

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2013
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.05.2013	31.05.2012	31.05.2013	31.05.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	441,451	434,709	1,728,625	1,488,251
Cost of Sales	<u>(411,561)</u>	<u>(400,641)</u>	<u>(1,608,885)</u>	<u>(1,362,459)</u>
Gross Profit	29,890	34,068	119,740	125,792
Other income	847	3,623	2,688	5,882
Selling and distribution expenses	(16,223)	(16,413)	(55,431)	(57,238)
Administrative expenses	(8,787)	(13,334)	(41,467)	(42,697)
Other expenses	56	(800)	(1,516)	(3,784)
Finance cost	<u>(2,204)</u>	<u>(1,955)</u>	<u>(8,238)</u>	<u>(7,506)</u>
Profit before taxation	3,579	5,189	15,776	20,449
Taxation	<u>(2,239)</u>	<u>(1,274)</u>	<u>(8,753)</u>	<u>(6,673)</u>
Profit for the year	<u>1,340</u>	<u>3,915</u>	<u>7,023</u>	<u>13,776</u>
Profit attributable to:				
Owners of the parent	1,869	4,286	7,755	13,873
Non-controlling interests	<u>(529)</u>	<u>(371)</u>	<u>(732)</u>	<u>(97)</u>
	<u>1,340</u>	<u>3,915</u>	<u>7,023</u>	<u>13,776</u>
Earnings per share attributable to owners of the parent (sen)				
- basic	0.97	2.21	4.01	7.14
- 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 2012)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2013
THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.05.2013	31.05.2012	31.05.2013	31.05.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the year	<u>1,340</u>	<u>3,915</u>	<u>7,023</u>	<u>13,776</u>
Other comprehensive income/(loss):				
Currency translation differences	<u>(316)</u>	<u>5,325</u>	<u>(3,864)</u>	<u>3,611</u>
Other comprehensive income/(loss) for the year	<u>(316)</u>	<u>5,325</u>	<u>(3,864)</u>	<u>3,611</u>
Total comprehensive income/(loss) for the year	<u><u>1,024</u></u>	<u><u>9,240</u></u>	<u><u>3,159</u></u>	<u><u>17,387</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,553	9,566	3,963	17,529
Non-controlling interests	<u>(529)</u>	<u>(326)</u>	<u>(804)</u>	<u>(142)</u>
	<u><u>1,024</u></u>	<u><u>9,240</u></u>	<u><u>3,159</u></u>	<u><u>17,387</u></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 2012)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2013

	As at 31.05.2013 RM'000 (Unaudited)	As at 31.05.2012 RM'000 (Restated)	As at 01.06.2011 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	65,498	69,363	66,426
Development expenditure	-	-	13
Goodwill arising on consolidation	86,976	88,439	86,828
Investment securities	-	-	3,580
Deferred tax assets	32,735	32,120	29,830
	<u>185,209</u>	<u>189,922</u>	<u>186,677</u>
Current assets			
Inventories	177,818	175,498	140,741
Trade debtors	237,752	247,618	209,219
Other debtors, deposits and prepayments	24,265	14,897	14,127
Investment securities	415	423	458
Tax recoverable	1,303	4,115	4,521
Amount owing by related companies	10,845	10,080	24
Derivative assets	38	-	21
Short-term deposits	9,591	9,897	18,063
Cash and bank balances	36,871	51,589	43,049
	<u>498,898</u>	<u>514,117</u>	<u>430,223</u>
TOTAL ASSETS	<u>684,107</u>	<u>704,039</u>	<u>616,900</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	194,338	194,338	194,338
Reserves	669	4,461	805
Retained profits	90,321	85,464	75,745
Less: Treasury shares, at cost	(735)	(338)	(33)
	<u>284,593</u>	<u>283,925</u>	<u>270,855</u>
Non-controlling interests	3,092	3,896	6,018
Total equity	<u>287,685</u>	<u>287,821</u>	<u>276,873</u>
Non-current liabilities			
Deferred tax liabilities	1,423	1,467	1,489
Long term borrowings	165	2,425	1,465
Provision for retirement benefits	2,862	2,846	3,476
	<u>4,450</u>	<u>6,738</u>	<u>6,430</u>
Current liabilities			
Trade creditors	158,516	209,588	136,332
Other creditors and accrued expenses	34,229	34,145	30,818
Amount owing to related companies	2	1	2
Short-term borrowings	198,155	164,197	165,614
Provision for taxation	1,070	1,080	831
Derivative liabilities	-	469	-
	<u>391,972</u>	<u>409,480</u>	<u>333,597</u>
Total liabilities	<u>396,422</u>	<u>416,218</u>	<u>340,027</u>
TOTAL EQUITY AND LIABILITIES	<u>684,107</u>	<u>704,039</u>	<u>616,900</u>
Net Assets per share attributable to owners of the parent (RM)	1.47	1.47	1.39

