

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

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

(The figures have not audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2012 RM'000	Preceding year corresponding quarter 31.03.2011 RM'000	Current year to date 31.03.2012 RM'000	Preceding year corresponding period 31.03.2011 RM'000
Revenue		180,429	125,744	524,353	422,862
Cost of sales		(151,708)	(98,630)	(446,486)	(326,154)
Gross profit		28,721	27,114	77,867	96,708
Other income		405	487	7,608	4,952
Administrative expenses		(9,839)	(9,589)	(24,565)	(26,216)
Operating profits		19,287	18,012	60,910	75,444
Finance Costs		(8,306)	(4,793)	(22,161)	(14,467)
Shares of profit of associates		2,768	(5,099)	5,769	(1,770)
<b>Profit before tax</b>		13,749	8,120	44,518	59,207
Tax income/(expense)	A11	674	2,113	(3,925)	1,918
<b>Profit net of tax</b>		14,423	10,233	40,593	61,125
<b>Other comprehensive income:</b>					
Foreign exchange translation	A16	2,727	(646)	2,283	(1,245)
Total comprehensive income for the period		17,150	9,587	42,876	59,880
<b>Profit attributable to:</b>					
Equity holders of the parent		13,892	11,870	41,542	65,053
Non controlling interests		531	(1,637)	(949)	(3,928)
		14,423	10,233	40,593	61,125
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		16,440	11,224	42,543	63,808
Non controlling interests		710	(1,637)	333	(3,928)
		17,150	9,587	42,876	59,880
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B11	1.16	0.99	3.46	5.42
Diluted (sen)	B11	1.16	0.99	3.46	5.42

**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 2011 and the accompanying explanatory notes attached to this report.*

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

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	UNAUDITED AS AT 31.03.2012 RM'000	AUDITED AS AT 30.6.2011 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,829,156	1,682,665
Investment in associates		22,642	15,508
Other investments		157	157
		<u>1,851,955</u>	<u>1,698,330</u>
<b>Current assets</b>			
Inventories		148,614	160,660
Trade and other receivables		329,128	205,782
Other current assets		48,054	24,656
Tax recoverable		5,104	4,030
Cash and cash equivalents		77,617	97,008
		<u>608,517</u>	<u>492,136</u>
<b>TOTAL ASSETS</b>		<u><b>2,460,472</b></u>	<u><b>2,190,466</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		1,200,000	1,200,000
Share premium		16,972	16,972
Retained Earnings		200,483	179,941
Other reserve		(11,091)	(6,726)
		<u>1,406,364</u>	<u>1,390,187</u>
<b>Non Controlling interests</b>		9,738	10,071
<b>Total equity</b>		<u><b>1,416,102</b></u>	<u><b>1,400,258</b></u>
<b>Non-current liabilities</b>			
Borrowings	B8	356,254	241,710
Deferred tax liabilities		126,184	124,987
		<u>482,438</u>	<u>366,697</u>
<b>Current liabilities</b>			
Borrowings	B8	373,000	274,131
Trade and other payables		188,780	148,904
Tax payable		152	476
		<u>561,932</u>	<u>423,511</u>
<b>Total liabilities</b>		<u><b>1,044,370</b></u>	<u><b>790,208</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,460,472</b></u>	<u><b>2,190,466</b></u>
Net assets per shares (RM)		1.17	1.16

**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 2011 and the accompanying explanatory notes attached to this report.*

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the Parent →				Total	Non controlling interests	Total equity
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Revenue reserve RM'000			
<b>At 1 July 2011</b>	1,200,000	16,972	(6,726)	179,941	1,390,187	10,071	1,400,258
<b>Total comprehensive Income</b>	-	-	(4,365)	41,542	37,177	(333)	36,844
<b>Transactions with Owners:</b>							
Dividend on Ordinary Share	-	-	-	(21,000)	(21,000)	-	(21,000)
<b>At 31 March 2012</b>	<u>1,200,000</u>	<u>16,972</u>	<u>(11,091)</u>	<u>200,483</u>	<u>1,406,364</u>	<u>9,738</u>	<u>1,416,102</u>
				(Note B12)			
<b>At 1 July 2010</b>	1,200,000	16,972	(1,269)	135,242	1,350,945	16,503	1,367,448
<b>Total comprehensive Income</b>	-	-	(5,457)	74,699	69,242	(6,432)	62,810
<b>Transactions with Owners:</b>							
Dividend on Ordinary Share	-	-	-	(30,000)	(30,000)	-	(30,000)
<b>At 30 June 2011</b>	<u>1,200,000</u>	<u>16,972</u>	<u>(6,726)</u>	<u>179,941</u>	<u>1,390,187</u>	<u>10,071</u>	<u>1,400,258</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 2011 and the accompanying explanatory notes attached to this report.*

