

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2009
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative Quarter	
	28.02.2009 RM'000	29.02.2008 RM'000	28.02.2009 RM'000	29.02.2008 RM'000
Revenue	217,826	375,218	1,115,895	1,285,371
Cost of Sales	(193,926)	(343,301)	(1,022,199)	(1,159,124)
Gross Profit	23,900	31,917	93,696	126,247
Other income	119	418	731	4,831
Selling and distribution expenses	(16,008)	(11,168)	(47,839)	(42,922)
Administrative expenses	(9,496)	(8,906)	(31,884)	(34,251)
Other expenses	(554)	(3,807)	(4,796)	(5,513)
Finance cost	(1,973)	(2,270)	(6,803)	(7,292)
Share of results of associates	80	(95)	(815)	278
(Loss)/Profit before taxation	(3,932)	6,089	2,290	41,378
Taxation	1,352	(1,941)	(3,660)	(10,467)
(Loss)/Profit for the period	<u>(2,580)</u>	<u>4,148</u>	<u>(1,370)</u>	<u>30,911</u>
Attributable to:				
Equity holders of the parent	(2,623)	4,129	1,595	30,759
Minority interest	43	19	(2,965)	152
	<u>(2,580)</u>	<u>4,148</u>	<u>(1,370)</u>	<u>30,911</u>
Earnings per share (sen)				
- basic	(1.45)	2.17	0.90	15.94
- 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 2008)

NYLEX (MALAYSIA) BERHAD

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

CONDENSED CONSOLIDATED BALANCE SHEET

As at 28 February 2009

	As at 28.02.2009 RM'000 (Unaudited)	As at 31.05.2008 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	61,258	62,064
Prepaid lease payments	18,569	18,806
Development expenditure	250	403
Goodwill arising on consolidation	96,961	88,464
Investments		
Quoted company	3,809	3,809
Unquoted associates	-	815
Unquoted company	3,580	3,580
Deferred tax assets	5,535	996
	<u>189,962</u>	<u>178,937</u>
Current assets		
Inventories	90,329	132,964
Trade debtors	137,723	273,891
Other debtors, deposits and prepayments	6,232	4,649
Marketable securities	557	1,137
Tax recoverable	7,773	8,694
Amount owing by related companies	776	180
Short-term deposits	36,535	24,998
Cash and bank balances	33,734	43,786
	<u>313,659</u>	<u>490,299</u>
TOTAL ASSETS	<u>503,621</u>	<u>669,236</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	194,338	194,338
Reserves	(1,916)	(14,218)
Retained profits	46,282	63,096
Less: Treasury shares, at cost	(12,851)	(24,917)
	<u>225,853</u>	<u>218,299</u>
Minority interests	5,418	8,510
Total equity	<u>231,271</u>	<u>226,809</u>
Non-current liabilities		
Deferred tax liabilities	2,091	2,836
Long term borrowings	36,773	44,311
Provision for retirement benefits	4,532	4,534
	<u>43,396</u>	<u>51,681</u>
Current liabilities		
Trade creditors	69,578	176,523
Other creditors and accrued expenses	37,083	18,227
Amount owing to related companies	2,948	11,065
Short-term borrowings	118,256	181,200
Provision for taxation	1,089	3,731
	<u>228,954</u>	<u>390,746</u>
Total liabilities	<u>272,350</u>	<u>442,427</u>
TOTAL EQUITY AND LIABILITIES	<u>503,621</u>	<u>669,236</u>
Net Assets per share attributable to equity holders of the parents (RM)	1.22	1.23

