



SEALINK INTERNATIONAL BERHAD (800981-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sept 2014 RM'000 (Unaudited)	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)	30 Sept 2013 RM'000 (Unaudited)
Revenue	31,330	37,326	99,230	134,440
Cost of sales	<u>(28,206)</u>	<u>(25,238)</u>	<u>(74,408)</u>	<u>(100,105)</u>
Gross profit	3,124	12,088	24,822	34,335
Other operating income	5,221	1,158	9,328	5,087
Other operating expenses	(2,303)	(1,080)	(2,599)	(1,081)
Administrative expenses	(2,726)	(3,977)	(14,306)	(13,730)
Finance expenses	(3,585)	(3,366)	(11,265)	(9,851)
Share of result of an associate	495	402	1,332	1,202
Share of result of a jointly controlled entity	<u>(15)</u>	<u>19</u>	<u>426</u>	<u>19</u>
Profit before tax	211	5,244	7,738	15,981
Income tax expense	202	(1,781)	(1,071)	(4,816)
Profit for the period	<u>413</u>	<u>3,463</u>	<u>6,667</u>	<u>11,165</u>
Profit attributable to:				
Owners of the Parent	<u>413</u>	<u>3,463</u>	<u>6,667</u>	<u>11,165</u>
	<u>413</u>	<u>3,463</u>	<u>6,667</u>	<u>11,165</u>
Earnings per share (sen)				
- Basic EPS	0.08	0.69	1.33	2.23
- Diluted EPS	0.08	0.69	1.33	2.23

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014

(CONTINUED)

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sept 2014 RM'000 (Unaudited)	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)	30 Sept 2013 RM'000 (Unaudited)
Profit for the period	413	3,463	6,667	11,165
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	1,286	3,348	(172)	4,393
Total Comprehensive Income for the period	1,699	6,811	6,495	15,558
Total comprehensive income attributable to:				
Owners of the Parent	1,699	6,811	6,495	15,558

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 September 2014

	As at 30 Sep 2014 RM'000 (Unaudited)	As at 31 Dec 2013 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	616,459	668,274
Land use rights	12,538	12,972
Investment in an associate	5,803	4,702
Investment in a joint venture	1,487	813
Other receivables	18,010	26,734
	654,297	713,495
Current Assets		
Inventories	115,863	72,979
Trade and other receivables	51,646	105,373
Tax recoverable	1,813	2,645
Cash and cash equivalents	85,423	77,775
	254,745	258,772
Total Assets	909,042	972,267
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	115,924	114,257
Other components of equity	7,127	7,299
Total Equity	452,138	450,643
Non-Current Liabilities		
Loans and borrowings	201,358	250,419
Deferred tax liabilities	49,430	56,563
	250,788	306,982
Current Liabilities		
Provision	1,500	1,500
Loans and borrowings	163,258	165,737
Trade and other payables	35,689	47,114
Provision for taxation	5,669	291
	206,116	214,642
Total Liabilities	456,904	521,624
Total Equity and Liabilities	909,042	972,267
Net asset per share (sen)	90.43	90.13

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014

	Attributable to Owners of the Parent				Total RM'000	Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000		
Balance as at 1 January 2013	250,000	79,087	100,698	2,802	432,587	432,587
Total comprehensive income for the period	-	-	11,165	4,393	15,558	15,558
Balance as at 30 September 2013	250,000	79,087	111,863	7,195	448,145	448,145

	Attributable to Owners of the Parent				Total RM'000	Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000		
Balance as at 1 January 2014	250,000	79,087	114,257	7,299	450,643	450,643
Dividend	-	-	(5,000)	-	(5,000)	(5,000)
Total comprehensive income for the period	-	-	6,667	(172)	6,495	6,495
Balance as at 30 September 2014	250,000	79,087	115,924	7,127	452,138	452,138

