

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

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

	Individual Quarter		Cumulative Quarter	
	31.08.2009 RM'000	31.08.2008 RM'000	31.08.2009 RM'000	31.08.2008 RM'000
Revenue	332,027	560,311	332,027	560,311
Cost of Sales	(292,613)	(508,315)	(292,613)	(508,315)
Gross Profit	39,414	51,996	39,414	51,996
Other income	815	1,758	815	1,758
Selling and distribution expenses	(13,692)	(18,677)	(13,692)	(18,677)
Administrative expenses	(9,976)	(12,123)	(9,976)	(12,123)
Other expenses	(73)	(368)	(73)	(368)
Finance cost	(1,445)	(2,358)	(1,445)	(2,358)
Share of results of associates	0	(153)	0	(153)
Profit before taxation	15,043	20,075	15,043	20,075
Taxation	(2,647)	(5,187)	(2,647)	(5,187)
Profit for the period	12,396	14,888	12,396	14,888
Attributable to:				
Equity holders of the parent	12,349	17,553	12,349	17,553
Minority interests	47	(2,665)	47	(2,665)
	12,396	14,888	12,396	14,888
Earnings per share (sen)				
- basic	6.66	9.94	6.66	9.94
- 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 2009)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 August 2009

	As at 31.08.2009 RM'000 (Unaudited)	As at 31.05.2009 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	53,379	60,211
Prepaid lease payments	23,621	18,490
Development expenditure	148	199
Goodwill arising on consolidation	93,636	93,160
Investments		
Unquoted company	3,580	3,580
Deferred tax assets	18,202	16,574
	<u>192,566</u>	<u>192,214</u>
Current assets		
Inventories	97,010	90,175
Trade debtors	147,799	156,324
Other debtors, deposits and prepayments	8,657	6,027
Marketable securities	1,061	790
Tax recoverable	4,798	5,372
Amount owing by related companies	102	54
Short-term deposits	47,605	33,774
Cash and bank balances	41,139	33,807
	<u>348,171</u>	<u>326,323</u>
TOTAL ASSETS	<u><u>540,737</u></u>	<u><u>518,537</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	194,338	194,338
Reserves	(3,753)	(4,577)
Retained profits	71,742	59,393
Less: Treasury shares, at cost	(12,851)	(12,851)
	<u>249,476</u>	<u>236,303</u>
Minority interests	<u>4,433</u>	<u>4,383</u>
Total equity	<u>253,909</u>	<u>240,686</u>
Non-current liabilities		
Deferred tax liabilities	1,874	1,888
Long term borrowings	29,189	32,777
Provision for retirement benefits	3,662	3,774
	<u>34,725</u>	<u>38,439</u>
Current liabilities		
Trade creditors	106,583	88,623
Other creditors and accrued expenses	35,533	36,239
Amount owing to related companies	5,581	7,560
Short-term borrowings	101,116	104,662
Provision for taxation	3,290	2,328
	<u>252,103</u>	<u>239,412</u>
Total liabilities	<u>286,828</u>	<u>277,851</u>
TOTAL EQUITY AND LIABILITIES	<u><u>540,737</u></u>	<u><u>518,537</u></u>
Net Assets per share attributable to equity holders of the parents (RM)	1.35	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 31 August 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>3 months quarter ended 31 August 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 recognised directly in equity	-	-	824	-	-	824	3	827
Net profit for the period	-	-	-	12,349	-	12,349	47	12,396
Total recognised income and expense for the period	-	-	824	12,349	-	13,173	50	13,223
Balance as at 31 August 2009	194,338	805	(4,558)	71,742	(12,851)	249,476	4,433	253,909
<u>3 months quarter ended 31 August 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	-	-	-	-	(408)	(408)	-	(408)
	194,338	805	(15,023)	63,096	(25,325)	217,891	8,510	226,401
Currency translation differences representing net income recognised directly in equity	-	-	4,955	-	-	4,955	476	5,431
Net profit for the period	-	-	-	17,553	-	17,553	(2,665)	14,888
Total recognised income and expense for the period	-	-	4,955	17,553	-	22,508	(2,189)	20,319
Balance as at 31 August 2008	194,338	805	(10,068)	80,649	(25,325)	240,399	6,321	246,720

