

NYLEX (MALAYSIA) BERHAD
(Incorporated in Malaysia)
(Registration No.: 197001000148(9378-T))

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 29 FEBRUARY 2020
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative Quarter	
	29.02.2020 RM'000	28.02.2019 RM'000	29.02.2020 RM'000	28.02.2019 RM'000
Revenue	275,341	325,305	905,629	1,180,070
Cost of sales	(249,130)	(304,764)	(823,279)	(1,090,537)
Gross profit	26,211	20,541	82,350	89,533
Other income	747	846	2,420	3,088
Selling and distribution expenses	(15,967)	(16,402)	(47,605)	(47,618)
Administrative expenses	(9,917)	(11,598)	(28,556)	(32,128)
Other expenses	(1,363)	2,173	(1,881)	(884)
Finance costs	(2,498)	(3,186)	(8,168)	(9,225)
Share of results of associates, net of tax	145	(35)	35	70
(Loss)/Profit before tax	(2,642)	(7,661)	(1,405)	2,836
Taxation	(1,448)	(569)	(4,584)	(6,289)
Net loss for the period	(4,090)	(8,230)	(5,989)	(3,453)
Net loss attributable to:				
Owners of the parent	(3,674)	(6,753)	(4,529)	(3,462)
Non-controlling interests	(416)	(1,477)	(1,460)	9
	(4,090)	(8,230)	(5,989)	(3,453)
Loss per share attributable to owners of the parent (sen)				
- basic	(2.10)	(3.66)	(2.57)	(1.86)
- diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 May 2019)

NYLEX (MALAYSIA) BERHAD
(Incorporated in Malaysia)
(Registration No.: 197001000148(9378-T))

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 29 FEBRUARY 2020
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative Quarter	
	29.02.2020 RM'000	28.02.2019 RM'000	29.02.2020 RM'000	28.02.2019 RM'000
Net loss for the period	(4,090)	(8,230)	(5,989)	(3,453)
Other comprehensive income/(loss):				
Currency translation differences	920	(3,256)	1,400	3,320
Re-measurement of defined benefit liability	(46)	56	(46)	56
Other comprehensive income/(loss) for the period	874	(3,200)	1,354	3,376
Total comprehensive loss for the period	(3,216)	(11,430)	(4,635)	(77)
Total comprehensive loss attributable to:				
Owners of the parent	(2,855)	(9,648)	(3,196)	(362)
Non-controlling interests	(361)	(1,782)	(1,439)	285
	(3,216)	(11,430)	(4,635)	(77)

(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 2019)

NYLEX (MALAYSIA) BERHAD
(Incorporated in Malaysia)
(Registration No.: 197001000148(9378-T))

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2020

	As at 29.02.2020 RM'000 (Unaudited)	As at 31.05.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	149,865	147,340
Investment in associates	2,873	3,579
Goodwill arising on consolidation	101,424	100,661
Deferred tax assets	27,654	25,770
Right-to-use assets	26,842	-
	<u>308,658</u>	<u>277,350</u>
Current assets		
Inventories	101,743	130,518
Trade and other receivables	206,759	241,991
Investment securities	503	662
Income tax recoverable	2,417	2,089
Short-term deposits with licensed banks	16,402	17,960
Cash and bank balances	62,409	50,107
	<u>390,233</u>	<u>443,327</u>
TOTAL ASSETS	698,891	720,677
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	195,143	195,143
Reserves	26,162	24,805
Retained profits	113,451	119,753
Less: Treasury shares, at cost	(12,916)	(10,062)
	<u>321,840</u>	<u>329,639</u>
Non-controlling interests	10,925	11,216
Total equity	332,765	340,855
Non-current liabilities		
Deferred tax liabilities	2,387	2,380
Long term borrowings	35,006	38,558
Provision for retirement benefits	5,120	4,666
Long term lease liabilities	10,614	-
	<u>53,127</u>	<u>45,604</u>
Current liabilities		
Trade and other payables	124,645	121,169
Short-term borrowings	171,127	211,727
Income tax payable	998	1,322
Short-term lease liabilities	16,229	-
	<u>312,999</u>	<u>334,218</u>
Total liabilities	366,126	379,822
TOTAL EQUITY AND LIABILITIES	698,891	720,677
Net assets per share attributable to owners of the parent (RM)	1.84	1.83

