

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2010
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	30.11.2010 RM'000	30.11.2009 RM'000	30.11.2010 RM'000	30.11.2009 RM'000
Revenue	254,428	297,833	539,361	629,860
Cost of Sales	(224,466)	(262,618)	(489,290)	(555,231)
Gross Profit	29,962	35,215	50,071	74,629
Other income	104	108	1,204	923
Selling and distribution expenses	(10,123)	(11,136)	(23,407)	(24,828)
Administrative expenses	(10,593)	(11,709)	(19,253)	(21,685)
Other expenses	(1,540)	(1,015)	(1,549)	(1,088)
Finance cost	(1,656)	(1,206)	(3,350)	(2,651)
Share of results of associates	0	0	0	0
Profit before taxation	6,154	10,257	3,716	25,300
Taxation	(1,230)	(1,078)	(1,246)	(3,725)
Profit for the period	<u>4,924</u>	<u>9,179</u>	<u>2,470</u>	<u>21,575</u>
Profit attributable to:				
Owners of the parent	4,875	9,203	2,355	21,552
Non-controlling interests	49	(24)	115	23
	<u>4,924</u>	<u>9,179</u>	<u>2,470</u>	<u>21,575</u>
Earnings per share attributable to owners of the parent				
- basic	2.59	4.97	1.25	11.63
- 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 2010)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2010
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	30.11.2010 RM'000	30.11.2009 RM'000	30.11.2010 RM'000	30.11.2009 RM'000
Profit for the period	4,924	9,179	2,470	21,575
Other comprehensive income/(loss):				
Currency translation differences	667	(3,609)	(3,086)	(2,782)
Other comprehensive income/(loss) for the period	667	(3,609)	(3,086)	(2,782)
Total comprehensive income/(loss) for the period	<u>5,591</u>	<u>5,570</u>	<u>(616)</u>	<u>18,793</u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	5,577	5,578	(700)	18,751
Non-controlling interests	14	(8)	84	42
	<u>5,591</u>	<u>5,570</u>	<u>(616)</u>	<u>18,793</u>

(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 2010)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2010**

	As at 30.11.2010 RM'000 (Unaudited)	As at 31.05.2010 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	70,591	74,027
Development expenditure	19	25
Goodwill arising on consolidation	88,479	90,485
Available for sale investments	3,580	3,580
Deferred tax assets	28,708	24,430
	<u>191,377</u>	<u>192,547</u>
Current assets		
Inventories	119,034	114,266
Trade debtors	144,100	174,697
Other debtors, deposits and prepayments	15,999	9,515
Financial assets at fair value through profit or loss	2,273	1,158
Tax recoverable	3,409	1,636
Amount owing by related companies	59	61
Short-term deposits	11,884	15,235
Cash and bank balances	56,121	48,954
	<u>352,879</u>	<u>365,522</u>
TOTAL ASSETS	<u>544,256</u>	<u>558,069</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	194,338	194,338
Reserves	(14,193)	(11,138)
Retained profits	92,313	90,100
Less: Treasury shares, at cost	(8,444)	(8,444)
	<u>264,014</u>	<u>264,856</u>
Non-controlling interests	4,130	4,046
	<u>268,144</u>	<u>268,902</u>
Non-current liabilities		
Deferred tax liabilities	1,632	1,663
Long term borrowings	2,124	14,094
Provision for retirement benefits	3,478	3,452
	<u>7,234</u>	<u>19,209</u>
Current liabilities		
Trade creditors	95,983	88,091
Other creditors and accrued expenses	32,412	32,322
Amount owing to related companies	793	2,224
Short-term borrowings	136,805	144,046
Provision for taxation	2,814	3,275
Derivative liabilities	71	-
	<u>268,878</u>	<u>269,958</u>
Total liabilities	<u>276,112</u>	<u>289,167</u>
TOTAL EQUITY AND LIABILITIES	<u>544,256</u>	<u>558,069</u>
Net Assets per share attributable to owners of the parent (RM)	1.40	1.41

(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 2010)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2010**

	<----- Attributable to owners of the parent ----->					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000			
<u>6 months quarter ended 30 November 2010</u>								
Balance as at 01 June 2010	194,338	805	(11,943)	90,100	(8,444)	264,856	4,046	268,902
Effects of adopting FRS 139	-	-	-	(142)		(142)	-	(142)
Restated balance	<u>194,338</u>	<u>805</u>	<u>(11,943)</u>	<u>89,958</u>	<u>(8,444)</u>	<u>264,714</u>	<u>4,046</u>	<u>268,760</u>
Total comprehensive (loss)/income for the period	-	-	(3,055)	2,355	-	(700)	84	(616)
Balance as at 30 November 2010	<u><u>194,338</u></u>	<u><u>805</u></u>	<u><u>(14,998)</u></u>	<u><u>92,313</u></u>	<u><u>(8,444)</u></u>	<u><u>264,014</u></u>	<u><u>4,130</u></u>	<u><u>268,144</u></u>
<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
Total comprehensive (loss)/income for the period	-	-	(2,801)	21,552	-	18,751	42	18,793
Balance as at 30 November 2009	<u><u>194,338</u></u>	<u><u>805</u></u>	<u><u>(8,183)</u></u>	<u><u>80,945</u></u>	<u><u>(12,851)</u></u>	<u><u>255,054</u></u>	<u><u>4,425</u></u>	<u><u>259,479</u></u>

