

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE FINANCIAL QUARTER ENDED 31 MAY 2022**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.05.2022 RM'000	31.05.2021 RM'000	31.05.2022 RM'000	31.05.2021 RM'000
Revenue	-	353,312	934,143	1,151,677
Cost of sales	-	(312,748)	(853,214)	(1,026,698)
<b>Gross profit</b>	-	40,564	80,929	124,979
Other income	95	792	3,043	2,569
Selling and distribution expenses	-	(17,236)	(37,604)	(57,949)
Administrative expenses	1,184	(9,975)	(25,207)	(33,661)
Other expenses	(2,106)	322	(49,076)	(2,017)
Finance costs	-	(1,798)	(5,727)	(7,919)
Share of results of associates, net of tax	-	73	592	390
<b>(Loss)/Profit before tax</b>	(827)	12,742	(33,050)	26,392
Taxation	-	(1,695)	(16,897)	(7,639)
<b>Net (loss)/profit for the year</b>	(827)	11,047	(49,947)	18,753
Net (loss)/profit attributable to:				
Owners of the parent	(827)	11,014	(50,435)	18,923
Non-controlling interests	-	33	488	(170)
	(827)	11,047	(49,947)	18,753
(Loss)/Earnings per share attributable to owners of the parent (sen)				
- basic	(0.46)	6.14	(28.11)	10.69
- 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 2021)**

**NYLEX (MALAYSIA) BERHAD**  
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[Registration No.: 197001000148 (9378-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL QUARTER ENDED 31 MAY 2022**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Individual Quarter		Cumulative Quarter	
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	RM'000	RM'000	RM'000	RM'000
<b>Net (loss)/profit for the year</b>	(827)	11,047	(49,947)	18,753
Other comprehensive income/(loss):				
Currency translation differences	-	1,610	1,241	(3,850)
Re-measurement of defined benefit liability	-	1,020	74	(22)
<b>Other comprehensive income/(loss) for the year</b>	-	2,630	1,315	(3,872)
<b>Total comprehensive (loss)/income for the year</b>	(827)	13,677	(48,632)	14,881
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(827)	13,023	(49,246)	15,419
Non-controlling interests	-	654	614	(538)
	(827)	13,677	(48,632)	14,881

**(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 2021)**

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MAY 2022**

	As at 31.05.2022 RM'000 (Unaudited)	As at 31.05.2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	-	115,357
Right-of-use assets	-	59,053
Investment in associates	-	2,991
Goodwill arising on consolidation	-	82,820
Deferred tax assets	7,785	24,255
	<u>7,785</u>	<u>284,476</u>
<b>Current assets</b>		
Inventories	-	122,148
Trade and other receivables	-	224,265
Investment securities	-	840
Income tax recoverable	1,264	4,124
Short-term deposits with licensed banks	14,000	14,719
Cash and bank balances	477	79,532
	<u>15,741</u>	<u>445,628</u>
<b>TOTAL ASSETS</b>	<b><u>23,526</u></b>	<b><u>730,104</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	30,856	195,143
Reserves	-	17,322
Retained profits	1,668	110,769
Less: Treasury shares, at cost	(9,678)	(10,011)
	<u>22,846</u>	<u>313,223</u>
<b>Non-controlling interests</b>	-	9,563
<b>Total equity</b>	<u>22,846</u>	<u>322,786</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	2,602
Long term borrowings	-	26,837
Provision for retirement benefits	-	4,679
Long term lease liabilities	-	21,145
	<u>-</u>	<u>55,263</u>
<b>Current liabilities</b>		
Trade and other payables	680	150,551
Short-term borrowings	-	186,717
Income tax payable	-	1,464
Short-term lease liabilities	-	13,323
	<u>680</u>	<u>352,055</u>
<b>Total liabilities</b>	<u>680</u>	<u>407,318</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>23,526</u></b>	<b><u>730,104</u></b>
Net assets per share attributable to owners of the parent (RM)	0.13	1.75

(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 2021)

**NYLEX (MALAYSIA) BERHAD**  
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[Registration No.: 197001000148 (9378-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022**

