

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2020
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative Quarter	
	30.11.2020 RM'000	30.11.2019 RM'000	30.11.2020 RM'000	30.11.2019 RM'000
Revenue	263,390	315,718	509,309	630,288
Cost of sales	(235,917)	(286,499)	(458,286)	(574,149)
Gross profit	27,473	29,219	51,023	56,139
Other income	590	697	1,176	1,673
Selling and distribution expenses	(13,013)	(15,620)	(26,752)	(31,638)
Administrative expenses	(7,284)	(11,284)	(14,206)	(18,639)
Other expenses	(143)	503	(1,218)	(518)
Finance costs	(1,945)	(2,799)	(4,159)	(5,670)
Share of results of associates, net of tax	120	26	206	(110)
Profit before tax	5,798	742	6,070	1,237
Taxation	(1,382)	(1,000)	(3,453)	(3,136)
Net profit/(loss) for the period	4,416	(258)	2,617	(1,899)
Net profit/(loss) attributable to:				
Owners of the parent	4,486	270	2,968	(855)
Non-controlling interests	(70)	(528)	(351)	(1,044)
	4,416	(258)	2,617	(1,899)
Earnings/(Loss) per share attributable to owners of the parent (sen)				
- basic	2.56	0.15	1.70	(0.48)
- 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 2020)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2020
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative Quarter	
	30.11.2020 RM'000	30.11.2019 RM'000	30.11.2020 RM'000	30.11.2019 RM'000
Net profit/(loss) for the period	4,416	(258)	2,617	(1,899)
Other comprehensive (loss)/income:				
Currency translation differences	(670)	(934)	(4,607)	480
Re-measurement of defined benefit liability	-	-	-	-
Other comprehensive (loss)/income for the period	(670)	(934)	(4,607)	480
Total comprehensive income/(loss) for the period	3,746	(1,192)	(1,990)	(1,419)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	3,974	(580)	(1,194)	(341)
Non-controlling interests	(228)	(612)	(796)	(1,078)
	3,746	(1,192)	(1,990)	(1,419)

(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 2020)

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2020

	As at 30.11.2020 RM'000 (Unaudited)	As at 31.05.2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	118,039	123,658
Right-of-use assets	39,514	48,734
Investment in associates	2,801	2,361
Goodwill arising on consolidation	82,124	85,624
Deferred tax assets	26,134	25,854
	<u>268,612</u>	<u>286,231</u>
Current assets		
Inventories	72,501	87,947
Trade and other receivables	193,811	169,123
Investment securities	686	638
Income tax recoverable	2,831	3,050
Short-term deposits with licensed banks	19,454	16,943
Cash and bank balances	71,581	66,985
	<u>360,864</u>	<u>344,686</u>
TOTAL ASSETS	629,476	630,917
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	195,143	195,143
Reserves	16,648	20,810
Retained profits	97,735	94,767
Less: Treasury shares, at cost	(12,916)	(12,916)
	<u>296,610</u>	<u>297,804</u>
Non-controlling interests	9,305	10,101
Total equity	305,915	307,905
Non-current liabilities		
Deferred tax liabilities	2,695	2,695
Long term borrowings	28,932	34,767
Provision for retirement benefits	4,644	4,561
Long term lease liabilities	4,693	7,117
	<u>40,964</u>	<u>49,140</u>
Current liabilities		
Trade and other payables	108,648	80,507
Short-term borrowings	160,707	175,798
Income tax payable	2,747	1,121
Derivative liabilities	-	8
Short-term lease liabilities	10,495	16,438
	<u>282,597</u>	<u>273,872</u>
Total liabilities	323,561	323,012
TOTAL EQUITY AND LIABILITIES	629,476	630,917
Net assets per share attributable to owners of the parent (RM)	1.70	1.70

(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 2020)

