

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2009
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	30.11.2009 RM'000	30.11.2008 RM'000	30.11.2009 RM'000	30.11.2008 RM'000
Revenue	297,833	337,758	629,860	898,069
Cost of Sales	(262,618)	(319,958)	(555,231)	(828,273)
Gross Profit	35,215	17,800	74,629	69,796
Other income	108	(1,146)	923	612
Selling and distribution expenses	(11,136)	(13,154)	(24,828)	(31,831)
Administrative expenses	(11,709)	(10,265)	(21,685)	(22,388)
Other expenses	(1,015)	(3,874)	(1,088)	(4,242)
Finance cost	(1,206)	(2,472)	(2,651)	(4,830)
Share of results of associates	0	(742)	0	(895)
Profit before taxation	10,257	(13,853)	25,300	6,222
Taxation	(1,078)	175	(3,725)	(5,012)
Profit for the period	9,179	(13,678)	21,575	1,210
Attributable to:				
Equity holders of the parent	9,203	(13,335)	21,552	4,218
Minority interest	(24)	(343)	23	(3,008)
	9,179	(13,678)	21,575	1,210
Earnings per share (sen)				
- basic	4.97	(7.55)	11.63	2.39
- diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2009)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 November 2009

	As at 30.11.2009 RM'000 (Unaudited)	As at 31.05.2009 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	51,040	60,211
Prepaid lease payments	23,539	18,490
Development expenditure	97	199
Goodwill arising on consolidation	92,992	93,160
Investments		
Unquoted company	3,580	3,580
Deferred tax assets	20,869	16,574
	<u>192,117</u>	<u>192,214</u>
Current assets		
Inventories	94,644	90,175
Trade debtors	156,039	156,324
Other debtors, deposits and prepayments	14,397	6,027
Marketable securities	1,052	790
Tax recoverable	737	5,372
Amount owing by related companies	55	54
Short-term deposits	27,193	33,774
Cash and bank balances	45,913	33,807
	<u>340,030</u>	<u>326,323</u>
TOTAL ASSETS	<u>532,147</u>	<u>518,537</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	194,338	194,338
Reserves	(7,378)	(4,577)
Retained profits	80,945	59,393
Less: Treasury shares, at cost	(12,851)	(12,851)
	<u>255,054</u>	<u>236,303</u>
Minority interests	4,425	4,383
Total equity	<u>259,479</u>	<u>240,686</u>
Non-current liabilities		
Deferred tax liabilities	1,857	1,888
Long term borrowings	25,690	32,777
Provision for retirement benefits	3,496	3,774
	<u>31,043</u>	<u>38,439</u>
Current liabilities		
Trade creditors	84,317	88,623
Other creditors and accrued expenses	37,875	36,239
Amount owing to related companies	4,673	7,560
Short-term borrowings	110,399	104,662
Provision for taxation	4,361	2,328
	<u>241,625</u>	<u>239,412</u>
Total liabilities	<u>272,668</u>	<u>277,851</u>
TOTAL EQUITY AND LIABILITIES	<u>532,147</u>	<u>518,537</u>
Net Assets per share attributable to equity holders of the parents (RM)	1.38	1.27

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2009)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 November 2009

	<----- Attributable to equity holders of the parent ----->							
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
<u>6 months quarter ended 30 November 2009</u>								
Balance as at 01 June 2009	194,338	805	(5,382)	59,393	(12,851)	236,303	4,383	240,686
Currency translation differences representing net income/(expense) recognised directly in equity	-	-	(2,801)	-	-	(2,801)	19	(2,782)
Net profit for the period	-	-	-	21,552	-	21,552	23	21,575
Total recognised income and expense for the period	-	-	(2,801)	21,552	-	18,751	42	18,793
Balance as at 30 November 2009	194,338	805	(8,183)	80,945	(12,851)	255,054	4,425	259,479
<u>6 months quarter ended 30 November 2008</u>								
Balance as at 01 June 2008	194,338	805	(15,023)	63,096	(24,917)	218,299	8,510	226,809
Repurchase of shares	-	-	-	-	(464)	(464)	-	(464)
Additional interests in subsidiaries	-	-	-	-	-	-	52	52
	194,338	805	(15,023)	63,096	(25,381)	217,835	8,562	226,397
Currency translation differences representing net income/(expense) recognised directly in equity	-	-	10,206	-	-	10,206	(72)	10,134
Net profit/(loss) for the period	-	-	-	4,218	-	4,218	(3,008)	1,210
Total recognised income and expense for the period	-	-	10,206	4,218	-	14,424	(3,080)	11,344
Balance as at 30 November 2008	194,338	805	(4,817)	67,314	(25,381)	232,259	5,482	237,741

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2009)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 November 2009