(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 2012)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2013**

	<----- Attributable to owners of the parent ----->						Non-	Total
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total RM'000	controlling interests RM'000	equity RM'000
12 months quarter ended 31 May 2013								
Balance as at 01 June 2012	194,338	805	(15,403)	104,523	(338)	283,925	3,896	287,821
Effects of adopting MFRS 1	-	-	19,059	(19,059)	-	-	-	-
Restated balance	194,338	805	3,656	85,464	(338)	283,925	3,896	287,821
Total comprehensive (loss)/income for the year	-	-	(3,792)	7,755	-	3,963	(804)	3,159
Transactions with owners								
Dividends								
- Final dividend for the financial year ended 31 May 2012 (2.0 sen less 25% Malaysian income tax)	-	-	-	(2,898)	-	(2,898)	-	(2,898)
Repurchase of shares	-	-	-	-	(397)	(397)	-	(397)
Total transactions with owners	-	-	-	(2,898)	(397)	(3,295)	-	(3,295)
Balance as at 31 May 2013	194,338	805	(136)	90,321	(735)	284,593	3,092	287,685
12 months quarter ended 31 May 2012								
Balance as at 01 June 2011	194,338	805	(19,059)	94,804	(33)	270,855	6,018	276,873
Effects of adopting MFRS 1	-	-	19,059	(19,059)	-	-	-	-
Restated balance	194,338	805	-	75,745	(33)	270,855	6,018	276,873
Total comprehensive income/(loss) for the year	-	-	3,656	13,873	-	17,529	(142)	17,387
Transactions with owners								
Dividends								
- Interim dividend for the financial year ended 31 May 2011 (2.85 sen less 25% Malaysian income tax)	-	-	-	(4,154)	-	(4,154)	-	(4,154)
Winding up of subsidiary	-	-	-	-	-	-	(1,980)	(1,980)
Repurchase of shares	-	-	-	-	(305)	(305)	-	(305)
Total transactions with owners	-	-	-	(4,154)	(305)	(4,459)	(1,980)	(6,439)
Balance as at 31 May 2012	194,338	805	3,656	85,464	(338)	283,925	3,896	287,821

(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 2012)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Company No : 9378-T)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2013**

	FY 2013 12 months ended 31.05.2013 RM'000 (Unaudited)	FY 2012 12 months ended 31.05.2012 RM'000 (Audited)
Cash Flows From Operating Activities		
Profit before taxation	15,776	20,449
Adjustments for non-cash items	<u>16,708</u>	<u>18,338</u>
Operating profit before working capital changes	32,484	38,787
Working Capital Changes		
Receivables	(6,291)	(36,111)
Inventories	(9,779)	(35,123)
Payables	(44,802)	75,862
Group companies	<u>1,846</u>	<u>(11,428)</u>
Cash (used in)/generated from operations	(26,542)	31,987
Income tax paid	(6,753)	(8,422)
Retirement benefits paid	<u>(255)</u>	<u>(593)</u>
Net Cash (Used In)/Generated From Operating Activities	(33,550)	22,972
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	258	794
Purchase of property, plant and equipment	(3,872)	(11,102)
Proceeds from disposal of unquoted/quoted investment	-	1,846
Distribution of surplus assets to minority interests on winding up of a subsidiary	-	(1,980)
Interest received	1,343	561
Dividend received	<u>10</u>	<u>1,851</u>
Net Cash Used In Investing Activities	(2,261)	(8,030)
Cash Flows From Financing Activities		
Dividends paid to shareholders of the Company	(2,898)	(4,154)
Repayment of hire-purchase creditors	(30)	(560)
Drawdown of term loans and advances	155,525	89,928
Repayment of term loans and advances	(121,754)	(91,225)
Purchase of Company's own shares	(397)	(305)
Interest paid	<u>(8,238)</u>	<u>(7,506)</u>
Net Cash Generated From/(Used In) Financing Activities	22,208	(13,822)
Net (Decrease)/Increase in Cash and Cash Equivalents	(13,603)	1,120
Effects of Exchange Rate Changes	(3,219)	(549)
Cash and Cash Equivalents at beginning of year	61,486	60,762
Effects of Exchange Rate Changes	1,798	153
	63,284	60,915
Cash and Cash Equivalents at end of year	46,462	61,486
The Cash and Cash Equivalents comprise:		
Cash and bank balances	36,871	51,589
Short-term deposits	<u>9,591</u>	<u>9,897</u>
	46,462	61,486

