

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

(The figures have not audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.6.2011 RM'000	Preceding year corresponding quarter 30.6.2010 RM'000	Current year to date 30.6.2011 RM'000	Preceding year corresponding period 30.6.2010 RM'000
Revenue		169,332	137,203	592,194	320,929
Cost of sales		(144,493)	(105,463)	(470,647)	(251,929)
Gross profit		24,839	31,740	121,547	69,000
Excess of fair value of assets and liabilities over purchase consideration for subsidiaries acquired		-	-	-	93,699
Other income		157	1,369	5,109	18,968
Other operating expenses		-	-	-	(763)
Administrative expenses		(8,218)	(5,781)	(34,434)	(12,835)
Operating profits		16,778	27,328	92,222	168,069
Finance Costs		(6,307)	(4,830)	(20,774)	(12,496)
Shares of (loss)/ profit of associates		(177)	3,590	(1,947)	841
Profit before tax		10,294	26,088	69,501	156,414
Tax income/(expense)	A11	9	(3,443)	1,927	(5,411)
Profit net of tax		10,303	22,645	71,428	151,003
Other comprehensive income:					
Foreign exchange translation	A16	(1,061)	(213)	(2,306)	(1,321)
Total comprehensive income for the period		9,242	22,432	69,122	149,682
Profit attributable to:					
Equity holders of the parent		11,321	23,331	76,374	152,531
Non controlling interests		(1,018)	(686)	(4,946)	(1,528)
		10,303	22,645	71,428	151,003
Total comprehensive income attributable to:					
Equity holders of the parent		10,260	23,118	74,068	151,210
Non controlling interests		(1,018)	(686)	(4,946)	(1,528)
		9,242	22,432	69,122	149,682
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B11	0.86	2.26	6.17	23.06
Basic (sen)(Annualised)	B11	3.42	9.03	6.17	23.06
Diluted (sen)	B11	3.42	9.03	6.17	23.06

Notes:

(a) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to this report.*

(b) *Earnings per share is computed based on the total comprehensive income attributable to equity holders of the parent and on the weighted average number of ordinary shares of RM1 each in issue.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 30.6.2011 RM'000	AUDITED AS AT 30.6.2010 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,561,373	1,406,170
Prepaid lease payments		129,234	127,863
Investment in associates		14,963	19,258
Other investments		121	132
		<u>1,705,691</u>	<u>1,553,423</u>
Current assets			
Inventories		160,929	178,957
Trade and other receivables		217,072	202,699
Tax recoverable		3,192	750
Cash and cash equivalents		96,928	207,086
		<u>478,121</u>	<u>589,492</u>
TOTAL ASSETS		<u>2,183,812</u>	<u>2,142,915</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,200,000	1,200,000
Share premium		16,972	16,972
Retained Earnings		181,616	135,242
Other reserve		(7,753)	(1,269)
		<u>1,390,835</u>	<u>1,350,945</u>
Non Controlling interests		10,431	16,503
Total equity		<u>1,401,266</u>	<u>1,367,448</u>
Non-current liabilities			
Borrowings	B8	236,099	164,937
Other payable		10,787	5,402
Deferred tax liabilities		120,315	123,722
		<u>367,201</u>	<u>294,061</u>
Current liabilities			
Borrowings	B8	279,590	313,469
Trade and other payables		135,755	162,188
Tax payable		-	5,749
		<u>415,345</u>	<u>481,406</u>
Total liabilities		<u>782,546</u>	<u>775,467</u>
TOTAL EQUITY AND LIABILITIES		<u>2,183,812</u>	<u>2,142,915</u>
Net assets per shares (RM)		1.16	1.13

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Parent →				Total	Non controlling interests	Total equity
	Share capital	Share premium	Other reserve	Revenue reserve			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2009	-	-	-	(7)	(7)	-	(7)
Effect arising from Merger	319,811	3,138	(1,482)	(17,282)	304,185	16,990	321,175
	<u>319,811</u>	<u>3,138</u>	<u>(1,482)</u>	<u>(17,289)</u>	<u>304,178</u>	<u>16,990</u>	<u>321,168</u>
As restated							
Foreign currency Translation	-	-	213	-	213	1,041	1,254
Total comprehensive Income	-	-	-	152,531	152,531	(1,528)	151,003
Ordinary shares issued for:							
-Acquisition of subsidiaries	490,496	4,815	-	-	495,311	-	495,311
-Acquisition of non controlling interests	213,207	2,092	-	-	215,299	-	215,299
-Cash to public	176,386	14,473	-	-	190,859	-	190,859
-Preference shares	100	1	-	-	101	-	101
Listing expenses set off against share premium	-	(7,547)	-	-	(7,547)	-	(7,547)
At 30 June 2010	<u>1,200,000</u>	<u>16,972</u>	<u>(1,269)</u>	<u>135,242</u>	<u>1,350,945</u>	<u>16,503</u>	<u>1,367,448</u>
At 1 July 2010	1,200,000	16,972	(1,269)	135,242	1,350,945	16,503	1,367,448
Foreign currency Translation	-	-	(6,484)	-	(6,484)	(1,126)	(7,610)
Total comprehensive Income	-	-	-	76,374	76,374	(4,946)	71,428
Dividend paid	-	-	-	(30,000)	(30,000)	-	(30,000)
At 30 June 2011	<u>1,200,000</u>	<u>16,972</u>	<u>(7,753)</u>	<u>181,616</u>	<u>1,390,835</u>	<u>10,431</u>	<u>1,401,266</u>