	<----- Attributable to owners of the parent ----->					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	Total RM'000		
<b><u>12 month period ended 31 May 2022</u></b>							
Balance as at 01 June 2021	195,143	17,322	110,769	(10,011)	313,223	9,563	322,786
Net (loss)/profit for the year	-	-	(50,435)	-	(50,435)	488	(49,947)
Other comprehensive income	-	1,151	38	-	1,189	126	1,315
Total comprehensive income/(loss) for the year	-	1,151	(50,397)	-	(49,246)	614	(48,632)
<b>Transactions with owners</b>							
Capital Reduction	(164,287)	-	(58,523)	-	(222,810)	-	(222,810)
Derecognition of investments in subsidiaries	-	(18,473)	-	-	(18,473)	(10,177)	(28,650)
Disposal of treasury shares	-	-	(181)	333	152	-	152
Total transactions with owners	(164,287)	(18,473)	(58,704)	333	(241,131)	(10,177)	(251,308)
Balance as at 31 May 2022	30,856	-	1,668	(9,678)	22,846	-	22,846
<b><u>12 month period ended 31 May 2021</u></b>							
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 year	-	-	18,923	-	18,923	(170)	18,753
Other comprehensive loss	-	(3,488)	(16)	-	(3,504)	(368)	(3,872)
Total comprehensive (loss)/income for the year	-	(3,488)	18,907	-	15,419	(538)	14,881
<b>Transactions with owners</b>							
Dividends							
- Final single-tier dividend for the financial year ended 31 May 2020 (distribution of 1 treasury share for every 40 ordinary shares held)	-	-	(2,905)	2,905	-	-	-
Total transactions with owners	-	-	(2,905)	2,905	-	-	-
Balance as at 31 May 2021	195,143	17,322	110,769	(10,011)	313,223	9,563	322,786

**(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 2021)**

**NYLEX (MALAYSIA) BERHAD**

(Incorporated in Malaysia)

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 31 MAY 2022**

	FY 2022 12 months ended 31.05.2022 RM'000 (Unaudited)	FY 2021 12 months ended 31.05.2021 RM'000 (Audited)
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(33,050)	26,392
Adjustments for non-cash items	69,037	34,854
Operating cash flows before working capital changes	35,987	61,246
<b>Working Capital Changes</b>		
Receivables	(234,788)	(55,831)
Inventories	(7,603)	(36,896)
Payables	330	70,930
Related companies	25,650	(1,866)
Associates	66	(121)
Cash flows (used in)/generated from operations	(180,358)	37,462
Tax paid	(7,267)	(6,169)
Retirement benefits paid	(92)	(224)
<b>Net Cash Flows (Used In)/From Operating Activities</b>	<b>(187,717)</b>	<b>31,069</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	456	1,589
Purchase of property, plant and equipment	(2,026)	(4,810)
Proceeds from disposal of unquoted/quoted investment	177	-
Acquisition of interest in an associate	-	(240)
Net cash flows on disposal of assets and liabilities of the Company and derecognition of subsidiaries	159,204	-
Interest received	1,795	2,322
Dividend received	41	14
Withdrawal/(Placement) of short-term deposits - with maturity of more than three (3) months	-	422
<b>Net Cash Flows From/(Used In) Investing Activities</b>	<b>159,647</b>	<b>(703)</b>
<b>Cash Flows From Financing Activities</b>		
Capital reduction	(35,000)	-
Drawdown of borrowings	127,459	161,914
Repayment of borrowings	(106,574)	(155,035)
Repayment of lease liabilities	(10,203)	(16,313)
Disposal of treasury shares	152	-
Interest paid	(5,727)	(7,919)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(29,893)</b>	<b>(17,353)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(57,963)</b>	<b>13,013</b>
<b>Effects of Exchange Rate Changes</b>	<b>1,012</b>	<b>(2,585)</b>
<b>Cash and Cash Equivalents at beginning of year</b>	<b>91,013</b>	<b>80,269</b>
<b>Effects of Exchange Rate Changes</b>	<b>(19,585)</b>	<b>316</b>
<b>Cash and Cash Equivalents at end of year</b>	<b>14,428</b>	<b>80,585</b>
<b>The Cash and Cash Equivalents comprise:</b>		
Cash and bank balances	477	79,532
Short-term deposits	14,000	14,719
	<b>14,477</b>	<b>94,251</b>
Less: Short-term deposits with maturity of more than three (3) months	-	(3,238)
	<b>14,477</b>	<b>91,013</b>

(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 2021)



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**Notes to the Interim Financial Report**  
**– For the 4<sup>th</sup> Financial Quarter Ended 31 May 2022**

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

This Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2021.

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 2021.

