,169
Short-term borrowings	197,458	211,727
Income tax payable	1,224	1,322
Short-term lease liabilities	16,476	-
	<u>299,610</u>	<u>334,218</u>
Total liabilities	<u>357,444</u>	<u>379,822</u>
TOTAL EQUITY AND LIABILITIES	<u>695,183</u>	<u>720,677</u>
Net assets per share attributable to owners of the parent (RM)	1.87	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)
(Registration No.: 197001000148(9378-T))

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 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			
6 month period ended 30 November 2019							
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	-	-	(855)	-	(855)	(1,044)	(1,899)
Other comprehensive income/(loss)	-	514	-	-	514	(34)	480
Total comprehensive income/(loss) for the period	-	514	(855)	-	(341)	(1,078)	(1,419)
Transactions with owners							
Acquisition of a subsidiary	-	-	-	-	-	1,148	1,148
Purchase of treasury shares	-	-	-	(2,845)	(2,845)	-	(2,845)
Total transactions with owners	-	-	-	(2,845)	(2,845)	1,148	(1,697)
Balance as at 30 November 2019	195,143	25,319	118,898	(12,907)	326,453	11,286	337,739
6 month period ended 30 November 2018							
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	-	-	(6,370)	-	(6,370)	-	(6,370)
Balance as at 01 June 2018, restated	195,143	18,612	128,983	(4,883)	337,855	16,011	353,866
Net profit for the period	-	-	3,291	-	3,291	1,486	4,777
Other comprehensive income	-	5,995	-	-	5,995	581	6,576
Total comprehensive income for the period	-	5,995	3,291	-	9,286	2,067	11,353
Transactions with owners							
Disposal/Derecognition of subsidiaries	-	-	-	-	-	(3,501)	(3,501)
Acquisition of non-controlling interests of a subsidiary	-	-	(20)	-	(20)	(666)	(686)
Purchase of treasury shares	-	-	-	(1,167)	(1,167)	-	(1,167)
Total transactions with owners	-	-	(20)	(1,167)	(1,187)	(4,167)	(5,354)
Balance as at 30 November 2018	195,143	24,607	132,254	(6,050)	345,954	13,911	359,865

(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)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

	FY 2020	FY 2019
	6 months ended 30.11.2019 RM'000 (Unaudited)	6 months ended 30.11.2018 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	1,237	10,497
Adjustments for non-cash items	10,324	9,270
Operating cash flows before working capital changes	11,561	19,767
Working Capital Changes		
Receivables	40,392	(7,137)
Inventories	37,983	(31,019)
Payables	(38,225)	8,080
Related companies	5,646	(680)
Associates	(7,919)	5,195
Cash flows generated from/(used in) operations	49,438	(5,794)
Tax paid	(2,974)	(4,589)
Retirement benefits paid	(104)	(272)
Net Cash Flows From/(Used In) Operating Activities	46,360	(10,655)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	2	232
Purchase of property, plant and equipment	(2,377)	(3,178)
Acquisition of interest in associates	-	(1,250)
Net cash flows on acquisition of a subsidiary	152	-
Net cash flows on disposal and derecognition of subsidiaries	-	1,904
Acquisition of non-controlling interests in a subsidiary	-	(686)
Interest received	893	1,089
Dividend received	24	31
Withdrawal/(Placement) of short-term deposits		
- pledged with a licensed bank	-	5,967
- with maturity of more than three (3) months	(500)	-
Net Cash Flows (Used In)/From Investing Activities	(1,806)	4,109
Cash Flows From Financing Activities		
Drawdown of borrowings	67,207	109,106
Repayment of borrowings	(83,762)	(88,024)
Purchase of treasury shares	(2,845)	(1,167)
Interest paid	(5,671)	(6,039)
Net Cash Flows (Used In)/From Financing Activities	(25,071)	13,876
Net Increase in Cash and Cash Equivalents	19,483	7,330
Effects of Exchange Rate Changes	(445)	3,847
Cash and Cash Equivalents at beginning of year	65,983	99,038
Effects of Exchange Rate Changes	(429)	(1,320)
	65,554	97,718
Cash and Cash Equivalents at end of period	84,592	108,895
The Cash and Cash Equivalents comprise:		
Cash and bank balances	62,668	95,056
Short-term deposits	24,508	16,857
	87,176	111,913
Less: Short-term deposits with maturity of more than three (3) months	(2,584)	(3,018)
	84,592	108,895