(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 2012)



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

Notes to the Interim Financial Report – For the 4th Financial Quarter Ended 31 May 2013

A. COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING AND BURSA SECURITIES LISTING REQUIREMENTS
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A1. Basis of Preparation

This Interim Financial Report (“Report”) is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”). This Report complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 May 2012, the Group prepared its financial statements in compliance with the Financial Reporting Standards (“FRS”).

This Report is the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ended 31 May 2013. MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards has been applied.

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 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 June 2011, which is also the date of transition, the Group has adjusted the amounts previously reported in financial statements prepared in accordance with the FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial position, financial performance and cash flows is set out in Note A2 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

A2. Significant accounting policies and application of MFRS 1

The annual audited financial statements of the Group for the financial year ended 31 May 2012 were prepared in accordance with the FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 May 2012 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3: Business Combinations prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from the full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Foreign currency translation reserve

Under the FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM19,059,000 were adjusted to retained profits.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under the FRS to those reported for those periods and at the date of transition under MFRS are provided below:

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
At 1 June 2011			
Translation reserve	(19,059)	19,059	0
Retained profits	94,804	(19,059)	75,745
At 31 May 2012			
Translation reserve	(15,403)	19,059	3,656
Retained profits	104,523	(19,059)	85,464

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 42nd Annual General Meeting held on 21 November 2012, 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 purchased 55,700 and 734,100, 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 2012	48,800	0.5450	0.5350	0.5384	26,553
July 2012	112,300	0.5900	0.5350	0.5738	64,874
August 2012	211,700	0.5700	0.5350	0.5502	117,075
	<u>372,800</u>				<u>208,502</u>
September 2012	201,700	0.5600	0.5250	0.5435	110,231
October 2012	8,100	0.5500	0.5500	0.5500	4,541
	<u>582,600</u>				<u>323,274</u>
December 2012	10,000	0.5000	0.5000	0.5000	5,046
January 2013	35,600	0.5000	0.4900	0.4930	17,734
February 2013	50,200	0.4950	0.4600	0.4817	24,416
	<u>678,400</u>				<u>370,470</u>
March 2013	52,600	0.4800	0.4550	0.4645	24,747
April 2013	3,100	0.4800	0.4800	0.4800	1,530
	<u>734,100</u>				<u>396,747</u>

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

As at 31 May 2013, a total of 1,287,624 treasury shares at a total cost of RM734,738 were held by the Company pursuant to Section 67A (3A) (b) of the Companies Act, 1965.

A7. Dividend Paid

On 11 January 2013, the Company paid a final dividend of 2.0 sen per share less 25% income tax amounting to RM2,898,063 for the financial year ended 31 May 2012.

A8. Segment Revenue and Results

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

12-Month period ended 31.05.2013	Polymer RM'000	Industrial Chemical RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	125,665	1,602,960	-	-	1,728,625
Inter-segment sales	1	261	-	(262)	-
Total revenue	<u>125,666</u>	<u>1,603,221</u>	<u>-</u>	<u>(262)</u>	<u>1,728,625</u>

12-Month period ended 31.05.2013	Polymer RM'000	Industrial Chemical RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Results					
Segment result	15,558	19,964	(11,508)	-	24,014
Finance costs					(8,238)
Profit before taxation					15,776
Taxation					(8,753)
Net profit for the year					7,023
Non-controlling interests					732
Net profit after non-controlling interests					7,755

12-Month period ended 31.05.2012	Polymer RM'000	Industrial Chemical RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	135,539	1,352,712	-	-	1,488,251
Inter-segment sales	1	185	-	(186)	-
Total revenue	135,540	1,352,897	-	(186)	1,488,251

Results					
Segment result	14,428	23,603	(10,076)	-	27,955
Finance costs					(7,506)
Profit before taxation					20,449
Taxation					(6,673)
Net profit for the year					13,776
Non-controlling interests					97
Net profit after non-controlling interests					13,873

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 2012. 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 Statements of Financial Position as at 31 May 2012.