**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 2021 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 2021:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest Rate Benchmark Reform - Phase 2*

Amendment to MFRS 16 *Leases Covid-19-Related Rent Concessions beyond 30 June 2021*

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 51<sup>st</sup> Annual General Meeting held on 26 October 2021, 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 resold 500,000 ordinary shares of the Company pursuant to Section 127 of the Companies Act 2016, details of which are as follows:

<b>Date</b>	<b>No. of Shares Sold</b>	<b>Lowest (RM)</b>	<b>Highest (RM)</b>	<b>Average (RM)</b>	<b>Total Consideration (RM)</b>
March 2022	500,000	0.3050	0.3050	0.3050	151,767.75

As at 31 May 2022, a total of 14,550,648 treasury shares at a total cost of RM9,678,119 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:

<b>12-Month period ended 31.05.2022</b>	<b>Polymer RM'000</b>	<b>Industrial Chemical RM'000</b>	<b>Logistics RM'000</b>	<b>Investment Holding RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External sales	53,760	870,162	10,221	-	-	934,143
Inter-segment sales	-	172	-	-	(172)	-
<b>Total revenue</b>	<b>53,760</b>	<b>870,334</b>	<b>10,221</b>	<b>-</b>	<b>(172)</b>	<b>934,143</b>
<b>Results</b>						
Segment result	3,377	22,975	(2,902)	(50,773)	-	(27,323)
Finance costs						(5,727)
Loss before tax						(33,050)
Taxation						(16,897)
Net loss for the year						(49,947)
Non-controlling interests						(488)
Net loss after non-controlling interests						(50,435)

12-Month period ended 31.05.2021	Polymer RM'000	Industrial Chemical RM'000	Logistics RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	91,768	1,042,354	17,555	-	-	1,151,677
Inter-segment sales	-	377	698	-	(1,075)	-
<b>Total revenue</b>	<u>91,768</u>	<u>1,042,731</u>	<u>18,253</u>	<u>-</u>	<u>(1,075)</u>	<u>1,151,677</u>
<b>Results</b>						
Segment result	5,418	29,565	2,503	(3,175)	-	34,311
Finance costs						<u>(7,919)</u>
Profit before tax						26,392
Taxation						<u>(7,639)</u>
Net profit for the year						18,753
Non-controlling interests						<u>170</u>
Net profit after non-controlling interests						<u>18,923</u>

**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 2021. 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**

Save as disclose below, 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.

On 26 January 2022, the Company has completed the Proposed Disposal as disclosed in Note B6(2). Consequently, all the investments in subsidiaries and associates have been derecognised from the Group.

**A12. Contingent Liabilities**

There were no material contingent liabilities since the last annual Statements of Financial Position as at 31 May 2021.

**A13. Capital Commitment**

There were no capital commitment as at 31 May 2022.



**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 31.05.2022 RM'million	Preceding Year 31.05.2021 RM'million	Changes %	Current Year 31.05.2022 RM'million	Preceding Year 31.05.2021 RM'million	Changes %
Revenue	-	353.3	(100.0)	934.1	1,151.7	(18.9)
(Loss)/Profit before interest and tax	(0.8)	14.5	(105.7)	(27.3)	34.3	(179.6)
(Loss)/Profit before tax	(0.8)	12.7	(106.5)	(33.1)	26.4	(225.2)
(Loss)/Profit after tax	(0.8)	11.0	(107.5)	(49.9)	18.8	(366.3)
(Loss)/Profit attributable to owners of the parent	(0.8)	11.0	(107.5)	(50.4)	18.9	(366.5)

Following the completion of the Proposed Disposal as disclosed in Note B6(2), the consolidation of the group financial results was made up to 31 January 2022, for the financial year ended 31 May 2022.

For the twelve months ended 31 May 2022, the Nylex Group achieved lower revenue of RM934.1 million, a decrease of 18.9% from RM1,151.7 million recorded in the last financial year. With the recognition of loss on Proposed Disposal of RM49.0 million, the Group recorded a loss before tax ("LBT") of RM33.1 million for financial year 2022, compared with profit before tax ("PAT") of RM26.4 million recorded in the last financial year.

The Company did not generate any revenue for the current financial quarter under review, following the completion of the disposal of all its assets and liabilities including all its subsidiaries on 26 January 2022. The Company suffered LBT of RM0.8 million for the quarter, mainly due to the payment made for the professional fees in regard to the Proposed Disposal.

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

	Current Quarter 31.05.2022 RM'million	Immediate Preceding Quarter 28.02.2022 RM'million	Changes %
Revenue	-	273.8	(100.0)
Loss before interest and tax	(0.8)	(42.1)	98.0
Loss before tax	(0.8)	(43.5)	98.1
Loss after tax	(0.8)	(57.4)	98.6
Loss attributable to owners of the parent	(0.8)	(57.7)	98.6

Following the completion of the disposal of all its assets and liabilities including all its subsidiaries on 26 January 2022, the Company did not generate any revenue for the current financial quarter under review. The Company suffered LBT of RM0.8 million for the quarter, mainly due to the payment made for the professional fees in regard to the Proposed Disposal.