(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 2019)

NYLEX (MALAYSIA) BERHAD
(Incorporated in Malaysia)
(Registration No.: 197001000148(9378-T))

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 29 FEBRUARY 2020

	<----- Attributable to owners of the parent ----->				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000			
<u>9 month period ended 29 February 2020</u>							
Balance as at 01 June 2019	195,143	24,805	119,753	(10,062)	329,639	11,216	340,855
Net loss for the period	-	-	(4,529)	-	(4,529)	(1,460)	(5,989)
Other comprehensive income/(loss)	-	1,357	(24)	-	1,333	21	1,354
Total comprehensive income/(loss) for the period	-	1,357	(4,553)	-	(3,196)	(1,439)	(4,635)
Transactions with owners							
Dividends							
- Final single-tier dividend for the financial year ended 31 May 2019	-	-	(1,749)	-	(1,749)	-	(1,749)
Acquisition of a subsidiary	-	-	-	-	-	1,148	1,148
Purchase of treasury shares	-	-	-	(2,854)	(2,854)	-	(2,854)
Total transactions with owners	-	-	(1,749)	(2,854)	(4,603)	1,148	(3,455)
Balance as at 29 February 2020	195,143	26,162	113,451	(12,916)	321,840	10,925	332,765
<u>9 month period ended 28 February 2019</u>							
Balance as at 01 June 2018	195,143	18,612	135,353	(4,883)	344,225	16,011	360,236
Effects of adoption of MFRS 9	-	-	(6,370)	-	(6,370)	-	(6,370)
Balance as at 01 June 2018, restated	195,143	18,612	128,983	(4,883)	337,855	16,011	353,866
Net (loss)/profit for the period	-	-	(3,462)	-	(3,462)	9	(3,453)
Other comprehensive income	-	3,071	29	-	3,100	276	3,376
Total comprehensive income/(loss) for the period	-	3,071	(3,433)	-	(362)	285	(77)
Transactions with owners							
Dividends							
- Final single-tier dividend for the financial year ended 31 May 2018	-	-	(3,721)	-	(3,721)	-	(3,721)
Disposal/Derecognition of subsidiaries	-	-	-	-	-	(3,501)	(3,501)
Acquisition of non-controlling interests of a subsidiary	-	-	(20)	-	(20)	(666)	(686)
Purchase of treasury shares	-	-	-	(3,144)	(3,144)	-	(3,144)
Total transactions with owners	-	-	(3,741)	(3,144)	(6,885)	(4,167)	(11,052)
Balance as at 28 February 2019	195,143	21,683	121,809	(8,027)	330,608	12,129	342,737

(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 2019)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

(Registration No.: 197001000148(9378-T))

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 29 FEBRUARY 2020

	FY 2020	FY 2019
	9 months ended	9 months ended
	29.02.2020	28.02.2019
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities		
(Loss)/Profit before tax	(1,405)	2,836
Adjustments for non-cash items	16,561	14,769
Operating cash flows before working capital changes	15,156	17,605
Working Capital Changes		
Receivables	35,373	46,958
Inventories	29,358	(27,885)
Payables	1,244	(36,747)
Related companies	4,983	(1,827)
Associates	(8,269)	2,474
Cash flows generated from operations	77,845	578
Tax paid	(5,709)	(5,953)
Retirement benefits paid	(211)	(382)
Net Cash Flows From/(Used In) Operating Activities	71,925	(5,757)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	34	306
Purchase of property, plant and equipment	(3,974)	(7,890)
Acquisition of interest in associates	-	(1,250)
Net cash flows on acquisition of a subsidiary	152	-
Net cash flows on disposal and derecognition of subsidiaries	-	1,904
Acquisition of non-controlling interests in a subsidiary	-	(686)
Interest received	1,566	1,784
Dividend received	24	31
Withdrawal/(Placement) of short-term deposits		
- pledged with a licensed bank	-	5,967
- with maturity of more than three (3) months	(1,500)	-
Net Cash Flows (Used In)/From Investing Activities	(3,698)	166
Cash Flows From Financing Activities		
Dividends paid to shareholders of the Company	(1,749)	(3,721)
Drawdown of borrowings	98,580	130,551
Repayment of borrowings	(143,197)	(123,093)
Purchase of treasury shares	(2,854)	(3,144)
Interest paid	(8,168)	(9,225)
Net Cash Flows Used In Financing Activities	(57,388)	(8,632)
Net Increase/(Decrease) in Cash and Cash Equivalents	10,839	(14,223)
Effects of Exchange Rate Changes	(837)	2,565
Cash and Cash Equivalents at beginning of year	65,983	99,038
Effects of Exchange Rate Changes	(758)	(875)
	65,225	98,163
Cash and Cash Equivalents at end of period	75,227	86,505
The Cash and Cash Equivalents comprise:		
Cash and bank balances	62,409	64,997
Short-term deposits	16,402	24,526
	78,811	89,523
Less: Short-term deposits with maturity of more than three (3) months	(3,584)	(3,018)
	75,227	86,505