(Note B12)

Notes:

- (a) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date	Preceding year corresponding period
	30.6.2011 RM'000	30.6.2010 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	69,501	156,414
Adjustment for Non Cash items	94,262	(47,469)
Operating profit before changes in working capital	163,763	108,945
Working Capital Changes		
Decrease/(Increase) in inventories	18,002	(18,632)
Increase in receivables	(12,515)	(526)
Increase in payables	27,766	200,421
Working capital changes total	33,253	181,263
Cash generated from operations	197,016	290,208
Interest received	2,996	208
Interest paid	(20,774)	(13,018)
Tax (tax refunded)/ paid	(3,300)	3,022
Total interest and tax paid	(21,078)	(9,788)
Net cash generated from operating activities	175,938	280,420
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	2	1
Capital expenditure	(263,128)	(252,288)
Acquisition of subsidiaries, net of cash	-	(5,806)
Proceeds from disposal of property, plant and equipment	16,507	24,649
Proceeds from disposal of associate	-	37
Proceeds from disposal of other investment	11	-
Proceed from deposit placed with licensed banks	(400)	-
Net cash used in investing activities	(247,008)	(233,407)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(30,000)	-
Proceed from issuance of ordinary shares	-	195,859
Listing expenses	-	(7,547)
Net movement in trade financing	(46,744)	11,632
Proceeds from hire purchase	295	-
Repayment from hire purchase	(38,819)	(33,242)
Proceeds from term loans	120,183	25,400
Repayment from term loans	(50,621)	(40,767)
Net cash flow used in financing activities	(45,706)	151,335
Net (decrease)/increase in cash and cash equivalents	(116,776)	198,348
Cash and cash equivalents at beginning of period	200,136	2,423
Effects of exchange rate changes	(788)	(635)
Cash and cash equivalents at end of period	82,572	200,136
Cash and cash equivalents comprise the following:		
Cash and bank balances	10,285	46,765
Deposit with licensed banks	86,644	160,321
Bank overdrafts	(14,357)	(6,950)
Cash and bank balances	82,572	200,136

Notes:

- (a) *The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to this report.*

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial report should be read in conjunction with the audited financial statements of the Company and of its subsidiaries for the financial year ended 30 June 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs, IC Interpretations and Technical Release with effective from 1 January 2010/1 March 2010 and 1 July 2010.

On 1 July 2010, the Group adopted the new or amended FRS and IC interpretations that are mandatory for application on 1 January 2010, 1 March 2010, 1 July 2010 and 30 August 2010. This includes the following FRSs and IC Interpretations:

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs ‘Improvements to FRSs (2009)’
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions
- Amendments to FRS 132: Classification of Rights Issues
- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- Amendments to FRS 127: Consolidated and Separate Financial Statements
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation (cont’)

- Amendments to IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners
- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 2: Group Cash-settled Shared-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments

The adoption of the above FRSs did not result in substantial changes to the Company and the Group’s accounting policies excepts as follows:

FRS 101(Revised): Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group’s financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments.

Financial assets

Financial assets are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of profit and loss.

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation (cont’)

The Group classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

As at the balance sheet date, the Group did not have any financial assets in the category financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. The details of the changes in accounting policies and the effect arising from the adoption of FRS 139 are discussed below:

Impairment of trade receivable

Prior to 1 July 2010, provision for doubtful debts was recognised when it was considered uncollectible.

Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate.

FRS 123 (revised), Borrowing Cost

Prior to the adoption of the revised FRS 123, the Group expensed all borrowing costs as and when they were incurred. With the adoption of the revised FRS 123, this policy has been changed to capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets that take a substantial period of time to get them ready for their intended sale or use. All other borrowing costs are recognised as an expense as and when they are incurred. The new policy is applied prospectively to borrowing costs for which the commencement date of capitalisation is on or after 1 July 2010. The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

The new FRSs and Interpretations, and amendments to certain Standards and Interpretations above are expected to have no significant impact on the financial statements of the Company upon their initial application.