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date	Preceding year corresponding period
	31.03.2012 RM'000	31.03.2011 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	44,518	59,207
Adjustment for:		
Depreciation	70,100	60,016
Dividend income	(6)	(3)
Loss / (gain) on disposal of fixed assets	2,887	(1,850)
Gain / (loss) on foreign exchange	(2,132)	704
Interest expenses	22,161	14,467
Interest income	(1,839)	(2,321)
Property, plant and equipment written off	67	15
(Profit)/ loss retained in associates	(5,638)	1,770
	<b>130,117</b>	<b>132,005</b>
<b>Operating profit before changes in working capital</b>		
<u>Working Capital Changes</u>		
Decrease/(increase) in inventories	12,314	(40,686)
(Increase)/decrease in receivables	(131,588)	5,090
Increase in payables	55,669	28,223
Total changes in working capital	(63,605)	(7,373)
<b>Cash generated from operations</b>	<b>66,512</b>	<b>124,632</b>
Interest received	1,839	2,321
Interest paid	(22,161)	(14,467)
Realised gain/(loss) in foreign exchange	838	(365)
Tax paid	(2,936)	(670)
<b>Total interest and tax paid</b>	<b>(22,419)</b>	<b>(13,181)</b>
<b>Net cash generated from operating activities</b>	<b>44,093</b>	<b>111,451</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend received	5	3
Capital expenditure	(235,440)	(201,241)
Proceeds from disposal of property, plant and equipment	2,047	16,432
Proceeds from disposal of other investment	-	1
Proceeds from deposit placed with licensed banks	-	(400)
<b>Net cash used in investing activities</b>	<b>(233,388)</b>	<b>(185,205)</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(21,000)	(30,000)
Net movement in trade financing	72,980	(20,035)
Proceeds from hire purchase	-	111
Repayment of hire purchase	(28,393)	(29,303)
Proceeds from term loans	190,115	75,320
Repayment of term loans	(40,095)	(46,939)
<b>Net cash flow generated from / (used in) financing activities</b>	<b>173,608</b>	<b>(50,846)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(19,616)</b>	<b>(124,600)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>82,841</b>	<b>200,136</b>
<b>Effects of exchange rate changes</b>	<b>(10)</b>	<b>(1,933)</b>
<b>Cash and cash equivalents at end of period</b>	<b>67,144</b>	<b>73,603</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	3,186	10,519
Deposit with licensed banks	74,430	86,647
Bank overdrafts	(10,473)	(23,563)
<b>Cash and bank balances</b>	<b>67,144</b>	<b>73,603</b>

**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 2011 and the accompanying explanatory notes attached to this report.*

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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**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 have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9 paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of Shin Yang Shipping Corporation Berhad (“SYSCorp” or “the Company”) and its subsidiaries (“the Group”) for the year ended 30 June 2011.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2011 except for the changes in accounting policies and presentation resulting from the adoption of relevant FRSS, Amendment to FRSS and IC Interpretations that are effective for the financial periods beginning on 1 July 2011.

The adoption of relevant FRSS, Amendment to FRSS and IC Interpretations are not expected to have any significant financial impact on the financial statements of the Group.

**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.

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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

**A7. Dividends paid**

A final tax exempt (single tier) dividend of 1.75 sen per ordinary share, amounting to RM21,000,000.00 in respect of the financial year ended 30 June 2011, was paid on 18 January 2012.