**B3. Future Year's Prospects**

Global economy faces significant challenges mainly due to pandemic restrictions and Covid lockdowns in China, continued supply chain disruptions and rising risk of stagflation.

As stated in Note B6(2) and B6(3) below, the Company is now classified as an affected listed issuer and it has on 21 March 2022 entered into a HOA with various parties, for the LRT Project. The LRT Project is subject to the feasibility study being completed and the grant of the concession award for the LRT Project by the state government of Johor. The parties are working together exclusively to agree on the terms of the definitive agreements to effect the proposals stipulated in the HOA.

The Proposal will form part of the regularisation plan to be undertaken by Nylex to regularise its affected listed issuer status.

The Company will make necessary monthly announcements to update the status of the regularisation plan.

**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 31.05.2022 RM'000	Preceding Year 31.05.2021 RM'000	Current Year 31.05.2022 RM'000	Preceding year 31.05.2021 RM'000
Taxation based on results for the period				
- Current				
Malaysian	-	(1,629)	(4,589)	(5,508)
Foreign	-	519	(910)	(1,953)
- Deferred tax	-	(1,373)	(12,228)	(954)
	-	(2,483)	(17,727)	(8,415)
Overprovision in prior years	-	788	830	776
	-	(1,695)	(16,897)	(7,639)

The effective tax rate of the Group for the current financial year to date is higher than the statutory tax rate mainly due to the reversal of deferred tax assets of the Company following the completion of the Proposed Disposal as disclosed in Note B6(2), losses recorded in certain subsidiaries 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:

**1. Proposed Acquisition of Synergy Trans-Link Sdn Bhd and its subsidiaries**

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 of Directors of Nylex had 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.

Subsequently on 15 April 2022, Ancom announced that the HOA (as supplemented by the Supplemental HOA) has expired and lapsed on 15 April 2022. Upon expiry and lapse of the HOA (as supplemented by the Supplemental HOA), the Parties shall have no claims against each other under the HOA and Supplemental HOA.

- 2. (i) Proposed disposal of all the assets and liabilities of Nylex to Ancom Berhad (“Ancom”) (“Proposed Disposal”); and**  
**(ii) Proposed distribution of the proceeds from the Proposed Disposal amounting to RM164.3 million to all the entitled shareholders of Nylex by way of a capital reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016 (“Proposed Distribution”)**  
**(Collectively to be referred to as “Proposals”)**

On 28 April 2021, Nylex had received a letter dated 28 April 2021 from Ancom (“Proposal Letter”) offering to acquire all the assets and liabilities of Nylex, upon the terms and conditions as set out in the Proposal Letter and subject to the execution of a sale of business agreement to effect the Proposed Disposal (“Offer”).

On 28 June 2021, Nylex Board (save for Dato’ Siew Ka Wei, being an interested director) has decided to accept the Offer, subject to, among others, the approvals of the non-interested shareholders of Nylex and the relevant regulatory authorities, where required.

On 29 July 2021, Nylex entered into the Sale of Business Agreement with Ancom and its wholly owned subsidiary, Nylex Holdings Sdn Bhd in respect of the Proposed Disposal.

On 26 October 2021, the Proposals were approved by the shareholders of the Company at the Extraordinary General Meeting.

On 29 November 2021, the High Court of Malaya has fixed 12 January 2022 as the hearing date of the Company’s petition dated 17 November 2021 to obtain the order of the High Court of Malaya confirming the special resolution passed by the shareholders of the Company on 26 October 2021 approving the Proposed Distribution (“Special Resolution”) (“Court Order”).

On 12 January 2022, Court Order on the Special Resolution has been obtained. Following the receipt of the Court Order, the Sale of Business Agreement for the Proposed Disposal has become unconditional.

On 26 January 2022, the Proposed Disposal has been completed in accordance with the Sale of Business Agreement. Following the completion of the Proposed Disposal, the Company has triggered Paragraph 8.03A(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad whereby the Company has ceased all of its business and entire operations and accordingly, the Company is now classified as an affected listed issuer.

On 23 March 2022, the Proposed Distribution has been completed following the cash distribution and distribution of Ancom shares to minority shareholders.

Accordingly, the Company has completed the Proposals. The Board wishes to thank all our customers, suppliers, bankers, the relevant regulatory authorities, management and employees of the Company for the successful completion of the Proposals.