(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 2nd Financial Quarter Ended 30 November 2019**

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 and the financial year-to-date, the Company repurchased 2,259,900 and 4,714,200, respectively, of 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
	2,454,300				1,501,461.19
September 2019	805,300	0.6100	0.5900	0.5998	485,397.30
October 2019	1,441,900	0.6050	0.5650	0.5872	850,667.07
November 2019	12,700	0.5900	0.5700	0.5793	7,452.01
	2,259,900				1,343,516.38
Total	4,714,200				2,844,977.57

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

As at 30 November 2019, a total of 19,403,524 treasury shares at a total cost of RM12,907,134.28 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:

6-Month period ended 30.11.2019	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	50,336	569,810	10,142	-	-	630,288
Inter-segment sales	-	302	971	-	(1,273)	-
Total revenue	50,336	570,112	11,113	-	(1,273)	630,288
Results						
Segment result	4,876	2,931	1,184	(2,084)	-	6,907
Finance costs						(5,670)
Profit before tax						1,237
Taxation						(3,136)
Net loss for the period						(1,899)
Non-controlling interests						1,044
Net loss after non-controlling interests						(855)

6-Month period ended 30.11.2018	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	56,352	788,339	10,074	-	-	854,765
Inter-segment sales	-	1,095	-	-	(1,095)	-
Total revenue	56,352	789,434	10,074	-	(1,095)	854,765
Results						
Segment result	4,014	18,687	(2,243)	(3,922)		16,536
Finance costs						(6,039)
Profit before tax						10,497
Taxation						(5,720)
Net profit for the period						4,777
Non-controlling interests						(1,486)
Net profit after non-controlling interests						3,291

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 30 November 2019 are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted	<u>209</u>
	<u><u>209</u></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 %
	30.11.2019 RM'million	30.11.2018 RM'million		30.11.2019 RM'million	30.11.2018 RM'million	
Revenue	315.7	434.4	(27.3)	630.3	854.8	(26.3)
Profit before interest and tax	3.5	8.3	(57.2)	6.9	16.5	(58.2)
Profit before tax	0.7	5.1	(85.5)	1.2	10.5	(88.2)
(Loss)/Profit after tax	(0.3)	1.4	(117.9)	(1.9)	4.8	(139.8)
Profit/(Loss) attributable to owners of the parent	0.3	0.2	29.2	(0.9)	3.3	(126.0)

For the six months ended 30 November 2019, the Nylex Group posted lower revenue of RM630.3 million, which represents a decrease of 26.3% from RM854.8 million recorded in the same period last financial year. The decline in revenue was mainly attributed to lower contribution from the Industrial Chemical Division. The Group's profit before tax ("PBT") declined by 88.2% to RM1.2 million, from RM10.5 million recorded in the corresponding period last financial year, after taking into account share of result of associates and corporate expenses. The Group PBT for Q2 last financial year of RM10.5 million was arrived at, after incorporating the net gain on sale of subsidiary/derecognition of subsidiary of about RM0.5 million.

For the current quarter under review, the Nylex Group registered lower revenue of RM315.7 million, which represents a decrease of 27.3% from RM434.4 million recorded in the same period last financial year. The decline in revenue was mainly due to lower contribution from the Industrial Chemical Division. The PBT for the period decreased to RM0.7 million, compared to RM5.1 million recorded in the corresponding period last year, attributable to lower earnings contributed by the Industrial Chemical Division.

The Polymer Division posted lower revenue of RM24.4 million for the current financial quarter, compared with RM27.6 million in the corresponding quarter in Q2 FY 2019 mainly due to lower contribution by both its manufacturing plant in Shah Alam and Surabaya, Indonesia. Despite lower revenue, the Division posted higher PBT of RM2.5 million compared with RM1.5 million achieved in the same period last year, attributed to better margins on product mix.