**A8. Segmental reporting**

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

	Shipping RM'000	Shipbuilding & Ship repair RM'000	Shipping agency RM'000	Elimination RM'000	Total RM'000
<b>For three months ended</b>					
<b>31 March 2012</b>					
<b>Segment Revenue</b>					
External revenue	139,535	39,039	1,855	-	180,429
Inter-segment revenue	1,007	28,070	-	(29,077)	-
<b>Total</b>	<b>140,542</b>	<b>67,109</b>	<b>1,855</b>	<b>(29,077)</b>	<b>180,429</b>
<b>Operating Segment Results</b>					
Unallocated corporate income	19,907	(1,790)	1,118	-	19,235
Profit from operations					52
Finance costs					19,287
Share of profit of associates					(8,306)
Profit before tax					2,768
Tax income					13,749
Profit for the period					674
					14,423
<b>For three months ended</b>					
<b>31 March 2011</b>					
<b>Segment Revenue</b>					
External revenue	108,215	17,528	-	-	125,743
Inter-segment revenue	456	25,794	-	(26,250)	-
<b>Total</b>	<b>108,671</b>	<b>43,322</b>	<b>-</b>	<b>(26,250)</b>	<b>125,743</b>
<b>Operating Segment Results</b>					
Unallocated corporate income	30,188	(12,515)	-	-	17,673
Profit from operations					339
Finance costs					18,012
Share of profit of associates					(4,793)
Profit before tax					(5,099)
Tax income					8,120
Profit for the period					2,113
					10,233

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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

**A8. Segmental reporting (Cont’)**

**Group**

	3Q 2012 (RM'000)	3Q 2011 (RM'000)	Changes (%)
Revenue	180,429	125,744	43.5%
Profit Before tax	13,749	8,120	69.3%
Profit After tax	14,423	10,233	40.9%

For the 3<sup>rd</sup> quarter ended 31 March 2012, the Group recorded revenue of RM 180.4million, a 43.5% increase as compared to RM 125.7million in the same calendar period of last year (“comparative quarter”).

The increase were mainly attributed to the improvement of profit contribution from the coastal & domestic shipping operations and higher number of vessels delivered and increase in vessels repair works in the current quarter under review.

Performance and prospects of each operating segment are discussed below:

**Shipping**

	3Q 2012 (RM'000)	3Q 2011 (RM'000)	Changes (%)
Revenue	139,535	108,215	28.9%
Operating Segment result	19,907	30,188	-34.1%

The shipping segment’s revenue of RM139.5 million for the current quarter is 28.9% higher than the RM 108.2 million revenue in the comparative quarter. Higher volume carried from the new additional of vessels has translated the revenue growth in current quarter.

The segment result was lower by 34.1% to RM 19.9 million from RM 30.2 million in the comparative quarter, largely due to higher operating costs, especially bunker costs and maintenance & upkeep costs.

Compounded by continuing uncertainties in global economic situations, the prospects for the shipping industry continue to remain challenging. Uncertain chartering freight rates movement, rising bunker costs and demand of oversupply of vessels contribute to the challenges faced. Cost management will be an important priority in the few quarters ahead.

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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

**A8. Segmental reporting (Cont’)**

**Shipbuilding and Ship repair**

	3Q 2012 (RM'000)	3Q 2011 (RM'000)	Changes (%)
Revenue	39,039	17,528	122.7%
Operating Segment result	(1,790)	(12,515)	85.7%

Revenue generated from Shipbuilding and ship repair segment in current quarter stood at RM39.0 million, 122.7% higher compared to RM 17.5 million revenue recorded in the comparative quarter. The increase in revenue were mainly due to higher number of vessels delivered and increase in vessels repair works in the current quarter.

The Shipbuilding and Ship repair segment was managing its losses to RM1.8 million in current quarter. This was mainly due to the delivery of completed vessels in the quarter which had unrealised profit margin in the work in progress.

**Shipping agency**

	3Q 2012 (RM'000)	3Q 2011 (RM'000)	Changes (%)
Revenue	1,855	-	-
Operating Segment result	1,118	-	-

The revenue from shipping agency segment is derived from its newly acquired subsidiary, HLSSB in January 2012. Hence, there is no comparative figure for the preceding year's corresponding quarter.

HLSSB has been established since 1988 and the business provides total shipping solutions including sea freight services for Container Ships, Conventional Ships, Barges, Tugs and Chemical Tankers. HLSSB also has expertise in bulk project handling, Ship Brokering and Chartering, Transshipment Feeder Services and Door to Door Services.