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2020

	<----- Attributable to owners of the parent ----->				Total	Non-controlling interests	Total equity
	Share capital	Translation reserve	Retained profits	Treasury shares			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 month period ended 30 November 2020</u>							
Balance as at 01 June 2020	195,143	20,810	94,767	(12,916)	297,804	10,101	307,905
Net profit/(loss) for the period	-	-	2,968	-	2,968	(351)	2,617
Other comprehensive loss	-	(4,162)	-	-	(4,162)	(445)	(4,607)
Total comprehensive (loss)/income for the period	-	(4,162)	2,968	-	(1,194)	(796)	(1,990)
Balance as at 30 November 2020	<u>195,143</u>	<u>16,648</u>	<u>97,735</u>	<u>(12,916)</u>	<u>296,610</u>	<u>9,305</u>	<u>305,915</u>
<u>6 month period ended 30 November 2019</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	-	-	(855)	-	(855)	(1,044)	(1,899)
Other comprehensive income/(loss)	-	514	-	-	514	(34)	480
Total comprehensive income/(loss) for the period	-	514	(855)	-	(341)	(1,078)	(1,419)
Transactions with owners							
Acquisition of a subsidiary	-	-	-	-	-	1,148	1,148
Purchase of treasury shares	-	-	-	(2,845)	(2,845)	-	(2,845)
Total transactions with owners	-	-	-	(2,845)	(2,845)	1,148	(1,697)
Balance as at 30 November 2019	<u>195,143</u>	<u>25,319</u>	<u>118,898</u>	<u>(12,907)</u>	<u>326,453</u>	<u>11,286</u>	<u>337,739</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 2020)

NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

	FY 2021 6 months ended 30.11.2020 RM'000 (Unaudited)	FY 2020 6 months ended 30.11.2019 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	6,070	1,237
Adjustments for non-cash items	20,780	10,324
Operating cash flows before working capital changes	26,850	11,561
Working Capital Changes		
Receivables	(26,178)	40,392
Inventories	13,067	37,983
Payables	29,718	(38,225)
Related companies	(2,209)	5,646
Associates	(45)	(7,919)
Cash flows generated from operations	41,203	49,438
Tax paid	(2,069)	(2,974)
Retirement benefits paid	(166)	(104)
Net Cash Flows From Operating Activities	38,968	46,360
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	23	2
Purchase of property, plant and equipment	(271)	(2,377)
Acquisition of interest in an associate	(235)	-
Net cash flows on acquisition of a subsidiary	-	152
Interest received	1,103	893
Dividend received	10	24
(Placement)/Withdrawal of short-term deposits - with maturity of more than three (3) months	(57)	(500)
Net Cash Flows From/(Used In) Investing Activities	573	(1,806)
Cash Flows From Financing Activities		
Drawdown of borrowings	95,925	67,207
Repayment of borrowings	(112,053)	(83,762)
Repayment of lease liabilities	(6,964)	-
Purchase of treasury shares	-	(2,845)
Interest paid	(4,159)	(5,671)
Net Cash Flows Used In Financing Activities	(27,251)	(25,071)
Net Increase in Cash and Cash Equivalents	12,290	19,483
Effects of Exchange Rate Changes	(6,392)	(445)
Cash and Cash Equivalents at beginning of year	80,269	65,983
Effects of Exchange Rate Changes	1,152	(429)
Cash and Cash Equivalents at end of period	87,319	84,592
The Cash and Cash Equivalents comprise:		
Cash and bank balances	71,581	62,668
Short-term deposits	19,454	24,508
	91,035	87,176
Less: Short-term deposits with maturity of more than three (3) months	(3,716)	(2,584)
	87,319	84,592

(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 2020)



NYLEX (MALAYSIA) BERHAD

(Incorporated in Malaysia)

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

Notes to the Interim Financial Report
– For the 2nd Financial Quarter Ended 30 November 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 2020.

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 2020.

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 2020 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 2020:

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 101 and MFRS 108 Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform

The adoption of the above pronouncements will have no material impact on the financial statements of the Group.

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 50th Annual General Meeting held on 21 October 2020, 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. The Company did not purchase any shares for the current financial year.

As at 30 November 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

The Company has not 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:

6-Month period ended 30.11.2020	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	47,526	454,754	7,029	-	-	509,309
Inter-segment sales	-	234	698	-	(932)	-
Total revenue	47,526	454,988	7,727	-	(932)	509,309
Results						
Segment result	3,890	8,102	338	(2,101)	-	10,229
Finance costs						(4,159)
Profit before tax						6,070
Taxation						(3,453)
Net profit for the period						2,617
Non-controlling interests						351
Net profit after non-controlling interests						2,968
6-Month period ended 30.11.2019	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	50,336	569,810	10,142	-	-	630,288
Inter-segment sales	-	302	971	-	(1,273)	-
Total revenue	50,336	570,112	11,113	-	(1,273)	630,288
Results						
Segment result	4,876	2,931	1,184	(2,084)	-	6,907
Finance costs						(5,670)
Profit before tax						1,237
Taxation						(3,136)
Net loss for the period						(1,899)
Non-controlling interests						1,044
Net loss after non-controlling interests						(855)

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 2020. 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.