(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 2010)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2010**

	FY 2011 6 months ended 30.11.2010 RM'000 (Unaudited)	FY 2010 6 months ended 30.11.2009 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before taxation	3,716	25,300
Adjustments for non-cash items	7,264	2,157
Operating profit before working capital changes	10,980	27,457
Changes in working capital	15,440	12,117
Net Cash Generated From Operating Activities	26,420	39,574
Cash Flows From Investing Activities		
Other investments	(710)	78
Net Cash (Used In)/Generated From Investing Activities	(710)	78
Cash Flows From Financing Activities		
Dividends paid to minority shareholders of subsidiary	(32)	-
Term loans and advances	(17,415)	(7,235)
Interest paid	(3,350)	(1,445)
Net Cash Used In Financing Activities	(20,797)	(8,680)
Net Increase in Cash and Cash Equivalents	4,913	30,972
Effects of Exchange Rate Changes	(1,889)	786
Cash and Cash Equivalents at beginning of year	64,043	67,251
Effects of Exchange Rate Changes	938	(403)
	64,981	66,848
Cash and Cash Equivalents at end of period	68,005	98,606
The Cash and Cash Equivalents comprise:		
Cash and bank balances	56,121	41,139
Short-term deposits	11,884	47,605
Bank overdrafts	-	(395)
	68,005	88,349

(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 2010)



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

A. NOTES TO THE INTERIM FINANCIAL REPORT

(For the Financial Quarter Ended 30 November 2010)

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 2010.

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 2010.

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 2010 except for the adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to the Group for the financial year beginning 1 June 2010 and are relevant to its operations:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events After the Balance Sheet Date
Amendments to FRS 116	Property, Plant and Equipments
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions

The adoption of the above FRSs, amendments and interpretations do not have any significant impact on the interim financial information of the Group except for the adoption of the following FRSs as set out below:

FRS 8 – Operating Segments

The Group determined that the operating segments were the same as the business segments previously identified under FRS 114 Segment Reporting. The adoption of this Standard does not have any effect on the financial position or results of the Group.

FRS 101 - Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statement. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' is required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements. As a result, the Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform to the current period's presentation. This revised FRS does not have any impact on the financial position and results of the Group since these changes affect only the presentation of items of income and expenses.

Amendment to FRS 117 - Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payment on the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has changed the classification of certain leasehold lands from operating leases to finance leases in the current quarter. This change in classification has no effect to the profit or loss of the current period ended 30 November 2010 or the comparative prior period. The effect of the reclassification to the comparative of the prior year's statement of financial position is as follows:

31 May 2010	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Property, plant and equipment	50,652	23,375	74,027
Prepaid lease payment	23,375	(23,375)	-

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classified into the following categories:

	Pre-FRS 139	Post-FRS 139
1	Long-term equity investments	Available for sale investments
2	Current investments	Financial assets at fair value through profit or loss
3	Unrecognised derivative assets	Financial assets at fair value through profit or loss
4	Long-term borrowings	Financial liabilities at amortised cost
5	Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value. However, the financial instrument not at fair value through profit or loss should be measured at their fair value plus transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

	Category	Measurement basis
1	Financial instruments at fair value through profit or loss	At fair value through profit or loss
2	Loans and receivables	At amortised cost effective interest method
3	Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost.
4	Loans and other financial liabilities	At amortised cost effective interest method

All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, derecognition and measurement requirements are applied prospectively from 1 June 2010 by the Group. The effects of the remeasurement on 1 June 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity:

	As at 01.06.2010 RM'000
Retained profits	90,100
Effects of adopting FRS 139	
- Impairment of trade receivables, net of tax	(142)
Restated balance	<u>89,958</u>

A2. Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by seasonality and cyclicity factors.

A3. 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.

A4. 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.

A5. 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 40th Annual General Meeting held on 24 November 2010, 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 2010, a total of 5,905,861 treasury shares at a total cost of RM8.44 million were held by the Company pursuant to Section 67A (3A) (b) of the Companies Act, 1965.

A6. Dividend Paid

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

On 28 September 2010, the Directors recommended the payment of final dividend in the form of distribution of one (1) treasury share for every thirty-two (32) 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 2010.

The final dividend was approved by the shareholders on 24 November 2010 and was distributed on 17 January 2011.

A7. 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 30.11.2010	Polymer RM'000	Industrial Chemical RM'000	Building Products RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	65,894	473,467	-	-	539,361
Inter-segment sales	10	178	-	(188)	-
Total revenue	65,904	473,645	-	(188)	539,361
Results					
Segment result	7,504	3,327	10	-	10,841
Unallocated corporate expenses					(3,775)
Profit from operations					7,066
Finance costs					(3,350)
Profit before taxation					3,716
Taxation					(1,246)
Profit for the period					2,470
Non-controlling interests					(115)
Net profit for the period					2,355

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)
Profit from operations					27,951
Finance costs					(2,651)
Profit before taxation					25,300
Taxation					(3,725)
Profit for the period					21,575
Non-controlling interests					(23)
Net profit for the period					21,552

A8. 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 2010. The carrying values are based on valuations carried out in 1985 by independent qualified valuers less depreciation.