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2008)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 28 February 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
9 months quarter ended 28 February 2009								
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
	<u>194,338</u>	<u>805</u>	<u>(15,023)</u>	<u>63,096</u>	<u>(25,381)</u>	<u>217,835</u>	<u>8,562</u>	<u>226,397</u>
Currency translation differences representing net income/(expense) recognised directly in equity	-	-	12,302	-	-	12,302	(179)	12,123
Net profit/(loss) for the period	-	-	-	1,595	-	1,595	(2,965)	(1,370)
Total recognised income and expense for the period	-	-	12,302	1,595	-	13,897	(3,144)	10,753
Dividends								
- Final dividend paid for the financial year ended 31 May 2008 (4.5% less 26% Malaysian income tax)	-	-	-	(5,879)	-	(5,879)	-	(5,879)
- Final tax-exempt dividend for the financial year ended 31 May 2008 (distribution of 1 treasury share for every 20 ordinary shares held)	-	-	-	(12,530)	12,530	-	-	-
	-	-	12,302	(16,814)	12,530	8,018	(3,144)	4,874
Balance as at 28 February 2009	<u>194,338</u>	<u>805</u>	<u>(2,721)</u>	<u>46,282</u>	<u>(12,851)</u>	<u>225,853</u>	<u>5,418</u>	<u>231,271</u>
9 months quarter ended 29 February 2008								
Balance as at 01 June 2007	194,338	805	(10,418)	18,880	-	203,605	4,691	208,296
Repurchase of shares	-	-	-	-	(6,739)	(6,739)	-	(6,739)
	<u>194,338</u>	<u>805</u>	<u>(10,418)</u>	<u>18,880</u>	<u>(6,739)</u>	<u>196,866</u>	<u>4,691</u>	<u>201,557</u>
Currency translation differences representing net expense recognised directly in equity	-	-	(5,637)	-	-	(5,637)	(94)	(5,731)
Net profit for the period	-	-	-	30,759	-	30,759	152	30,911
Total recognised income and expense for the period	-	-	(5,637)	30,759	-	25,122	58	25,180
Dividends								
- Second interim dividend declared for the financial year ended 31 May 2007 (2.5% less 27% Malaysian income tax)	-	-	-	(3,547)	-	(3,547)	-	(3,547)
	-	-	(5,637)	27,212	-	21,575	58	21,633
Balance as at 29 February 2008	<u>194,338</u>	<u>805</u>	<u>(16,055)</u>	<u>46,092</u>	<u>(6,739)</u>	<u>218,441</u>	<u>4,749</u>	<u>223,190</u>

(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 2008)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 28 February 2009

	FY 2009 9 months ended 28.02.2009 RM'000 (Unaudited)	FY 2008 9 months ended 29.02.2008 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before taxation	2,290	41,378
Adjustments for non-cash items	16,556	12,105
Operating profit before working capital changes	18,846	53,483
Changes in working capital	71,011	(48,469)
Net Cash Generated From Operating Activities	89,857	5,014
Cash Flows From Investing Activities		
Other investments	(4,966)	(3,953)
Net Cash (Used In)/Generated From Investing Activities	(4,966)	(3,953)
Cash Flows From Financing Activities		
Dividends paid to shareholders of the Company	(5,879)	(3,547)
Term loans and advances	(78,296)	15,323
Purchase of Company's own shares	(464)	(6,739)
Interest paid	(6,803)	(7,291)
Net Cash Used In Financing Activities	(91,442)	(2,254)
Net (Decrease)/Increase in Cash and Cash Equivalents	(6,551)	(1,193)
Effects of Exchange Rate Changes	11,258	(2,203)
Cash and Cash Equivalents at beginning of year	68,378	55,514
Effects of Exchange Rate Changes	(3,658)	1,399
	64,720	56,913
Cash and Cash Equivalents at end of period	69,427	53,517
The Cash and Cash Equivalents comprise:		
Cash and bank balances	33,734	29,462
Short-term deposits	36,535	25,730
Bank overdrafts	(842)	(1,675)
	69,427	53,517

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2008)



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

A. NOTES TO THE INTERIM FINANCIAL REPORT

(For the Financial Quarter Ended 28 February 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 Chapter 9 Part K 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 2008.

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 2008 except for the adoption of the following new/revised FRSs effective for financial year beginning 1 June 2008:-

FRSs

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 119 ₂₀₀₄	Employee Benefits

Amendments to

FRS 121	The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
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The adoption of the above FRSs does not have significant financial impact on the Group.

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 2008.

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:

On 31 October 2007, the shareholders of the Company approved the proposal for the Company to repurchase its own ordinary shares. The Company did not purchase any shares in the current quarter. During the financial year-to-date, the Company purchased 375,100 ordinary shares of RM1.00 each in the Company pursuant to Section 67A of the Companies Act, 1965, details of which are as follows:

Date	No. of Shares	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total Consideration (RM)
June 2008	269,600	1.3800	1.2700	1.3307	360,406
July 2008	41,000	1.1700	1.1300	1.1513	47,630
October 2008	40,500	1.0200	0.7900	0.8689	35,419
November 2008	24,000	0.8900	0.8050	0.8598	20,824
	375,100				464,279

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

On 16 January 2009, the Company distributed a total of 8,825,943 treasury shares, being payment of the final tax-exempt dividend for the financial year ended 31 May 2008.

As at 28 February 2009, a total of 8,988,357 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

On 16 January 2009, the Company paid a final dividend, for the financial year ended 31 May 2008, as follows:

- (i) cash dividend of 4.5 sen per share, less 26% income tax; and
- (ii) tax-exempt dividend in the form of distribution of one (1) treasury share for every twenty (20) existing ordinary shares of RM1.00 each held, fraction of a treasury share is to be disregarded.