A12. Contingent Liabilities

There were no material contingent liabilities since the last annual Statements of Financial Position as at 31 May 2020.

A13. Capital Commitment

The capital commitment as at 30 November 2020 are as follows:

	RM'000
Property, plant and equipment	
- Approved and contracted	1,842
- Approved but not contracted	8,568
	<hr/>
	10,410
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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 %
	30.11.2020 RM'million	30.11.2019 RM'million		30.11.2020 RM'million	30.11.2019 RM'million	
Revenue	263.4	315.7	(16.6)	509.3	630.3	(19.2)
Profit before interest and tax	7.7	3.5	118.7	10.2	6.9	48.1
Profit before tax	5.8	0.7	681.4	6.1	1.2	390.7
Profit/(Loss) after tax	4.4	(0.3)	1,811.6	2.6	(1.9)	237.8
Profit/(Loss) attributable to owners of the parent	4.5	0.3	1,561.5	3.0	(0.9)	447.1

For the six months ended 30 November 2020, the Nylex Group achieved lower revenue of RM509.3 million, which represents a decline of 19.2% from RM630.3 million recorded in the same period last financial year. The decline in revenue was mainly due to weaker sales performance by its distribution segment of Industrial Chemical Division. Despite lower revenue, the Group recorded improved earnings with higher profit before tax ("PBT") of RM6.1 million, compared to RM1.2 million recorded in the corresponding period last year, mainly contributed by the Industrial Chemical Division. The current year-to-date PBT of RM6.1 million was arrived at after taking into account share of results of associates, some corporate expenses and loss on foreign exchange of about RM3.5 million. The Group recorded a gain on foreign exchange of RM53k in the same period last financial year.

For the current quarter under review, the Nylex Group posted lower revenue of RM263.4 million, which represents a decrease of 16.6% from RM315.7 million recorded in the same period last financial year. The decline in revenue was mainly due to lower contribution across all its divisions. Despite lower revenue, the Group recorded PBT of RM5.8 million, compared to RM0.7 million recorded in the corresponding period last year, primarily due to better performance of its Industrial Chemical Division. The PBT for the current quarter of RM5.8 million was arrived at after taking into account share of results of associates, some corporate expenses and loss on foreign exchange of about RM0.6 million. The Group recorded a gain on foreign exchange of RM0.5 million in Q2 FY 2020.

The Polymer Division achieved lower revenue of RM22.4 million for the current financial quarter, which represents a decrease of 8.2% from RM24.4 million in the corresponding quarter in Q2 FY 2020. This was attributed to lower contribution by both of its manufacturing plant in Shah Alam and Surabaya, Indonesia. Consumer demand remain weak amid the on-going Covid pandemic. In tandem with lower revenue, the Division recorded a lower PBT of RM2.2 million compared with PBT of RM2.5 million achieved in the same period last financial year.

The Industrial Chemical Division has also recorded lower revenue of RM237.2 million for the quarter, a decrease of 17.0% compared with RM286.0 million recorded in the same period last year, mainly attributed to lower sales by its subsidiaries in Malaysia and Indonesia. Despite lower revenue, the Division managed to record higher PBT of RM5.1 million for Q2 FY 2021 as compared to a Loss Before Tax ("LBT") of RM0.5 million recorded in the same period last year, driven by higher margins earned on some of its products.

During the quarter, the Logistics Division also recorded lower revenue of RM3.8 million compared with RM5.4 million recorded in the same period last year. The Division suffered higher LBT of RM0.3 million compared to LBT of RM0.1 million registered in the corresponding quarter in Q2 FY 2020. The weaker performance was due to lower charter volume shipped across the ASEAN region.