FRS 7- Financial Instruments- Disclosures

Prior to the adoption of FRS 7, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of a qualitative and quantitative information about exposure to risk from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. Such disclosures will be made in the audited financial statements of the Group.

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation (cont’)

Amendments to FRS 127- Consolidated and Separate Financial Statements

Changes in significant accounting policies resulting from the adoption of the amendments to FRS 127 include:-

- A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill nor will it give rise to a gain or loss;
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary’s equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognized in profit or loss.

According to its transitional provisions, the amendments to FRS 127 has been applied prospectively and does not impact the Group’s consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and the disposal of subsidiaries before 1 July 2010. The changes will affect future transactions with non-controlling interest.

A2. Auditor’s report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and of its subsidiaries on the preceding annual financial statements.

A3. Seasonal or cyclical factors

The Group’s operations were not significantly affected by seasonal or cyclical factors.

A4. Unusual items

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current interim quarter under review

A5. Material changes in estimates

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

A6. Debt and equity securities

There is no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, share held as treasury shares and resale of treasury shares for the current interim quarter under review.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A7. Dividends paid

At the forthcoming Annual General Meeting (“AGM”), a final tax exempt (single tier) dividend in respect of the financial year ended 30 June 2011, of 1.75% on 1,200,000,000 ordinary shares, amounting to a dividend payable of RM21,000,000.00 (1.75 sen per ordinary share) shall be proposed for shareholders’ approval. The financial statements for the current interim period do not reflect this proposed dividend. Such dividend is to be approved by shareholders during the forthcoming AGM, will be accounted for in equity as an appropriation of retained earnings in the financial year ended 30 June 2012.

A8. Segmental reporting

Segmental information in respect of the Group’s business segments (excluding investment holding income) comprising shipping, and shipbuilding, ship repair & metal fabrication are presented as follows:

Current interim quarter ended 30 June 2011

	Revenue RM’000	Operating profit RM’000
Shipping operations	125,619	13,289
Shipbuilding, ship repair and metal fabrication operations	43,039	2,400
Total	<u>168,658</u>	<u>15,689</u>

A9. Material events subsequent to the end of the financial period

No material events have arisen during the interval between the end of the current interim quarter and the date of this announcement that have not been reflected in the current interim quarter report.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group for current interim quarter under review.

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A11. Tax (income)/expense

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Malaysian taxation				
Current year tax	170	334	1,480	193
Deferred tax	(179)	3,109	(3,407)	5,218
	<u>(9)</u>	<u>3,443</u>	<u>(1,927)</u>	<u>5,411</u>

The effective tax rate is lower than the statutory tax rate because the shipping operations enjoy tax exempt profits arising from their qualifying shipping profits under Section 54A of the Income Tax Act, 1967. The profits of the subsidiaries in UAE are not subject to income tax as there are no taxes imposed by the government of the UAE.

A12. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 30 June 2011 are as follows:

	As at 30.6.2011 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>97,789</u>

The Group does not have any contingent assets.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A13. Material commitments

Material commitments of the Group as at 30 June 2011 are as follow:

	As at 30.6.2011
<u>Capital Expenditure</u>	RM'000
<u>Approved and contracted for:-</u>	
- Construction of an additional 2 units of cargo vessels for international shipping operations	85,500
- Construction of an additional 12 units shipping vessels	118,991
- Construction of an additional 2 units of AHT for international and UAE shipping operation	40,800
	----- 245,291
<u>Approved but not contracted for:-</u>	
- Construction of shipyard in RAK, UAE	17,747
	----- 17,747
Total	----- 263,038 -----

Lease commitments

On 1 July 2009, the Group entered into a lease contract with SAQR Port Authority, Hulayla Industrial Park, United Arab Emirates to lease an industrial plot of land for the purpose of carrying out shipbuilding, offshore fabrication and marine related services. The contract will be for 25 years, commencing from the date of the contract or the date at which Hulayla Industrial Park becomes operational, whichever is the latest, at an annual rent of AED5,100,000.00.

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A14. Significant related party transactions

Related parties are those defined under FRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current Quarter to date 30.6.2011 RM'000	Balance due from/(to) As at 30.6.2011 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	61,346	52,004
Purchase of goods and services	23,902	(30,194)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	7,165	6,870
Purchase of goods and services	2,189	(19,264)

The related party transactions reflect transactions of all the subsidiaries with the respective group of companies.

A15. Significant events

There were no material events subsequent to the end of the current interim reporting quarter that have not been reflected in the financial statements for the current interim quarter under review.