A13. Capital Commitment

The capital commitments as at 31 May 2013 are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted	392
- Approved but not contracted	97
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	489
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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS
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B1. Detailed Analysis of the Performance of All Operating Segments of the Group for the Current Quarter and Financial Year-To-Date

For the twelve months ended 31 May 2013, the Nylex Group achieved higher sales of RM1,728.6 million, which represents an increase of 16.2% from RM1,488.3 million recorded the last financial year. The increase in sales was due to improved sales performance in the Industrial Chemical Division. However, the Group recorded lower profit before tax ("PBT") of RM15.8 million, compared to RM20.4 million recorded in the corresponding period last year due mainly to lower margins from sales of our chemicals into the region, reduced profit contribution from sales of phosphoric acid and foreign exchange losses suffered by certain subsidiaries.

For the current quarter under review, the Nylex Group achieved higher sales of RM441.5 million, which represents an increase of 1.6% from RM434.7 million recorded in the same period last year. The increase in sales was due to improved sales performance in the Industrial Chemical Division. As a result of lower margins for some of our products, the Group recorded lower PBT of RM3.6 million, compared to RM5.2 million recorded in Q4 FY 2012. The PBT of RM5.2 million recorded in Q4 FY 2012 was arrived at after taking into account the impairment of goodwill in Perusahaan Kimia Gemilang (Vietnam) Co. Ltd, a wholly-owned subsidiary in Vietnam, of RM1.4 million.

The Polymer Division achieved sales of RM32.8 million for the current financial quarter, which represents a reduction of 4.1% from RM34.2 million in the corresponding quarter in Q4 FY 2012. For the quarter, the Division recorded higher PBT of RM4.3 million compared with RM2.3 million achieved in the same period last year. The PBT of RM2.3 million recorded in Q4 FY 2012 was arrived at after taking into account the provision for receivables and the write-down of inventories totalling RM1.4 million. During the quarter, there was a slight improvement in margins for sales in the local market and those of our Indonesia subsidiary.

The Industrial Chemical Division has also recorded higher sales of RM408.7 million for the quarter, an increase of 2.0% compared with RM400.5 million recorded in the same period last year. The increase is mainly attributed to slightly stronger sales of our products in Malaysia and Indonesia. Despite the better sales, margins have been severely eroded due to the entry of stronger competition into both the local and regional markets. In addition, there were some foreign exchange losses suffered by a regional subsidiary. As a result, the Division contributed a lower PBT of RM237,000 to the Group for Q4 FY 2013, compared with RM3.4 million achieved in the same period last 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 higher sales of RM441.5 million compared to sales of RM401.5 million recorded in the immediate preceding quarter. The higher sales for the current quarter is due to better demand for our products as customers stock-up their inventories to gear up for production after the new year festivities. Consequently, the Group recorded a slightly higher PBT of RM3.6 million for the current quarter compared with RM3.5 million registered in the immediate preceding quarter.

B3. Future Prospects

With slower growth in China and continued weak economic conditions in Europe, the Board is of the view that the trading condition for the next financial year ending 31 May 2014 will be challenging.

The Polymer Division's performance is expected to be satisfactory although we expect our locally manufactured products to continue to face stiff competition from cheap imports.

We expect the Industrial Chemical Division to perform satisfactorily but with the entry of stronger competition into the region, there is pressure on margins.

The Board continues to seek new ways to consolidate the Group's business and to improve its profitability.

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 31.05.2013 RM'000	Preceding Year 31.05.2012 RM'000	Current Year 31.05.2013 RM'000	Preceding year 31.05.2012 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(1,465)	(389)	(5,708)	(6,900)
Foreign	(584)	(710)	(2,876)	(2,578)
- Deferred tax	1,777	(1,187)	1,754	2,465
	(272)	(2,286)	(6,830)	(7,013)
(Under)/over provision in prior years	(1,967)	1,012	(1,923)	340
	(2,239)	(1,274)	(8,753)	(6,673)

The effective tax rate of the Group is higher than the statutory tax rate mainly due to the losses recorded in certain foreign subsidiaries in the current financial year were not allowed for any tax benefit in the Group and also the non-deductibility of certain expenses for tax purposes.