(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 31 August 2009

	FY 2010 3 months ended 31.08.2009 RM'000 (Unaudited)	FY 2009 3 months ended 31.08.2008 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before taxation	15,043	20,075
Adjustments for non-cash items	2,157	8,303
Operating profit before working capital changes	17,200	28,378
Changes in working capital	12,117	1,415
Net Cash Generated From Operating Activities	29,317	29,793
Cash Flows From Investing Activities		
Other investments	78	(874)
Net Cash Generated From/(Used In) Investing Activities	78	(874)
Cash Flows From Financing Activities		
Term loans and advances	(7,235)	(13,194)
Purchase of Company's own shares	-	(408)
Interest paid	(1,445)	(2,358)
Net Cash Used In Financing Activities	(8,680)	(15,960)
Net Increase in Cash and Cash Equivalents	20,715	12,959
Effects of Exchange Rate Changes	786	5,505
Cash and Cash Equivalents at beginning of year	67,251	68,378
Effects of Exchange Rate Changes	(403)	(2,580)
	66,848	65,798
Cash and Cash Equivalents at end of period	88,349	84,262
The Cash and Cash Equivalents comprise:		
Cash and bank balances	41,139	45,061
Short-term deposits	47,605	39,902
Bank overdrafts	(395)	(701)
	88,349	84,262

(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)



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

A. NOTES TO THE INTERIM FINANCIAL REPORT

(For the Financial Quarter Ended 31 August 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 38th Annual General Meeting held on 20 November 2008, 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, the Company did not purchase any ordinary shares in the Company pursuant to Section 67A of the Companies Act, 1965.

As at 31 August 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.

A8. Segment Revenue and Results

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

3-Month period ended 31.08.2009	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	31,957	300,070	-	-	332,027
Inter-segment sales	2	98	-	(100)	-
Total revenue	31,959	300,168	-	(100)	332,027
Results					
Segment result	3,633	17,561	(32)	-	21,162
Unallocated corporate expenses					(4,674)
Operating profit					16,488
Finance costs					(1,445)
Share of results of associates					-
Profit before taxation					15,043
Taxation					(2,647)
Profit after taxation					12,396
Minority interests					(47)
Net profit for the period					12,349

3-Month period ended 31.08.2008	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	36,073	522,736	1,502	-	560,311
Inter-segment sales	-	159	-	(159)	-
Total revenue	36,073	522,895	1,502	(159)	560,311

3-Month period ended 31.08.2008	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Results					
Segment result	2,871	25,346	157	-	28,374
Unallocated corporate expenses					(5,788)
Operating profit					22,586
Finance costs					(2,358)
Share of results of associates					(153)
Profit before taxation					20,075
Taxation					(5,187)
Profit after taxation					14,888
Minority interests					2,665
Net profit for the period					17,553

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.

As at the date of this Report, the above transaction has not been completed.

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 first quarter ended 31 August 2009, the Nylex Group achieved sales of RM332.0 million, a decline of 40.7% from RM560.3 million recorded in the same period last year. The Group recorded a profit before tax ("PBT") of RM15.0 million, compared to the RM20.1 million achieved in the corresponding period last year. The sales and the earnings declined during the quarter as a result of reduced demand and lower prices of our products caused by the weak global economy 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 RM332.0 million and a PBT of RM15.0 million, compared to sales of RM250.1 million and a PBT of RM8.1 million in the immediate preceding quarter. The higher numbers are mainly due to our customers restocking their depleted inventories and the improved market conditions have allowed us to increase our selling prices and improve our margins.

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 31.08.2009 RM'000	Preceding Year 31.08.2008 RM'000	Current Year 31.08.2009 RM'000	Preceding year 31.08.2008 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(2,916)	(5,188)	(2,916)	(5,188)
Foreign	(1,263)	(1,183)	(1,263)	(1,183)
- Deferred tax	1,533	1,198	1,533	1,198
	(2,646)	(5,173)	(2,646)	(5,173)
Under provision in prior years	(1)	(14)	(1)	(14)
	(2,647)	(5,187)	(2,647)	(5,187)

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 31.08.2009 RM'000	As at 31.05.2009 RM'000
(i) At cost	1,581	1,581
(ii) At book value	1,061	790
(iii) At market value	1,061	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 31.08.2009 (RM'000 equivalent)	As At 31.05.2009 (RM'000 equivalent)
Short-term borrowings		
Secured		
- Ringgit Malaysia	14,400	14,400
- Singapore Dollar	165	0
- Vietnam Dong	11,458	3,869
	<u>26,023</u>	<u>18,269</u>
Unsecured		
- Ringgit Malaysia	74,680	86,045
- United States Dollar	395	330
- Indonesian Rupiah	18	18
	<u>75,093</u>	<u>86,393</u>
	<u>101,116</u>	<u>104,662</u>
Long-term borrowings		
Secured		
- Ringgit Malaysia	26,247	29,847
- Vietnam Dong	2,899	2,884
	<u>29,146</u>	<u>32,731</u>

Unsecured - Indonesian Rupiah	<u>43</u>	<u>46</u>
	<u>29,189</u>	<u>32,777</u>
Total Borrowings	<u><u>130,305</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

The Directors do not recommend the payment of any dividend for the current financial quarter (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 RM12,348,483 (31.08.2008: net profit of RM17,553,796) and net profit of RM12,348,483 (31.08.2008: net profit of RM17,553,796) 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 (31.08.2008: 176,636,428).

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
27 October 2009