	FY 2010 6 months ended 30.11.2009 RM'000 (Unaudited)	FY 2009 6 months ended 30.11.2008 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before taxation	25,300	6,222
Adjustments for non-cash items	6,751	10,502
Operating profit before working capital changes	32,051	16,724
Changes in working capital	(21,599)	15,547
Net Cash Generated From Operating Activities	10,452	32,271
Cash Flows From Investing Activities		
Additional interests in subsidiaries	(1,733)	-
Other investments	633	(1,788)
Net Cash Used In Investing Activities	(1,100)	(1,788)
Cash Flows From Financing Activities		
Term loans and advances	(673)	(51,164)
Purchase of Company's own shares	-	(464)
Interest paid	(2,651)	(4,830)
Net Cash Used In Financing Activities	(3,324)	(56,458)
Net Increase/(Decrease) in Cash and Cash Equivalents	6,028	(25,975)
Effects of Exchange Rate Changes	(1,459)	9,978
Cash and Cash Equivalents at beginning of year	67,251	68,378
Effects of Exchange Rate Changes	1,064	(1,131)
	68,315	67,247
Cash and Cash Equivalents at end of period	72,884	51,250
The Cash and Cash Equivalents comprise:		
Cash and bank balances	45,913	34,141
Short-term deposits	27,193	17,971
Bank overdrafts	(222)	(862)
	72,884	51,250

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2009)



NYLEX (MALAYSIA) BERHAD

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

A. NOTES TO THE INTERIM FINANCIAL REPORT

(For the Financial Quarter Ended 30 November 2009)

A1. Basis of Preparation

This Interim Financial Report ("Report") is unaudited and has been prepared in compliance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

This Report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 May 2009.

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 2009.

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 2009.

A2. 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 2009.

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 39th Annual General Meeting held on 26 November 2009, 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 did not purchase any ordinary shares in the Company pursuant to Section 67A of the Companies Act, 1965.

As at 30 November 2009, a total of 8,988,457 treasury shares at a total cost of RM12.85 million were held by the Company pursuant to Section 67A (3A) (b) of the Companies Act, 1965.

A7. Dividend Paid

The Company has not declared/paid any dividend for the current financial year-to-date.

On 18 September 2009, the Directors recommended the payment of final dividend in the form of distribution of one (1) treasury share for every sixty (60) existing ordinary shares of RM1.00 each held, of which fraction of a treasury share is to be disregarded, for the financial year ended 31 May 2009.

The final dividend was approved by the shareholders on 26 November 2009 and was distributed on 15 January 2010.

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 30.11.2009	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	62,677	567,183	-	-	629,860
Inter-segment sales	3	189	-	(192)	-
Total revenue	62,680	567,372	-	(192)	629,860

Results					
Segment result	7,439	28,129	(219)	-	35,349
Unallocated corporate expenses					(7,398)
Operating profit					27,951
Finance costs					(2,651)
Share of results of associates					-
Profit before taxation					25,300
Taxation					(3,725)
Profit after taxation					21,575
Minority interests					(23)
Net profit for the period					21,552

6-Month period ended 30.11.2008	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	63,703	831,728	2,638	-	898,069
Inter-segment sales	-	237	-	(237)	-
Total revenue	63,703	831,965	2,638	(237)	898,069

6-Month period ended 30.11.2008	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Results					
Segment result	1,506	21,102	(667)	-	21,941
Unallocated corporate expenses					(9,994)
Operating profit					11,947
Finance costs					(4,830)
Share of results of associates					(895)
Profit before taxation					6,222
Taxation					(5,012)
Profit after taxation					1,210
Minority interests					3,008
Net profit for the period					4,218

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 2009. The carrying values are based on valuations carried out in 1985 by independent qualified valuers less depreciation.

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 for the following:-

1. Perusahaan Kimia Gemilang (Vietnam) Company Ltd. ("PKG Vietnam")

The Company's wholly-owned subsidiary, Perusahaan Kimia Gemilang Sdn Bhd ("PKG") currently owns 51% interest in PKG Vietnam. On 6 July 2009, PKG entered into a conditional capital transfer agreement with Long Thanh Chemicals Company Ltd ("LTCC") for the acquisition of the remaining 49% interest in PKG Vietnam from LTCC for US\$500,000.

The above transaction was completed on 30 November 2009 and with effect from the same date, PKG Vietnam became a wholly-owned subsidiary of PKG.

A12. Contingent Liabilities

There were no contingent liabilities since the last annual balance sheet as at 31 May 2009.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Group's Performance for the Current Quarter and Financial Year-To-Date

For the six months ended 30 November 2009, the Nylex Group achieved sales of RM629.9 million, a decline in sales of 29.9% from RM898.1 million recorded in the same period last year. The decrease in sales was mainly due to lower sales contribution from the Industrial Chemical Division. The Group recorded a profit before tax ("PBT") of RM25.3 million, compared to the RM6.2 million achieved in the corresponding period last year.