B6. Status of Corporate Proposals

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

B7. Utilisation of Proceeds

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

B8. Group Borrowings

	As At 31.05.2013 (RM'000 equivalent)	As At 31.05.2012 (RM'000 equivalent)
Short-term borrowings		
Secured		
- Indonesian Rupiah	1,884	2,027
- Vietnam Dong	5,264	2,554
- United States Dollar	68,610	52,864
	75,758	57,445
Unsecured		
- Ringgit Malaysia	120,118	106,720
- Indonesian Rupiah	17	32
- United States Dollar	2,262	0
	122,397	106,752
	198,155	164,197

	As At 31.05.2013 (RM'000 equivalent)	As At 31.05.2012 (RM'000 equivalent)
Long-term borrowings		
Secured		
- Vietnam Dong	0	202
- Indonesian Rupiah	157	2,196
	<u>157</u>	<u>2,398</u>
Unsecured		
- Indonesian Rupiah	8	27
	<u>165</u>	<u>2,425</u>
Total Borrowings	<u>198,320</u>	<u>166,622</u>

B9. Derivatives Financial Instruments

The Group has entered into foreign exchange derivatives 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.

The Foreign exchange derivatives are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

The outstanding foreign exchange derivatives as at 31 May 2013 are as follows:

Type of Derivatives	Currency	Contract/Notional Value RM'000	Fair Value RM'000
Foreign exchange			
- Less than 1 year	USD	1,989	1,990
	SGD	2,978	2,939

The above derivatives were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currencies denominated financial assets and liabilities.

There is minimal credit risk as the derivatives were entered into with reputable banks.

B10. Disclosure of Realised and Unrealised Profits/Losses

Bursa Securities has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed issuers to disclose the breakdown of unappropriated profits or accumulated losses as at the end of the reporting period, on a group basis, into realised and unrealised profits or losses, as the case may be, in the notes to its quarterly reports.

The breakdown of retained profits of the Group as at 31 May 2013, pursuant to the format prescribed by Bursa Securities, is as follows:

	As At End of Current Quarter 31.05.2013 RM'000	As At End of Last Financial Year 31.05.2012 RM'000 (Restated)
Total retained profits of Nylex (Malaysia) Berhad and its subsidiaries:		
- Realised	134,423	127,920
- Unrealised	29,744	31,997
	<u>164,167</u>	<u>159,917</u>
Less: Consolidation adjustments	(73,846)	(74,453)
Total Group retained profits as per consolidated accounts	<u>90,321</u>	<u>85,464</u>

B11. Notes to the Statement of Comprehensive Income for the Current Quarter and Financial Year-To-Date

The Profit Before Taxation was arrived at after charging/(crediting) the following:

	Current Quarter 31.05.2013 RM'000	Financial Year-To-Date 31.05.2013 RM'000
Interest income	(411)	(1,343)
Dividend income	0	(10)
Interest expense	2,204	8,238
Depreciation and amortisation	1,726	6,677
Write back of provision for receivables	634	72
Provision for and write off of inventories	391	1,271
Loss on disposal of unquoted investments	0	0
Loss on foreign exchange	128	2,149
Impairment of goodwill	0	0
Fair value (gain)/loss on investments	(16)	8
Fair value gain on derivatives	(187)	(38)

B12. Material Litigation

There was no material litigation since the date of the last annual Statement of Financial Position as at 31 May 2012.

B13. Dividends

Subject to the approval by the Company's shareholders at the forthcoming annual general meeting, the Directors are recommending a final dividend of 2.00 sen per share (before 25% income tax).

The Company will announce the book closure date and the date of payment in due course.

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

In the last financial year, the Company paid a final dividend of 2.0 sen per share less 25% income tax amounting to RM2,898,063.

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 RM1,868,538 (31.05.2012: RM4,285,940) and net profit of RM7,754,580 (31.05.2012: RM13,873,123) 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 of 193,058,378 (31.05.2012: 194,024,439) and for the financial year-to-date of 193,276,276 (31.05.2012: 194,211,249).

Diluted Earnings Per Share

Not applicable as the Company does not have dilutive potential ordinary shares in issue as at the date of the Statement of Financial Position.

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 2012.

BY ORDER OF THE BOARD

Choo Se Eng
Stephen Geh Sim Whye
Company Secretaries

Petaling Jaya
31 July 2013