(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 2019)



Notes to the Interim Financial Report
– For the 3rd Financial Quarter Ended 29 February 2020

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

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.

This Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2019.

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 2019.

A2. Significant accounting policies

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 2019 except for the adoption of the following MFRSs/Amendments/Annual Improvements to MFRSs (collectively referred to as “pronouncements”) to be applied for the financial period beginning on or after 1 January 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle

The adoption of the above pronouncements will have no material impact on the financial statements of the Group, other than as disclosed below:

MFRS 16, Leases

The Group has adopted MFRS 16 Leases using the modified retrospective approach with a date of initial application on 1 June 2019. As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance lease and operating lease under the MFRS 117 Leases are no longer required.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

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 49th Annual General Meeting held on 17 October 2019, 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 repurchased 15,500 and 4,729,700, respectively, of ordinary shares in the Company pursuant to Section 127 of the Companies Act 2016, details of which are as follows:

Date	No. of Shares	Highest Price (RM)	Lowest Price (RM)	Average Price (RM)	Total Consideration (RM)
June 2019	381,800	0.6450	0.6100	0.6343	243,436.50
July 2019	1,033,300	0.6300	0.5900	0.6109	634,164.35
August 2019	1,039,200	0.6100	0.5900	0.5975	623,860.34
	2,454,300				1,501,461.19
September 2019	805,300	0.6100	0.5900	0.5998	485,397.30
October 2019	1,441,900	0.6050	0.5650	0.5872	850,667.07
November 2019	12,700	0.5900	0.5700	0.5793	7,452.01
	2,259,900				1,343,516.38
December 2019	15,500	0.5850	0.5800	0.5837	9,102.63
Total	4,729,700				2,854,080.20

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

As at 29 February 2020, a total of 19,419,024 treasury shares at a total cost of RM12,916,236.91 were held by the Company pursuant to Section 127(4)(b) of the Companies Act 2016.

A7. Dividends Paid

On 5 December 2019, the Company paid a final single-tier dividend of 1.0 sen per share amounting to RM1,749,343.36 in respect of the financial year ended 31 May 2019.

A8. Segment Revenue and Results

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

9-Month period ended 29.02.2020	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	75,453	815,819	14,357	-	-	905,629
Inter-segment sales	-	670	1,551	-	(2,221)	-
Total revenue	75,453	816,489	15,908	-	(2,221)	905,629
Results						
Segment result	7,576	2,678	838	(4,329)	-	6,763
Finance costs						(8,168)
Loss before tax						(1,405)
Taxation						(4,584)
Net loss for the period						(5,989)
Non-controlling interests						1,460
Net loss after non-controlling interests						(4,529)
9-Month period ended 28.02.2019						
Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000	
Revenue						
External sales	83,269	1,083,118	13,683	-	-	1,180,070
Inter-segment sales	-	1,392	864	-	(2,256)	-
Total revenue	83,269	1,084,510	14,547	-	(2,256)	1,180,070
Results						
Segment result	5,356	11,727	(313)	(4,709)		12,061
Finance costs						(9,225)
Profit before tax						2,836
Taxation						(6,289)
Net loss for the period						(3,453)
Non-controlling interests						(9)
Net loss after non-controlling interests						(3,462)

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 2019. The carrying values are based on valuations carried out in 1985 by independent qualified valuers less accumulated depreciation. Upon transition to MFRS 1 on 1 June 2011, the Group elected to use the previously revalued leasehold land and buildings carrying amounts as deemed cost.