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014

	Year-to-date Ended	
	30 Sept 2014 RM'000 (Unaudited)	30 Sept 2013 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	7,738	15,981
Adjustments for:		
Interest income	(2,180)	(3,392)
Interest expenses	11,269	9,851
Amortisation of land use rights	434	434
Bad debts written off	180	-
Deposits written off	42	-
Depreciation of property, plant and equipment	33,687	26,691
Gain on disposal of property, plant and equipment	(3,326)	(71)
Inventories written off	1,345	-
Impairment loss on others receivables	238	-
Property, plant and equipment written off	767	2
Reversal of deposit written off	-	(882)
Reversal of provision for maintenance warranties	-	(1,699)
Reversal of impairment loss on trade receivables	(180)	-
Share of result of an associate	(1,333)	(1,202)
Share of result of a joint venture	(425)	(19)
Unrealised gain on foreign exchange	(4,776)	(487)
Total adjustments	<u>35,742</u>	<u>29,226</u>
Operating profit before working capital changes	43,480	45,207
Changes in working capital		
(Increase)/Decrease in inventories	(41,978)	65,097
Decrease/(Increase) in trade and other receivables	58,099	(22,512)
Decrease in trade and other payables	(11,380)	(22,783)
Net change in associate balances	7,810	7,566
Total changes in working capital	<u>12,551</u>	<u>27,368</u>
Cash flows from operations	56,031	72,575
Interest paid	(13,613)	(14,333)
Income tax refund	-	1,845
Income tax paid	(4,188)	(3,004)
Net Cash Flows From Operating Activities	<u>38,230</u>	<u>57,083</u>
Cash Flows From Investing Activities		
Acquisition of investment in a joint venture	(220)	(500)
Purchase of property, plant and equipment	(3,771)	(119,043)
Proceeds from disposal of property, plant and equipment	25,791	116
Interest received	2,179	3,392
Net Cash Flows From/(Used in) Investing Activities	<u>23,979</u>	<u>(116,035)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014

	Year-to-date Ended	
	30 Sept 2014	30 Sept 2013
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	(842)	4,641
Net movement in cash at bank restricted in use	(37)	23,294
Net movements in trade financing	(1,420)	(12,632)
Proceeds from term loans	11,600	53,713
Proceeds from finance lease	-	160
Repayment of obligations under finance leases	(22)	(7)
Repayments of term loans	(61,269)	(40,464)
Dividends paid to shareholders	(5,000)	-
Net Cash Flows (Used in)/From Financing Activities	(56,990)	28,705
Net Increase/(Decrease) in Cash and Cash Equivalents	5,219	(30,247)
Effect of changes in foreign exchange rates	164	4,859
Cash and Cash Equivalents at the beginning of financial year	33,660	53,928
Cash and Cash Equivalents at the end of financial period	39,043	28,540
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	85,423	63,312
Bank overdraft	(26,035)	(23,122)
	59,388	40,190
Less: Fixed deposits pledged and cash at bank restricted in use	(20,345)	(11,650)
	39,043	28,540

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements has been prepared on the historical cost basis, unless otherwise stated.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Boards ("MFRS") and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to the interim financial statements 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 December 2013.

On 1 January 2014, the Group adopted the following new and amended MFRS and IC interpretations mandatory for annual financial period beginning on or after 1 January 2014.

Amendments to MFRS 10, MFRS12 and MRS127	Investment Entities
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non- Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRS effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124 and MFRS 138, Annual Improvements 2010-2012 Cycle
Amendments to MFRS 3, MFRS 13 and MFRS 140, Annual Improvements 2011 -2013 Cycle
Amendments to MFRS 119, Defined Benefit Plan: Employee Contributions

MFRS effective date to be announced

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

The adoption of above standards and amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company ("Sealink International Berhad") and its subsidiaries for the year ended 31 December 2013 were not qualified.

A3. Seasonal or cyclical factors

The Group's performance is affected by the oil and gas industry. The demand for our vessels are closely associated with the cyclical fluctuations of the oil and gas industry.

A4. Items of unusual nature and amount

There was no item that affect assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence during the current quarter under review.

A5. Material changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter under review.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

A7. Dividends Paid

RM'000

Final single tier dividend of 1 sen per share as at 31 December 2013 was paid to shareholders on 18 September 2014.