A16. Other Comprehensive Income

Foreign exchange translation gain/(loss) represents the surplus/(shortfall) arising from restating payables, receivables and bank balances denominated in foreign currency to Ringgit using foreign exchange rates prevailing at period end rate.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of performance

The Group records a revenue of RM169.3million, a profit before tax of RM10.2million and a profit after tax of RM 10.3 million for the current interim quarter ended 30 June 2011.

B2. Material changes in the profit before tax for the current quarter as compared with the immediate preceding quarter

The Group's revenue for the current interim quarter ended 30 June 2011 increased by 35% or RM43.6million as compared to immediate preceding quarter ended 31 March 2011. The increase was mainly due to the higher revenue generated from both shipping and shipbuilding operation by 19% and 125% respectively.

The Group's profit before tax for the current interim quarter increased by 26% or RM2.1million as compared to immediate preceding quarter ended 31 March 2011. This was mainly attributed to the improvement of profit margin in the shipbuilding sector and the United Arab Emirates' shipping operation in the current quarter under review.

B3. Commentary on Prospects

The performance of the Group is largely dependent on the development in world fuel markets price, quality of crews' standard, demand for transportation of dry bulk and general cargoes, movement of Ringgit Malaysia and world economic situation.

The other dependents on shipbuilding operating including the corresponding price movement of the marine mild steel plates, other heavy equipments and global trend of demand of newly constructed vessels.

B4. Profit forecast or profit guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B5. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the current interim quarter under review.

B6. Quoted securities

There were no purchase or disposal of quoted securities during the current interim quarter under review.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B7. Corporate proposals

Status of utilisation of proceeds

The gross proceeds from the public issue of approximately RM190.9 million shall be utilised in the following manner:

Purpose	Total Proceeds RM'000	Actual Utilisation RM'000	Timeframe for utilisation from date of listing
(i) Part finance construction of additional 7 vessels for shipping operations	115,700	49,100	Within 36 months
(ii) Part finance expansion of shipbuilding capacity and new shipbuilding facilities	61,200	44,318	Within 24 months
(iii) Estimated listing expenses	8,000	6,220	Immediate
(iv) Working capital	5,959	5,900	Within 6 months
	<u>190,859</u>	<u>105,538</u>	

B8. Borrowings and debt securities

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	232,444	47,145	279,589
Long-term borrowings	<u>236,100</u>	-	<u>236,100</u>
	<u>468,545</u>	<u>47,145</u>	<u>515,689</u>

Included in the total borrowings are borrowings denominated in USD as follows:

	Secured USD'000	unsecured USD'000	Total USD'000
2. Borrowings denominated in USD			
Short-term borrowings	3,900	-	3,900
Long-term borrowings	<u>17,103</u>	-	<u>17,103</u>
	<u>21,003</u>	-	<u>21,003</u>

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B9. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 26 August 2011.

B10. Changes in material litigation

There were no material litigations during the current interim quarter up to the date of this interim report.

B11. Earnings per share

(a) Basic

The basic earnings per share for the current interim quarter and current financial year-to-date are computed as follows:

	Current year quarter 30.6.2011	Current year to date 30.6.2011
Total comprehensive income attributable to equity holders of the Company (RM'000)	10,260	74,068
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.86</u>	<u>6.17</u>
Basic earnings per share (sen) (Annualised)	<u>3.42</u>	<u>6.17</u>

Earnings per share is computed based on the weighted average number of 1,200,000,000 shares issued for the interim quarter under review.

(b) Diluted

The Group has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted earnings per share is presented as equal to basic earnings per share.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B12. Realised and Unrealised Profits / (Losses)

Disclosure of Realised and Unrealised Profits / (Losses)

	As at 30.6.2011 RM'000
Total retained earnings for the Group	
-Realised profits / (losses)	183,642
-Unrealised profits / (losses)	(2,026)

Total group retained earnings as per consolidated accounts	<u>181,616</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2011

PART C – ADDITIONAL DISCLOSURE REQUIREMENTS PURSUANT TO IMPLEMENTATION OF FRS 139, FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT (“FRS 139”)

C1. Disclosure of Derivatives

The Group does not have any outstanding derivatives as at the end of the current interim quarter under review

C2. Disclosure of gains/losses arising from fair value changes of financial liabilities

There is no material effect to the Company's financial results upon adoption of FRS139

C3. Disclosure of breakdown of realised and unrealised gains/losses arising from fair value changes of financial liabilities

There is no material effect to the Company's financial results upon adoption of FRS139.

Authorised for issue

The interim report for the fourth quarter ended 30 June 2011 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 August 2011.

By order of the Board

Richard Ling Peng Liing
Company Secretary
26 August 2011