

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2009  
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.05.2009 RM'000	31.05.2008 RM'000	31.05.2009 RM'000	31.05.2008 RM'000
Revenue	250,135	456,691	1,366,030	1,742,062
Cost of Sales	(212,274)	(417,384)	(1,234,473)	(1,576,508)
<b>Gross Profit</b>	37,861	39,307	131,557	165,554
Other income	719	3,127	1,450	7,958
Selling and distribution expenses	(16,372)	(14,204)	(64,211)	(57,126)
Administrative expenses	(11,709)	(9,261)	(43,593)	(43,512)
Other expenses	(1,115)	397	(5,911)	(5,116)
Finance cost	(1,298)	(2,320)	(8,101)	(9,612)
Share of results of associates	0	(155)	(815)	123
<b>Profit before taxation</b>	8,086	16,891	10,376	58,269
Taxation	3,902	(322)	242	(10,789)
<b>Profit for the year</b>	11,988	16,569	10,618	47,480
Attributable to:				
Equity holders of the parent	13,111	17,004	14,706	47,763
Minority interests	(1,123)	(435)	(4,088)	(283)
	11,988	16,569	10,618	47,480
Earnings per share (sen)				
- basic	7.07	9.42	8.18	25.16
- 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 31 May 2009

	<b>As at 31.05.2009 RM'000 (Unaudited)</b>	<b>As at 31.05.2008 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	60,211	62,064
Prepaid lease payments	18,490	18,806
Development expenditure	199	403
Goodwill arising on consolidation	93,160	88,464
Investments		
Quoted company	-	3,809
Unquoted associates	-	815
Unquoted company	3,580	3,580
Deferred tax assets	16,574	996
	<u>192,214</u>	<u>178,937</u>
<b>Current assets</b>		
Inventories	90,175	132,964
Trade debtors	156,324	273,891
Other debtors, deposits and prepayments	6,027	4,649
Marketable securities	790	1,137
Tax recoverable	5,372	8,694
Amount owing by related companies	54	180
Short-term deposits	33,774	24,998
Cash and bank balances	33,807	43,786
	<u>326,323</u>	<u>490,299</u>
<b>TOTAL ASSETS</b>	<b><u>518,537</u></b>	<b><u>669,236</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	194,338	194,338
Reserves	(4,577)	(14,218)
Retained profits	59,393	63,096
Less: Treasury shares, at cost	(12,851)	(24,917)
	<u>236,303</u>	<u>218,299</u>
<b>Minority interests</b>	<u>4,383</u>	<u>8,510</u>
<b>Total equity</b>	<u>240,686</u>	<u>226,809</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,888	2,836
Long term borrowings	33,443	44,311
Provision for retirement benefits	3,774	4,534
	<u>39,105</u>	<u>51,681</u>
<b>Current liabilities</b>		
Trade creditors	88,623	176,523
Other creditors and accrued expenses	36,239	18,227
Amount owing to related companies	7,560	11,065
Short-term borrowings	103,996	181,200
Provision for taxation	2,328	3,731
	<u>238,746</u>	<u>390,746</u>
<b>Total liabilities</b>	<u>277,851</u>	<u>442,427</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>518,537</u></b>	<b><u>669,236</u></b>
Net Assets per share attributable to equity holders of the parents (RM)	1.27	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 31 May 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
<b><u>12 months quarter ended 31 May 2009</u></b>								
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	-	-	9,641	-	-	9,641	(91)	9,550
Net profit for the period	-	-	-	14,706	-	14,706	(4,088)	10,618
Total recognised income and expense for the period	-	-	9,641	14,706	-	24,347	(4,179)	20,168
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	-	-	-
	<u>-</u>	<u>-</u>	<u>9,641</u>	<u>(3,703)</u>	<u>12,530</u>	<u>18,468</u>	<u>(4,179)</u>	<u>14,289</u>
Balance as at 31 May 2009	<u>194,338</u>	<u>805</u>	<u>(5,382)</u>	<u>59,393</u>	<u>(12,851)</u>	<u>236,303</u>	<u>4,383</u>	<u>240,686</u>
<b><u>12 months quarter ended 31 May 2008</u></b>								
Balance as at 01 June 2007	194,338	805	(10,418)	18,880	-	203,605	4,691	208,296
Repurchase of shares	-	-	-	-	(24,917)	(24,917)	-	(24,917)
Acquisition of subsidiaries	-	-	-	-	-	-	4,214	4,214
	<u>194,338</u>	<u>805</u>	<u>(10,418)</u>	<u>18,880</u>	<u>(24,917)</u>	<u>178,688</u>	<u>8,905</u>	<u>187,593</u>
Currency translation differences representing net expense recognised directly in equity	-	-	(4,605)	-	-	(4,605)	(112)	(4,717)
Net profit for the period	-	-	-	47,763	-	47,763	(283)	47,480
Total recognised income and expense for the period	-	-	(4,605)	47,763	-	43,158	(395)	42,763
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)
	<u>-</u>	<u>-</u>	<u>(4,605)</u>	<u>44,216</u>	<u>-</u>	<u>39,611</u>	<u>(395)</u>	<u>39,216</u>
Balance as at 31 May 2008	<u>194,338</u>	<u>805</u>	<u>(15,023)</u>	<u>63,096</u>	<u>(24,917)</u>	<u>218,299</u>	<u>8,510</u>	<u>226,809</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 year ended 31 May 2009