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 as stated below:

On 14 June 2019, a wholly-owned subsidiary of the Company, Perusahaan Kimia Gemilang Sdn. Bhd. ("PKG") has entered into a share sale agreement with Retromark Solutions Sdn. Bhd. for the acquisition of 660,000 ordinary shares, representing 30% of the issued and paid-up share capital in Ancom Kimia Sdn. Bhd. ("AKM") for a total consideration of RM1,000,000 ("Proposed Acquisition"). Upon completion of the Proposed Acquisition on 8 July 2019, AKM became a 60% owned subsidiary of PKG.

A12. Contingent Liabilities

There were no material contingent liabilities since the last annual Statements of Financial Position as at 31 May 2019.

A13. Capital Commitment

The capital commitment as at 29 February 2020 are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted	<u>238</u>
	<u><u>238</u></u>

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

B1. Detailed Analysis of the Performance of All Operating Segments of the Group for the Current Quarter and Financial Year-To-Date

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	Changes %	Current Year	Preceding Year	Changes %
	29.02.2020 RM'million	28.02.2019 RM'million		29.02.2020 RM'million	28.02.2019 RM'million	
Revenue	275.3	325.3	(15.4)	905.6	1,180.1	(23.3)
(Loss)/Profit before interest and tax	(0.1)	(4.5)	96.8	6.8	12.1	(43.9)
(Loss)/Profit before tax	(2.6)	(7.7)	65.5	(1.4)	2.8	(149.5)
Loss after tax	(4.1)	(8.2)	50.3	(6.0)	(3.5)	(73.4)
Loss attributable to owners of the parent	(3.7)	(6.8)	45.6	(4.5)	(3.5)	(30.8)

For the nine months ended 29 February 2020, the Nylex Group posted lower revenue of RM905.6 million, which represents a decrease of 23.3% from RM1,180.1 million recorded in the same period last financial year. The decline in revenue was mainly attributed to lower contribution from the Industrial Chemical Division. In tandem with the lower revenue, after taking into account share of result of associates and corporate expenses, the Group suffered loss before tax ("LBT") of RM1.4 million, from a profit before tax ("PBT") of RM2.8 million recorded in the corresponding period last financial year.

For the current quarter under review, the Nylex Group registered lower revenue of RM275.3 million, which represents a decrease of 15.4% from RM325.3 million recorded in the same period last financial year. The decline in revenue was mainly due to lower contribution from the Industrial Chemical Division. The Group managed to lower the LBT for the period to RM2.6 million, compared to LBT of RM7.7 million recorded in the corresponding period last year, attributable to higher earnings contributed by the Industrial Chemical Division and the Polymer Division.

The Polymer Division posted lower revenue of RM25.1 million for the current financial quarter, compared with RM26.9 million in the corresponding quarter in Q3 FY 2019 mainly due to lower contribution by its manufacturing plant in Shah Alam. Despite lower revenue, the Division posted higher PBT of RM2.7 million compared with RM1.3 million achieved in the same period last year, attributed to better margins on product mix.

The Industrial Chemical Division also posted lower revenue of RM246.0 million for the quarter compared with RM294.8 million recorded in the same period last year, attributed by lower volume and generally lower average selling prices. The Division managed to lower its losses and recorded a LBT of RM1.5 million for the quarter, as compared to LBT of RM8.2 million achieved in the same period last year, due to improved margin earned on certain products.

During the quarter, the Logistics Division recorded higher revenue of RM4.2 million compared with RM3.6 million recorded in the same period last year. However, the Division suffered LBT of RM1.4 million compared to PBT of RM0.9 million registered in the corresponding quarter in Q3 FY 2019. Included in the PBT in Q3 FY 2019 was the foreign exchange gain of RM1.9 million and included in the current quarter LBT of RM1.4 million was a forex loss of RM0.3 million.

B2. Material Change in the Profit Before Tax for the Current Quarter as compared with Immediate Preceding Quarter

	Current Quarter 29.02.2020 RM'million	Immediate Preceding Quarter 30.11.2019 RM'million	Changes %
Revenue	275.3	315.7	(12.8)
(Loss)/Profit before interest and tax	(0.1)	3.5	(104.1)
(Loss)/Profit before tax	(2.6)	0.7	(456.1)
Loss after tax	(4.1)	(0.3)	(1,485.3)
(Loss)/Profit attributable to owners of the parent	(3.7)	0.3	(1,460.7)

For the current quarter under review, the Group recorded lower revenue of RM275.3 million compared to RM315.7 million achieved in the immediate preceding quarter, mainly due to generally lower selling prices for certain products. Accordingly, the Group suffered LBT RM2.6 million compared with PBT of RM0.7 million recorded in the immediate preceding quarter.