5,000

A8. Segmental information

The results and other information of the Group as at 30 September 2014 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	5,118	94,112	-	-	99,230
Inter-segment sales	2,334	18	-	(2,352)	-
Total revenue	<u>7,452</u>	<u>94,130</u>	<u>-</u>	<u>(2,352)</u>	<u>99,230</u>
Segment profit/(loss) (Note A)	<u>(13,423)</u>	<u>18,652</u>	<u>404</u>	<u>2,105</u>	<u>7,738</u>

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A8. Segmental information (continued)

Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

Segment profit		5,633
Dividend from an associate		(300)
Loss from inter-segment sales		572
Share of result of an associate		1,333
Share of result of a joint venture		425
Finance costs		3,164
Unallocated corporate expenses		(3,089)
Profit before tax		<u>7,738</u>

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	286,356	829,354	258,898	(465,566)	909,042
Segment liabilities	<u>228,445</u>	<u>525,753</u>	<u>142,075</u>	<u>(439,369)</u>	<u>456,904</u>
Net assets	<u>57,911</u>	<u>303,601</u>	<u>116,823</u>	<u>(26,197)</u>	<u>452,138</u>
Other segmental information					
Depreciation	5,389	21,448	8,595	(1,745)	33,687
Amortisation of land use rights	79	318	37	-	434

A9. Capital commitments

Capital commitments are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Property, plant and equipment	<u>1,094</u>	<u>177,969</u>

A10. Material events subsequent to the end of period reported

There were no material event subsequent to the end of the interim period reported which has not been reflected under the current quarter.

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 30 September 2014.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A12. Contingent liabilities

The following is the additional contingent liabilities since the last annual balance sheet date:

	Year-to-date 30 Sept 2014 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to jointly controlled entity	9,778

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Sept 2014 RM	Current Year-to-date 30 Sept 2014 RM
(i) Transactions with companies in which certain Directors of the Company have substantial interest :		
Ming Kiong Agencies (Singapore) Pte Ltd - Rental of office at Far East shopping centre, Singapore	34,484	104,384
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3,000	9,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	26,250	78,750
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	157,500
Rajah & Tann - Provision of legal services	178,500	391,514
Khoo & Co, Advocates and Solicitors - Provision of legal services	5,175	188,200
Crowe Horwath - Provision of consultancy services	38,000	93,000
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	4,500
	<u>339,409</u>	<u>1,026,847</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favorable than those transacted with unrelated parties.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

(a) Current quarter compared with corresponding quarter of the previous financial year (3Q 2014 Vs. 3Q 2013)

The Group's performance for the current quarter under review compared to 3Q 2013 is as follow:

	Shipbuilding RM'000	Ship charter RM'000	Consolidated Total RM'000
Revenue (3Q 2014)	1,390	29,940	31,330
Revenue (3Q 2013)	2,186	35,140	37,326
Variance	<u>(796)</u>	<u>(5,200)</u>	<u>(5,996)</u>
Variance (%)	-36%	-15%	-16%

The Group's consolidated revenue for the current quarter achieved at RM31.3 million, decreased by RM6 million or 16% compared to 3Q 2013 of RM37.3 million. The unfavourable result was attributed to one of the offshore support vessel was offhired upon completion of the contract and was under maintenance. As for the 2 hybrid vessels, 1 was on short term charter whilst the 2nd vessel was scheduled for installation of shark jaw and towing pin while waiting for result from the tender.

Shipbuilding Division

Shipbuilding division recorded revenue of RM1.4 million mainly derived from ship repair. As at 30th September 2014, 5 vessels are under construction while 1 completed vessel was added to the inventory. As revenue is recognised based on confirmed sale, this attributed to the temporary drop in revenue in the current quarter.

Ship Charter Division

Revenue of ship charter division decreased 15% compared to 3Q 2013 was mainly due to reasons stated above. A new charter contract which commenced end of 2Q 2014 has helped offset some of the drop in the revenue.