	<b>FY 2009</b>	<b>FY 2008</b>
	<b>12 months ended 31.05.2009 RM'000 (Unaudited)</b>	<b>12 months ended 31.05.2008 RM'000 (Audited)</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	10,376	58,269
Adjustments for non-cash items	16,326	13,990
Operating profit before working capital changes	26,702	72,259
Changes in working capital	74,356	(41,687)
<b>Net Cash Generated From Operating Activities</b>	<b>101,058</b>	<b>30,572</b>
<b>Cash Flows From Investing Activities</b>		
Other investments	(802)	(1,422)
<b>Net Cash (Used In)/Generated From Investing Activities</b>	<b>(802)</b>	<b>(1,422)</b>
<b>Cash Flows From Financing Activities</b>		
Dividends paid to shareholders of the Company	(5,879)	(3,547)
Term loans and advances	(92,138)	22,872
Purchase of Company's own shares	(464)	(24,804)
Interest paid	(8,101)	(9,612)
<b>Net Cash Used In Financing Activities</b>	<b>(106,582)</b>	<b>(15,091)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(6,326)</b>	<b>14,059</b>
<b>Effects of Exchange Rate Changes</b>	<b>7,752</b>	<b>(2,666)</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b>68,378</b>	<b>55,514</b>
<b>Effects of Exchange Rate Changes</b>	<b>(2,553)</b>	<b>1,472</b>
	<b>65,825</b>	<b>56,986</b>
<b>Cash and Cash Equivalents at end of year</b>	<b>67,251</b>	<b>68,379</b>
<b>The Cash and Cash Equivalents comprise:</b>		
Cash and bank balances	33,807	43,786
Short-term deposits	33,774	24,998
Bank overdrafts	(330)	(405)
	<b>67,251</b>	<b>68,379</b>

(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 31 May 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 <sub>2004</sub>	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. During the current quarter and financial year-to-date, the Company purchased 100 and 375,200, respectively, of 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
May 2009	100	0.6200	0.6200	0.6200	103
	<b>375,200</b>				<b>464,382</b>

*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 31 May 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**

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: -

<b>12-Month period ended 31.05.2009</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Building Products RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External sales	111,532	1,250,306	4,192	-	1,366,030
Inter-segment sales	6	350	-	(356)	-
<b>Total revenue</b>	<b>111,538</b>	<b>1,250,656</b>	<b>4,192</b>	<b>(356)</b>	<b>1,366,030</b>

<b>12-Month period ended 31.05.2009</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Building Products RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Results</b>					
Segment result	4,376	30,146	(1,309)	-	33,213
Unallocated corporate expenses (Note A)					(13,921)
Operating profit					19,292
Finance costs					(8,101)
Share of results of associates					(815)
Profit before taxation					10,376
Taxation					242
Profit after taxation					10,618
Minority interests					4,088
Net profit for the year					14,706

<b>12-Month period ended 31.05.2008</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Building Products RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External sales	133,742	1,599,566	8,754	-	1,742,062
Inter-segment sales	19	668	-	(687)	-
<b>Total revenue</b>	<b>133,761</b>	<b>1,600,234</b>	<b>8,754</b>	<b>(687)</b>	<b>1,742,062</b>
<b>Results</b>					
Segment result	5,949	67,700	354	-	74,003
Unallocated corporate expenses (Note A)					(6,245)
Operating profit					67,758
Finance costs					(9,612)
Share of results of associates					123
Profit before taxation					58,269
Taxation					(10,789)
Profit after taxation					47,480
Minority interests					283
Net profit for the year					47,763

Note A: This includes impairment loss on the carrying value of investment in a subsidiary (FY2009: RM2.5 million; FY2008: Nil) and the dividend income received from investment in an unquoted company (FY2009: Nil; FY2008: RM6.1 million) 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, except for the following:-

1. Megachem Limited (“Megachem”)

Nylex had on 22 May 2009 exercised the put option (granted by the Vendor pursuant to the Sale and Option Agreement dated 24 May 2006) to require the Vendor to purchase from Nylex the 39,976,670 Megachem shares at S\$0.20 per share. On even date, the Vendor has settled the aggregate cash consideration.