B3. Current Year's Prospects

The highly challenging global economic conditions, mainly due to the Covid-19 pandemic, is causing significant disruption and uncertainty to business and economies across the world. The sharp decline in oil prices which was triggered by a lack of demand since the beginning of year 2020 following China's economic lockdown, and the continuous oil price war between Saudi Arabia and Russia, has further dampened the economic outlook.

The volatility and uncertainties in the global markets will continue to put downward pressure on the demand and product margins of the Group's operating divisions for the remaining period of financial year ending 31 May 2020.

The Board will continue to seek ways to safeguard 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		Culmulative Quarter	
	Current Year 29.02.2020 RM'000	Preceding Year 28.02.2019 RM'000	Current Year 29.02.2020 RM'000	Preceding year 28.02.2019 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(680)	(903)	(3,507)	(7,134)
Foreign	(1,757)	(1,439)	(2,890)	(2,377)
- Deferred tax	997	1,755	1,821	3,204
	(1,440)	(587)	(4,576)	(6,307)
(Under)/Over provision in prior years	(8)	18	(8)	18
	(1,448)	(569)	(4,584)	(6,289)

The effective tax rate of the Group is higher than the statutory tax rate mainly due to the losses recorded in certain subsidiaries in the current financial period were not allowed for any tax benefit in the Group and also certain expenses which are not deductible 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 29.02.2020 (RM'000 equivalent)	As At 31.05.2019 (RM'000 equivalent)
Short-term borrowings		
Secured		
- United States Dollar	8,145	14,363
- Vietnamese Dong	3,935	782
	<u>12,080</u>	<u>15,145</u>
Unsecured		
- Ringgit Malaysia	119,177	159,600
- United States Dollar	39,870	36,982
	<u>159,047</u>	<u>196,582</u>
	<u>171,127</u>	<u>211,727</u>
Long-term borrowings		
Secured		
- United States Dollar	<u>35,006</u>	<u>38,558</u>
Total Borrowings	<u>206,133</u>	<u>250,285</u>

B9. Derivatives Financial Instruments

The Group enters 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.

There were no outstanding foreign exchange derivatives as at 29 February 2020.

B10. Notes to the Consolidated Statements of Profit or Loss for the Current Quarter and Financial Year-To-Date

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

	Current Quarter 29.02.2020 RM'000	Financial Year-To-Date 29.02.2020 RM'000
Interest income	(708)	(2,097)
Dividend income	-	(24)
Interest expense	2,498	8,168
Depreciation and amortisation	2,886	8,481
(Write-back)/Provision for and write off of receivables	(41)	(139)
Provision for and write off of inventories	-	(400)
Gain on remeasurement of previously held interest in an associate	-	(259)
(Gain)/Loss on foreign exchange	1,222	1,169
Fair value loss on investments	176	325

B11. Material Litigation

There was no change in material litigation since the date of the last annual Statements of Financial Position as at 31 May 2019 except as announced on 13 September 2019.

B12. Dividends

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2019: Interim single-tier dividend of 1.0 sen per share).

B13. Loss per Share

Basic Loss Per Share

The calculation of basic loss per share was based on the net loss attributable to owners of the parent for the current quarter of RM3,674,241 (28.02.2019: RM6,752,714) and net loss of RM4,530,138 (28.02.2019: RM3,461,123) for the financial year-to-date as reported in the condensed consolidated statements of profit or loss of the Group, divided by the weighted average number of ordinary shares in issue during the current quarter of 174,921,561 (28.02.2019: 184,481,102) and for the financial year-to-date of 176,457,631 (28.02.2019: 186,220,407).

Diluted Earnings Per Share

The Group has no potential ordinary shares in issue as at reporting date. Therefore, Diluted Earnings Per Share equals to Basic Earnings Per Share.

B14. 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 2019.

BY ORDER OF THE BOARD

Choo Se Eng
Stephen Geh Sim Whye
Company Secretaries

Petaling Jaya
14 May 2020