	Shipbuilding RM'000	Ship charter RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
(Loss)/profit before tax (3Q 2014)	(6,993)	7,098	106	211
(Loss)/profit before tax (3Q 2013)	(5,084)	11,322	(994)	5,244
Variance (%)				-96%

The Group recorded profit before tax of only RM211,000 for the current quarter, drop by RM5.03 million compared to profit before tax of RM5.2 million in 3Q 2013. The adverse result was mainly due to impairment charge on inventories and assets of the shipyards in total RM2.2 million booked in the current quarter.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries (continued)

(b) YTD 2014 compared with YTD 2013

The Group's performance for 9 months of 2014 compared with corresponding period in 2013 is as follow:-

	Shipbuilding RM'000	Chartering RM'000	Consolidated Total RM'000
Revenue (YTD 2014)	5,118	94,112	99,230
Revenue (YTD 2013)	52,538	81,902	134,440
Variance	<u>(47,420)</u>	<u>12,210</u>	<u>(35,210)</u>
<i>Variance (%)</i>	<i>-90%</i>	<i>15%</i>	<i>-26%</i>

Revenue for the current financial period achieved at RM99.2 million compared to RM134.4 million in the corresponding financial period last year. Despite increased in charter revenue by 15% (or RM12.2 million) total consolidated revenue decreased by 26% (or RM35.2 million) due to significant drop in shipbuilding revenue.

Shipbuilding

Shipbuilding segment only recorded revenue of RM5.1 million for the year to date. One offshore support vessel was delivered in the 1st quarter of 2014. However substantial portion of the revenue was recognised in the preceding quarter based on stage of completion method.

Ship charter

Ship charter segment recorded 15% increase in revenue compared to corresponding financial period last year mainly due to revenue generated from the two hybrid vessels only derived in the 2nd half of 2013 as 1st vessel was delivered in May 2013 and the 2nd vessel was delivered in October 2013.

	Shipbuilding RM'000	Chartering RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
(Loss)/profit before tax (YTD 2014)	(13,423)	18,652	2,509	7,738
(Loss)/profit before tax (YTD2013)	(8,535)	24,862	(346)	15,981
<i>Variance (%)</i>				<i>52%</i>

Profit before tax for the current financial period drop significantly by RM8.2 million compared to corresponding period in preceeding year attributed to drop in shipbuilding revenue. In addition to that, the drop was further exacerbated by the impairment charge of RM2.2 million in total on inventories and assets of shipyards taken up in the current quarter.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	Current Quarter ended 30 Sept 2014 RM'000	Preceding Quarter ended 30 June 2014 RM'000	Variance RM'000	%
Revenue	31,330	31,708	(378)	-1%
Profit before tax	<u>211</u>	<u>1,782</u>	(1,571)	-88%

Despite gain on foreign exchange and gain on disposal of a used offshore support vessel recorded in the current quarter, the Group recorded profit before tax of only RM211,000 mainly due to impairment charge of RM2.2 million taken up in the current quarter.

B3. Commentary on prospects

The oil and gas industry in Malaysia has been on the uptrend since 2011 when PETRONAS announced budgeted capital expenditure of RM300 billion for the oil and gas industry for the next 5 years. The contracts for hook-up construction and commissioning jobs, Pan Malaysia integrated offshore installation contracts and Risk Sharing Contracts awarded previously, is expected to be implemented soon and will drive the demand for the marine offshore support vessels ("OSV") for the next few years. As a result to the award, two Risk Sharing Field (Bentara and Banang) and a deep water field (Gumusut-Kakap) have started producing oil in 2014. The demand for OSVs supporting the enhanced oil recovery and deep water projects should also be expected to remain stable at the present levels. The requirement for OSVs will only increase once more oil and gas fields have started production.

The overall results of SIB Group have weakened in the third quarter of 2014 as compared to the same period in 2013. The lower results achieved are due to the continual losses suffered in shipbuilding division coupled with the lower short term charters secured for vessels due to the continual delays in the implementation and award of certain projects.