A8. Segment Revenue and Results

The segment revenue and segment results for business segments for the current financial year-to-date are as follows: -

9-Month period ended 28.02.2009	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	85,953	1,026,882	3,060	-	1,115,895
Inter-segment sales	5	285	-	(290)	-
Total revenue	85,958	1,027,167	3,060	(290)	1,115,895

9-Month period ended 28.02.2009	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Results					
Segment result	789	20,829	(643)	-	20,975
Unallocated corporate expenses (Note A)					(11,067)
Operating profit					9,908
Finance costs					(6,803)
Share of results of associates					(815)
Profit before taxation					2,290
Taxation					(3,660)
Profit after taxation					(1,370)
Minority interests					2,965
Net profit for the period					1,595

9-Month period ended 29.02.2008	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	98,152	1,180,494	6,725	-	1,285,371
Inter-segment sales	11	515	-	(526)	-
Total revenue	98,163	1,181,009	6,725	(526)	1,285,371
Results					
Segment result	2,811	55,383	355	-	58,550
Unallocated corporate expenses (Note A)					(10,158)
Operating profit					48,392
Finance costs					(7,292)
Share of results of associates					278
Profit before taxation					41,378
Taxation					(10,467)
Profit after taxation					30,911
Minority interests					(152)
Net profit for the period					30,759

Note A: This includes dividend income received from investment in an unquoted company (FY2009: Nil; FY2008: RM3,287,671) net of expenses.

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 2008. 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.

A12. Contingent Liabilities

There were no contingent liabilities since the last annual balance sheet as at 31 May 2008.

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 nine months ended 28 February 2009, the Nylex Group achieved sales of RM1,115.9 million, a decline of 13.2% from RM1,285.4 million recorded in the same period last year. The Group recorded a profit before tax ("PBT") of RM2.3 million, compared to the RM41.4 million achieved in the corresponding period last year.

For the current quarter under review, the Group achieved sales of RM217.8 million compared to RM375.2 million in the corresponding quarter of last financial year but reported a loss before tax ("LBT") of RM3.9 million against a profit before tax of RM6.1 million in Q3 FY 2008. The sales declined during the quarter as a result of the negative impact of the global financial meltdown.

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 RM217.8 million and a LBT of RM3.9 million, compared to sales of RM337.8 million and a LBT of RM13.9 million in the immediate preceding quarter.

B3. Current Year's Prospects

During the last two quarters, trading conditions regionally were extremely difficult and challenging due to the global financial turmoil. However, there are signs that the situation is gradually stabilizing. While the Board remains cautiously optimistic about prospects for the remainder of the financial year, it will continue to monitor the Group's operations closely.

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 28.02.2009 RM'000	Preceding Year 29.02.2008 RM'000	Current Year 28.02.2009 RM'000	Preceding year 29.02.2008 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(2,645)	(1,374)	(9,896)	(10,270)
Foreign	277	(301)	684	(977)
- Deferred tax	3,720	(159)	5,552	910
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	1,352	(1,834)	(3,660)	(10,337)
Over/(Under) provision in prior years	-	(107)	-	(130)
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	1,352	(1,941)	(3,660)	(10,467)

The effective tax rate of the Group is disproportionate to the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes, 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 28.02.2009 RM'000	As at 31.05.2008 RM'000
(i) At cost	1,581	1,549
(ii) At book value	557	1,137
(iii) At market value	557	1,137

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 28.02.2009 (RM'000 equivalent)	As At 31.05.2008 (RM'000 equivalent)
Short-term borrowings		
Secured		
- Ringgit Malaysia	14,400	14,400
- United States Dollar	319	51,727
- Singapore Dollar	416	0
- Vietnam Dong	1,740	0
	<u>16,875</u>	<u>66,127</u>
Unsecured		
- Ringgit Malaysia	100,602	115,073
- United States Dollar	551	0
- Indonesian Rupiah	228	0
	<u>101,381</u>	<u>115,073</u>
	<u>118,256</u>	<u>181,200</u>
Long-term borrowings		
Secured		
- Ringgit Malaysia	33,447	44,247
- Vietnam Dong	3,326	0
	<u>36,773</u>	<u>44,247</u>

Unsecured		
- Ringgit Malaysia	0	64
	<u>36,773</u>	<u>44,311</u>
Total Borrowings	<u>155,029</u>	<u>225,511</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 2008: Nil);
- (b) There were no dividends declared for the current financial year-to-date (FY 2008: Nil).

B14. Earnings per Share

Basic Earnings Per Share

The calculation of basic earnings per share was based on the net loss attributable to ordinary equity holders of the parent for the current quarter of RM2,623,468 (29.02.2008: net profit of RM4,128,436) and net profit of RM1,594,568 (29.02.2008: net profit of RM30,758,739) 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 180,838,465 (29.02.2008: 190,303,173) and for the financial year-to-date of 177,997,382 (29.02.2008: 192,953,985).

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
 30 April 2009