- 3. Heads Of Agreement entered into between Nylex, Sinar Bina Infra Sdn Bhd, LBS Bina Group Berhad, BTS Group Holdings Public Company Limited And Ancom Berhad**

The Company had on 21 March 2022 entered into a Heads of Agreement (“HOA”) with Sinar Bina Infra Sdn Bhd, LBS Bina Group Berhad, BTS Group Holdings Public Company Limited and Ancom Berhad for the collaboration to build and operate a light rail transport system connected with the railway shuttle link currently being built from Singapore to Johor Bahru, with an integrated property development using the “Transit-Oriented Development” concept in Johor Bahru metropolitan region (“LRT Project”). The LRT Project is subject to the feasibility study (as defined in the HOA) being

completed and the grant of the concession award for the LRT Project by the state government of Johor.

The parties are working together exclusively to agree on the terms of the definitive agreements to effect the proposals stipulated in the HOA.

**B7. Utilisation of Proceeds**

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

**B8. Group Borrowings**

	<b>As At 31.05.2022 (RM'000 equivalent)</b>	<b>As At 31.05.2021 (RM'000 equivalent)</b>
<b>Short-term borrowings</b>		
Secured		
- United States Dollar	-	13,037
- Vietnamese Dong	-	11,226
	<u>-</u>	<u>24,263</u>
Unsecured		
- Ringgit Malaysia	-	132,050
- United States Dollar	-	30,404
	<u>-</u>	<u>162,454</u>
	<u>-</u>	<u>186,717</u>
<b>Long-term borrowings</b>		
Secured		
- United States Dollar	-	26,837
	<u>-</u>	<u>26,837</u>
<b>Total Borrowings</b>	<u>-</u>	<u>213,554</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 31 May 2022.

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

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

	<b>Current Quarter 31.05.2022 RM'000</b>	<b>Financial Year-To-Date 31.05.2022 RM'000</b>
Interest income	(95)	(1,890)
Dividend income	-	(41)
Interest expense	-	5,727
Depreciation	-	17,351
Provision for and Write-back of receivables	-	(1,134)
Provision for and Write-back of inventories	-	(835)
Loss on disposal of quoted shares	-	2
Gain on foreign exchange	-	(327)
Fair value loss on investments	-	69
(Gain)/Loss on disposal of assets and liabilities of the Company	(2,106)	48,987

**B11. Material Litigation**

Save as disclosed below, our Group is not engaged in any material litigation since the date of the last annual Statements of Financial Position as at 31 May 2021:

**High Court of Malaya at Kuala Lumpur Suit No. WA-25-341-10/2021**

On 14 October 2021, Fermpro Sdn Bhd ("Fermpro"), a wholly-owned subsidiary of the Company, submitted an application for Judicial Review to High Court of Malaya at Kuala Lumpur as Applicant against Royal Malaysian Customs Department ("Customs") as Respondent, in regard to Customs decision dated 3 August 2021 that affirmed Customs earlier decisions dated 15 June 2020 to issue four Bills of Demand ("BODs") for indirect taxes totaling RM7.8 million, comprising import duty, excise duty, Goods and Services Tax ("GST") and sales tax (collectively referred to as "the indirect taxes").

The BODs were issued by Customs due to the alleged liability of Fermpro for the indirect taxes in the removal of goods from Westport Free Commercial Zone ("FCZ") to Licensed Manufacturing Warehouse ("LMW") for the period January 2017 to August 2019.

Upon consulting its tax consultants, the Company is of the view that the BODs are without any technical basis and there are reasonably strong grounds for Fermpro to challenge the validity of the said BODs raised by the Customs, amongst others, the removal of goods from FCZ to LMW should not be liable to import duty, excise duty and sales tax under established general principles in indirect tax law and practice. The GST demanded by Customs is effectively levied on the import duty and excise duty elements and hence, should not be applicable as well, since import duty and excise duty should not be applicable in the removal of goods from FCZ to LMW.

Subsequent to the completion of the Proposed Disposal as disclosed in Note B6(2), Fermpro has ceased to be a subsidiary of the Company.

**B12. Dividends**

The Directors do not recommend the payment of any dividend for the current financial quarter (FY 2021: Nil).

**B13. Earnings per Share**

*Basic Earnings Per Share*

The calculation of basic earnings per share was based on the net loss attributable to owners of the parent for the current quarter of RM826,891 (31.05.2021: net profit of RM11,013,565) and net loss of RM50,434,244 (31.05.2021: net profit of RM18,923,148) 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 179,749,169 (31.05.2021: 179,287,212) and financial year-to-date of 179,403,650 (31.05.2021: 177,061,135).

*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 2021.

**BY ORDER OF THE BOARD**

Choo Se Eng  
Stephen Geh Sim Whye  
*Company Secretaries*

Petaling Jaya  
18 July 2022