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

	Current Quarter 30.11.2020 RM'million	Immediate Preceding Quarter 31.08.2020 RM'million	Changes %
Revenue	263.4	245.9	7.1
Profit before interest and tax	7.7	2.5	211.5
Profit before tax	5.8	0.3	2,031.6
Profit/(Loss) after tax	4.4	(1.8)	345.5
Profit/(Loss) attributable to owners of the parent	4.5	(1.5)	399.1

For the current quarter under review, the Group recorded higher revenue of RM263.4 million compared to RM245.9 million achieved in the immediate preceding quarter, an improvement of 7.1%, primarily due to higher contribution by its Industrial Chemical Division. In tandem with higher revenue, the Group registered higher PBT of RM5.8 million for Q2 FY 2021 compared with RM0.3 million recorded in the immediate preceding quarter.

B3. Current Year's Prospects

The Covid-19 pandemic will continue to impact the global and regional economic outlook for year 2021, as strict measures to contain the spread of the pandemic will weigh considerably on the market sentiment and consumer demand. Malaysia has also reinstated its Movement Control Order in several states and the state of emergency announcement made recently to control the spread of Covid-19.

The economic uncertainty may put downward pressure on the demand and margins of our products for the Group's operating divisions for the remaining period of financial year ending 31 May 2021. The Board will continue to seek opportunities to strengthen our businesses and to improve the Group's 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 30.11.2020 RM'000	Preceding Year 30.11.2019 RM'000	Current Year 30.11.2020 RM'000	Preceding year 30.11.2019 RM'000
Taxation based on results for the period				
- Current				
Malaysian	(1,031)	(854)	(2,861)	(2,827)
Foreign	(568)	(597)	(1,035)	(1,133)
- Deferred tax	217	451	454	824
	<u>(1,382)</u>	<u>(1,000)</u>	<u>(3,442)</u>	<u>(3,136)</u>
Under provision in prior years	-	-	(11)	-
	<u>(1,382)</u>	<u>(1,000)</u>	<u>(3,453)</u>	<u>(3,136)</u>

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 and not completed as at the date of this report, other than the following:

Nylex had on 16 July 2020 announced that Nylex’s holding company, Ancom Berhad (“Ancom”) and Ancom Logistic Berhad (“ALB”) (a subsidiary of Ancom), had on the same date entered into a Heads of Agreement (“HOA”) with S7 Holdings Sdn Bhd, Merrington Assets Limited, MY E.G. Capital Sdn Bhd and Avocat Sdn Bhd regarding corporate exercises involving ALB. In the said HOA, ALB proposed to dispose of the entire equity interest in its wholly-owned subsidiary, Synergy Trans-Link Sdn Bhd and its subsidiaries to Nylex at a valuation to be agreed by Nylex and ALB (“Proposed Acquisition”). The Board has on 15 July 2020 approved in principle the Proposed Acquisition subject to the terms and conditions to be determined by Nylex and ALB at later date.

As at the date of this Report, the Proposed Acquisition is yet to be completed.

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 30.11.2020 (RM’000 equivalent)	As At 31.05.2020 (RM’000 equivalent)
Short-term borrowings		
Secured		
- United States Dollar	10,895	5,513
- Vietnamese Dong	10,786	6,454
	<u>21,681</u>	<u>11,967</u>
Unsecured		
- Ringgit Malaysia	108,900	130,380
- United States Dollar	30,126	33,451
	<u>139,026</u>	<u>163,831</u>
	<u>160,707</u>	<u>175,798</u>
Long-term borrowings		
Secured		
- United States Dollar	<u>28,932</u>	<u>34,767</u>
Total Borrowings	<u>189,639</u>	<u>210,565</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 30 November 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 30.11.2020 RM'000	Financial Year-To-Date 30.11.2020 RM'000
Interest income	(534)	(1,103)
Dividend income	(3)	(10)
Interest expense	1,945	4,159
Depreciation	6,730	13,512
Provision for and write off/(Write-back) of receivables	(5)	(55)
Loss on foreign exchange	643	3,517
Fair value gain on investments	(136)	(47)

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 2020.

B12. Dividends

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2020: Nil).

B13. 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 RM4,486,151 (30.11.2019: RM269,702) and net profit of RM2,967,539 (30.11.2019: net loss of RM855,897) 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 174,918,836 (30.11.2019: 175,817,287) and financial year-to-date of 174,918,836 (30.11.2019: 177,221,469).

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 2020.

BY ORDER OF THE BOARD

Choo Se Eng
Stephen Geh Sim Whye
Company Secretaries

Petaling Jaya
26 January 2021