For the current quarter under review, the Nylex Group achieved sales of RM297.8 million, a decline of 11.8% from RM337.8 million recorded in the same period last year. The Group recorded a PBT of RM10.3 million, compared to a loss before tax of RM13.9 million achieved in the corresponding period last year. Despite lower sales, the earnings increased during the quarter as a result of the improved market conditions which allowed us to increase our selling prices and improve our margins when compared to the corresponding quarter of last financial year.

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

For the current quarter under review, the Group achieved sales of RM297.8 million and a PBT of RM10.3 million, compared to sales of RM332.0 million and a PBT of RM15.0 million in the immediate preceding quarter. The lower sales recorded in the current quarter were mainly due to the slightly weaker demand of our customers when compared to the immediate preceding quarter. Keener competition resulted in a lower PBT for this quarter.

B3. Current Year's Prospects

Barring unforeseen circumstances, the Group's performance for the remaining periods of financial year ending 31 May 2010 is expected to be satisfactory.

B4. Variance of Actual Profit from Forecast Profit/Profit Guarantee

This is not applicable as there was no forecast profit or profit guarantee issued in respect of the current financial year.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year 30.11.2009 RM'000	Preceding Year 30.11.2008 RM'000	Current Year 30.11.2009 RM'000	Preceding year 30.11.2008 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(2,640)	(2,063)	(5,556)	(7,251)
Foreign	(1,048)	1,590	(2,311)	407
- Deferred tax	2,596	634	4,129	1,832
	(1,092)	161	(3,738)	(5,012)
Over provision in prior years	14	14	13	-
	(1,078)	175	(3,725)	(5,012)

The effective tax rate of the Group is lower than the statutory tax rate due to the tax incentives of the Company and the concessionary tax rate in a subsidiary.

B6. Profits/(losses) on Sale of Unquoted Investments/Properties

There were no disposals of unquoted investments/properties for the current quarter and financial year-to-date.

B7. Marketable Securities

There were no purchases and disposals of marketable securities during the current quarter and financial year-to-date.

Details of the Group's investment in marketable securities are as follows:

	As at 30.11.2009 RM'000	As at 31.05.2009 RM'000
(i) At cost	1,581	1,581
(ii) At book value	1,052	790
(iii) At market value	1,052	790

B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B9. Utilisation of Proceeds

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

B10. Group Borrowings

	As At 30.11.2009 (RM'000 equivalent)	As At 31.05.2009 (RM'000 equivalent)
Short-term borrowings		
Secured		
- Ringgit Malaysia	14,400	14,400
- Singapore Dollar	1,001	0
- Vietnam Dong	11,954	3,869
	<u>27,355</u>	<u>18,269</u>
Unsecured		
- Ringgit Malaysia	83,025	86,045
- United States Dollar	0	330
- Indonesian Rupiah	19	18
	<u>83,044</u>	<u>86,393</u>
	<u>110,399</u>	<u>104,662</u>

	As At 30.11.2009 (RM'000 equivalent)	As At 31.05.2009 (RM'000 equivalent)
Long-term borrowings		
Secured		
- Ringgit Malaysia	22,648	29,847
- Vietnam Dong	3,003	2,884
	<u>25,651</u>	<u>32,731</u>
Unsecured		
- Indonesian Rupiah	39	46
	<u>25,690</u>	<u>32,777</u>
Total Borrowings	<u><u>136,089</u></u>	<u><u>137,439</u></u>

B11. Financial Instruments with Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk at the date of this Report.

B12. Material Litigation

There was no material litigation at the date of this Report.

B13. Dividends

- (a) The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2009: Nil);
- (b) There were no dividends declared for the current financial year-to-date (FY 2009: Nil).

B14. Earnings per Share

Basic Earnings Per Share

The calculation of basic earnings per share was based on the net profit attributable to ordinary equity holders of the parent for the current quarter of RM9,203,524 (30.11.2008: net loss of RM13,335,759) and net profit of RM21,552,007 (30.11.2008: net profit of RM4,218,037) for the financial year-to-date as reported in the condensed income statements of the Group, divided by the weighted average number of ordinary shares in issue during the current quarter of 185,349,403 (30.11.2008: 176,563,428) and for the financial year-to-date of 185,349,403 (30.11.2008: 176,600,128).

Diluted Earnings Per Share

Not applicable as the Company does not have dilutive potential ordinary shares in issue as at the balance sheet date.

BY ORDER OF THE BOARD

Choo Se Eng
Stephen Geh Sim Whye
Company Secretaries

Petaling Jaya
26 January 2010