The Industrial Chemical Division also posted lower revenue of RM286.0 million for the quarter compared with RM402.8 million recorded in the same period last year, attributed by lower volume and generally lower average selling prices. The Division suffered Loss Before Tax ("LBT") of RM0.5 million for the quarter, as compared to a PBT of RM9.3 million achieved in the same period last year, in tandem with lower revenue and lower margin earned on certain products.

During the quarter, the Logistics Division recorded higher revenue of RM5.4 million compared with RM3.9 million recorded in the same period last year. The Division managed to lower its LBT to 0.1 million compared to LBT of RM2.6 million registered in the corresponding quarter in Q2 FY 2019.

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

	Current Quarter 30.11.2019 RM'million	Immediate Preceding Quarter 31.08.2019 RM'million	Changes %
Revenue	315.7	314.6	0.4
Profit before interest and tax	3.5	3.4	5.2
Profit before tax	0.7	0.5	49.9
Loss after tax	(0.3)	(1.6)	84.3
Profit/(Loss) attributable to owners of the parent	0.3	(1.1)	124.0

For the current quarter under review, the Group recorded slightly higher revenue of RM315.7 million compared to RM314.6 million achieved in the immediate preceding quarter, mainly due to generally higher selling prices for certain products. Accordingly, the Group recorded improved PBT of RM0.7 million, 49.9% higher than the RM0.5 million recorded in the immediate preceding quarter.

B3. Current Year's Prospects

Weak economic growth, ongoing trade tensions and geopolitical risks have resulted in volatility and uncertainties in the global markets. The weak market sentiment coupled with the generally soft 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		Culmulative Quarter	
	Current Year 30.11.2019 RM'000	Preceding Year 30.11.2018 RM'000	Current Year 30.11.2019 RM'000	Preceding year 30.11.2018 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(854)	(2,519)	(2,827)	(6,231)
Foreign	(597)	(446)	(1,133)	(938)
- Deferred tax	451	(694)	824	1,449
	<u>(1,000)</u>	<u>(3,659)</u>	<u>(3,136)</u>	<u>(5,720)</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 30.11.2019 (RM'000 equivalent)	As At 31.05.2019 (RM'000 equivalent)
Short-term borrowings		
Secured		
- United States Dollar	11,170	14,363
- Vietnamese Dong	3,055	782
	<u>14,225</u>	<u>15,145</u>
Unsecured		
- Ringgit Malaysia	150,481	159,600
- United States Dollar	32,752	36,982
	<u>183,233</u>	<u>196,582</u>
	<u>197,458</u>	<u>211,727</u>
Long-term borrowings		
Secured		
- United States Dollar	35,908	38,558
	<u>35,908</u>	<u>38,558</u>
Total Borrowings	<u>233,366</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.

There were no outstanding foreign exchange derivatives as at 30 November 2019.

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 30.11.2019 RM'000	Financial Year-To-Date 30.11.2019 RM'000
Interest income	(697)	(1,389)
Dividend income	(7)	(24)
Interest expense	2,799	5,670
Depreciation and amortisation	2,848	5,595
(Write-back)/Provision for and write off of receivables	(95)	(98)
Provision for and write off of inventories	-	(400)
Gain on remeasurement of previously held interest in an associate	-	(259)
(Gain)/Loss on foreign exchange	(524)	(53)
Fair value loss on investments	5	149
Fair value gain on derivatives	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. Earnings/(Loss) per Share

Basic Earnings/(Loss) Per Share

The calculation of basic earnings/(loss) per share was based on the net profit attributable to owners of the parent for the current quarter of RM269,702 (30.11.2018: net profit of RM208,818) and net loss of RM855,897 (30.11.2018: net profit of RM3,291,591) 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 175,817,287 (30.11.2018: 186,689,084) and for the financial year-to-date of 177,221,469 (30.11.2018: 187,075,803).

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
21 January 2020