A9. 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.

A10. 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.

A11. Contingent Liabilities

There were no contingent liabilities since the last annual balance sheet as at 31 May 2010.

A12. Capital Commitment

The capital commitments as at 30 November 2010 are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted	85
- Approved but not contracted	412
	497

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 2010, the Nylex Group achieved sales of RM539.4 million, a decline in sales of 14.4% from RM629.9 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 RM3.7 million, compared to the RM25.3 million achieved in the corresponding period last year.

For the current quarter under review, the Nylex Group achieved sales of RM254.4 million, a decline of 14.6% from RM297.8 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 PBT of RM6.2 million, compared to RM10.3 million achieved in the corresponding period last year. 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. Customers are more cautious on their purchases as it appears that the economic recovery is losing some momentum.

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 RM254.4 million and a PBT of RM6.2 million compared to sales of RM284.9 million and a loss before tax of RM2.4 million in the immediate preceding quarter. In spite of the lower sales achieved, the margin improved for the current quarter as most of the inventories with higher cost have been disposed of in the immediate preceding quarter.

B3. Current Year's Prospects

Barring unforeseen circumstances, the Group's performance for the remaining periods of financial year ending 31 May 2011 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 30.11.2010 RM'000	Preceding Year 30.11.2009 RM'000	Current Year 30.11.2010 RM'000	Preceding year 30.11.2009 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(3,173)	(2,640)	(4,672)	(5,556)
Foreign	(374)	(1,048)	(995)	(2,311)
- Deferred tax	2,315	2,596	4,337	4,129
	(1,232)	(1,092)	(1,330)	(3,738)
Over provision in prior years	2	14	84	13
	(1,230)	(1,078)	(1,246)	(3,725)

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, losses suffered in certain subsidiaries, tax incentives of the Company and the concessionary tax rate in a subsidiary.

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

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

B7. Quoted Securities

There were no purchases and disposals of quoted securities during the current quarter and financial year-to-date, except for the following:

	Current Quarter ended 30.11.2010	Cumulative Quarter ended 30.11.2010
	RM'000	RM'000
Total consideration for purchases	<u>201</u>	<u>201</u>

Details of the Group's investment in quoted securities which are classified into "Investment held for trading" under the "financial assets at fair value through profit or loss" category are as follows:

	As at 30.11.2010	As at 31.05.2010
	RM'000	RM'000
(i) At cost	1,782	1,581
(ii) At book value	2,273	1,158
(iii) At market value	<u>2,273</u>	<u>1,158</u>

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 30.11.2010 (RM'000 equivalent)	As At 31.05.2010 (RM'000 equivalent)
Short-term borrowings		
Secured		
- Ringgit Malaysia	22,100	17,900
- Singapore Dollar	0	146
- Vietnam Dong	2,346	1,458
- United States Dollar	<u>26,396</u>	<u>36,807</u>
	<u>50,842</u>	<u>56,311</u>
Unsecured		
- Ringgit Malaysia	74,397	76,292
- Indonesian Rupiah	9,039	11,443
- United States Dollar	<u>2,527</u>	<u>0</u>
	<u>85,963</u>	<u>87,735</u>
	<u>136,805</u>	<u>144,046</u>
Long-term borrowings		
Secured		
- Ringgit Malaysia	547	11,947
- Vietnam Dong	<u>1,548</u>	<u>2,094</u>
	<u>2,095</u>	<u>14,041</u>
Unsecured		
- Indonesian Rupiah	<u>29</u>	<u>53</u>
	<u>2,124</u>	<u>14,094</u>
Total Borrowings	<u>138,929</u>	<u>158,140</u>

B11. Derivatives Financial Instruments

The Group has entered into forward foreign exchange contracts 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.

Forward foreign exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

The outstanding forward foreign exchange contracts as at 30 November 2010, are as follows:

Type of Derivatives	Currency	Contract/Notional Value RM'000	Fair Value RM'000
Forward foreign exchange contract - Less than 1 year	USD	4,372	4,443

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives and policies since the previous financial year end.

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 2010: Nil);
- (b) There were no dividends declared for the current financial year-to-date (FY 2010: Nil).

B14. Earnings per Share

Basic Earnings Per Share

The calculation of basic earnings per share was based on the net profit attributable to owners of the parent for the current quarter of RM4,874,835 (30.11.2009: RM9,203,524) and net profit of RM2,355,383 (30.11.2009: RM21,552,007) for the financial year-to-date as reported in the condensed consolidated income statements of the Group, divided by the weighted average number of ordinary shares in issue during the current quarter and the financial year-to-date of 188,431,999 (30.11.2009: 185,349,403).

Diluted Earnings Per Share

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

B15. 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 2010.

BY ORDER OF THE BOARD

Choo Se Eng
Stephen Geh Sim Whye
Company Secretaries

Petaling Jaya
25 January 2011