In the first half of 2014, the Group's chartering division has been awarded extensions for several long-term charter contracts. New contracts expected to be awarded by Petronas in the second half of 2014 may be further delayed due to the impending rationalisation exercise currently undertaken by Petronas. One of the hybrid multipurpose platform supply vessels cum anchor handling tugs is currently operating on short term contract in Asia whilst the other vessel is currently waiting for the result from the tender. The contract and revenue from these hybrid vessels will contribute positively to the SIB Group's overall results.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Profit before tax

Included in the profit before tax are the following item:

	Year-to-date Ended	
	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Other income	(3,822)	(1,624)
Interest income	(2,180)	(3,392)
Interest expense	11,269	9,851
Bad debts written off	180	-
Depreciation of property, plant and equipment	33,687	26,691
Deposits written off	42	-
Amortisation of land use rights	434	434
Impairment loss on others receivables	238	-
Inventories written off	1,345	-
Property, plant and equipment written off	767	2
Gain or loss on disposal of property, plant and equipment	(3,326)	(71)
Reversal of deposit written off	-	(882)
Reversal of provision for maintenance warranties	-	(1,699)
Reversal of impairment loss on trade receivables	(180)	-
Loss/(Gain) on foreign exchange		
- Realised	4,187	(1,165)
- Unrealised	(4,776)	(487)

B6. Taxation

	Current Quarter 30 Sept 2014 RM'000	Current Year-to-date 30 Sept 2014 RM'000
Malaysian income tax	2,957	8,204
Deferred tax reversal	(3,159)	(7,133)
Total tax expenses	(202)	1,071

Tax expenses for 3Q 2014 is negative due to deferred tax reversal on sale of a used vessel.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B7. Profit from sale of unquoted investments and/or properties

There were no disposal of unquoted investment and properties for the current quarter and financial year to date.

B8. Quoted securities

There was no purchase or disposal of quoted securities for the current quarter and financial year to date.

B9. Status of corporate proposal

There is no corporate proposal announced but not completed as at end of the financial period under review.

B10. Group borrowings and debt securities

Total Group's borrowings as at 30 September 2014 were as follows:

1. Total Borrowings

	Secured
	RM'000
Short-term borrowings	163,258
Long-term borrowings	201,358
	<u>364,616</u>

2. Borrowings denominated in US Dollars

	Secured
	USD'000
Short-term borrowings	9,197
Long-term borrowings	32,300
	<u>41,497</u>

B11. Derivative Financial Instruments

There are no outstanding derivatives as at the reporting period.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B12. Material litigation

On 7 December 2012, one of the subsidiaries of the Group has initiated arbitration before the Kuala Lumpur Centre for Arbitration (KLRC) against Boustead Penang Shipyard Sdn Bhd (BPS) under a shipbuilding contract dated 3 April 2008 to build two units of 7,000 DWT oil carriers/chemical carriers.

The subsidiary filed a claim against BPS on 8 May 2013 under the KLRC arbitration for interest, damages and expenses incurred by the company for breaches of the contract by BPS. BPS has filed a statement of defence and counterclaim on 7 June 2013. The arbitral proceedings are presently at the disclosure stage.

The Group has made adequate provisions for potential impairment and allowance for doubtful debts pending the settlement of the disputes arising out of the shipbuilding contract.

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 30 September 2014.

B14. Earnings per Share

	3 months ended		9 months ended	
	30 Sept 2014 RM'000	30 Sept 2013 RM'000	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Profit attributable to Owners of the Parent (RM'000)	413	3,463	6,667	11,165
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	0.08	0.69	1.33	2.23
Diluted earnings per share (sen)	0.08	0.69	1.33	2.23

Basic earnings per share of the Company is calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no new shares issued during the reporting period.

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(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 30 September 2014 and 31 December 2013 are analysed as follows:

	As at 30 Sept 2014 RM'000	As at 31 Dec 2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	391,989	386,761
- Unrealised	(44,654)	(41,568)
	<u>347,335</u>	<u>345,193</u>
Consolidation adjustments	(231,411)	(230,936)
Total Group retained profits as per consolidated accounts	<u>115,924</u>	<u>114,257</u>

B16. Authorisation For Issue

The interim report for the third quarter ended 30 September 2014 was authorised for issue by the Board resolution of the directors dated 18 November 2014.

By Order Of The Board

Yeo Puay Huang (f)
Company Secretary
18-November-2014