2. PT Indomalay Ekatana Roofing Industries (“IRI”)

IRI, a 49% indirect subsidiary of Nylex, has ceased production on 29 May 2009. Following its cessation of production, an impairment loss on the carrying value in IRI amounting to RM2.5 million has been accordingly accounted for in the consolidated income statement for the current financial year.

**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 twelve months ended 31 May 2009, the Nylex Group achieved sales of RM1,366.0 million, a decline of 21.6% from RM1,742.1 million recorded in the same period last year. The Group recorded a profit before tax ("PBT") of RM10.4 million, compared to the RM58.3 million achieved in the corresponding period last year. The decline in sales was due to the plunge in the demand of our products as a result of the poor economic conditions in our markets caused by the global financial meltdown. The drop in profits was mainly attributed to the collapse in the prices of our products caused by the weak demand mentioned above.

For the current quarter under review, the Group achieved sales of RM250.1 million compared to RM456.7 million in the corresponding quarter of last financial year and reported a profit before tax ("PBT") of RM8.1 million against RM16.9 million in Q4 FY 2008. The sales and the earnings declined during the quarter as a result of the weaker demand and lower prices of our products 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 RM250.1 million and a PBT of RM8.1 million, compared to sales of RM217.8 million and a PBT of RM3.9 million in the immediate preceding quarter.

**B3. Future Prospects**

Barring unforeseen circumstances, the Group's performance for the 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 31.05.2009 RM'000	Preceding Year 31.05.2008 RM'000	Current Year 31.05.2009 RM'000	Preceding year 31.05.2008 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(3,487)	(441)	(13,383)	(10,711)
Foreign	(431)	(460)	253	(1,437)
- Deferred tax	5,586	649	11,138	1,559
	<u>1,668</u>	<u>(252)</u>	<u>(1,992)</u>	<u>(10,589)</u>
Over/(Under) provision in prior years	2,234	(70)	2,234	(200)
	<u>3,902</u>	<u>(322)</u>	<u>242</u>	<u>(10,789)</u>

The effective tax rate of the Group is lower than the statutory tax rate due to 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:

	<b>As at 31.05.2009</b>	<b>As at 31.05.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) At cost	1,581	1,549
(ii) At book value	790	1,137
(iii) At market value	790	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**

	<b>As At 31.05.2009</b>	<b>As At 31.05.2008</b>
	<b>(RM'000 equivalent)</b>	<b>(RM'000 equivalent)</b>
<b>Short-term borrowings</b>		
Secured		
- Ringgit Malaysia	14,400	14,400
- United States Dollar	0	51,727
- Singapore Dollar	0	0
- Vietnam Dong	3,203	0
	<u>17,603</u>	<u>66,127</u>
Unsecured		
- Ringgit Malaysia	86,045	115,073
- United States Dollar	330	0
- Indonesian Rupiah	18	0
	<u>86,393</u>	<u>115,073</u>
	<u>103,996</u>	<u>181,200</u>
<b>Long-term borrowings</b>		
Secured		
- Ringgit Malaysia	29,847	44,247

- Vietnam Dong	3,550	0
	<u>33,397</u>	<u>44,247</u>
Unsecured		
- Ringgit Malaysia	0	64
- Indonesian Rupiah	46	0
	<u>46</u>	<u>64</u>
	<u>33,443</u>	<u>44,311</u>
<b>Total Borrowings</b>	<u>137,439</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**

Subject to the approval by the Company's shareholders at the forthcoming annual general meeting, the Directors are recommending a final dividend in the form of distribution of one (1) treasury share for every sixty (60) existing ordinary shares of RM1.00 each held, fraction of a treasury share is to be disregarded.

The Company will announce the book closure date and the date of distribution of the treasury shares in due course.

Other than the above recommended dividends, there are no other dividends declared by the Company for the current financial year.

In the last financial year, the total dividend declared was: (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.

**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 RM13,111,207 (31.05.2008: net profit of RM17,003,575) and net profit of RM14,705,775 (31.05.2008: net profit of RM47,762,314) 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 185,349,473 (31.05.2008: 180,499,147) and for the financial year-to-date of 179,850,688 (31.05.2008: 189,823,261).

*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  
31 July 2009