**A9. Material events subsequent to the end of the quarter period**

On 2<sup>nd</sup> April 2012, the Board of Directors of SYSCorp announced that Danum Shipping Sdn Bhd (“DSSB”), a 100%-owned subsidiary of SYSCorp, had entered into a Shareholders and Subscription Agreement (“SSA”) with Sarawak Oil Palms Berhad (“SOP”), main market listed on Bursa Malaysia Securities Berhad for setting up the joint venture company (“JVC”), Micaline Sdn Bhd (“MLSB”) for the purpose to own and operate an palm oil and chemical tanker and a motor tanker for the shipment of palm oil products.

The SSA will pave the way for DSSB and SOP to be strategic business partners for the setting up of palm oil tanker shipping services. By combining DSSB's technical expertise in shipping operations and the secured shipments of palm oil products from SOP's refinery and mills, the Board of Directors of DSSB are confident that the JVC will contribute to the long term future earnings of DSSB

No other 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.



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

**A10. Changes in the composition of the Group**

There were no significant changes in the composition of the Group during the current quarter including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations except that:

- a) SYSCorp has on 9<sup>th</sup> January 2012, completed the acquisition of 195,000 ordinary shares of RM1.00 each in Melinau Shipping Sdn Bhd (“MSSB”) representing 39% of the issued and paid up capital for a total cash consideration of RM682,500.00. As a result of the acquisition, MSSB becomes an associate company of SYSCorp.

MSSB was incorporated in Malaysia on 15<sup>th</sup> March 1995 under the Companies Act, 1965 (“Act”) as a private limited company. MSSB has an authorised share capital of RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each of which 500,000 ordinary shares of RM1.00 each have been issued and are fully paid. MSSB is principally involved in forwarding and shipping agency operations.

- b) SYSCorp has on 12<sup>th</sup> January 2012, completed the acquisition of 18,900 ordinary shares of RM1.00 each in Hock Leong Shipping Sdn Bhd (“HLSSB”) representing 70% of the issued and paid up capital for a total cash consideration of RM2,090,314.80. As a result of the acquisition, HLSSB becomes a subsidiary company of SYSCorp.

HLSSB was incorporated in Malaysia on 21<sup>st</sup> July 1980 as a private limited company under Companies Act, 1965. HLSSB has an authorised share capital RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each of which 27,000 ordinary shares have been issued and are fully paid. The principal activities of the Company are acting as forwarding and shipping agency.

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

**A11. Tax (income) / expense**

The taxation of the Group for the current interim quarter under review is as follows:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Mar 2012 RM'000	Preceding year corresponding quarter 31 Mar 2011 RM'000	Current year to date 31 Mar 2012 RM'000	Preceding year corresponding period 31 Mar 2011 RM'000
Malaysian taxation				
Current year tax	(614)	228	2,728	2,290
Deferred tax	(60)	(984)	1,197	(2,095)
	<u>(674)</u>	<u>(756)</u>	<u>3,925</u>	<u>195</u>

**A12. Contingent liabilities and contingent assets**

The contingent liabilities of the Group as at 31 March 2012 are as follows:

	<b>As at</b>
	<b>31.03.2012</b>
	<b>RM'000</b>
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<b><u>255,363</u></b>

The Group does not have any contingent assets.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012

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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 31 March 2012 are as follow:

	<b>As at 31.03.2012</b>
<b><u>Capital Expenditure</u></b>	<b>RM'000</b>
<b><u>Approved and contracted for:-</u></b>	
- Construction of an additional 2 units of cargo vessels for international shipping operations	57,000
- Construction of an additional 4 units shipping vessels	9,020
	----- 66,020
<b><u>Approved but not contracted for:-</u></b>	
- Construction of shipyard in RAK, UAE	16,065
	----- 16,065
<b>Total</b>	----- <b>82,085</b> -----

**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.

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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**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.

	<b>Current Quarter to date 31.03.2012 RM'000</b>	<b>Balance due from/(to) As at 31.03.2012 RM'000</b>
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	60,128	111,814
Purchase of goods and services	22,382	(36,303)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	1,325	8,236
Purchase of goods and services	1,664	(32,493)

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 THIRD QUARTER ENDED 31 MARCH 2012**

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

**B1. Review of performance**

Explanatory comment on the performance of each of the Group's business activities is provided in Note A8

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

	3Q 2012 (RM'000)	2Q 2012 (RM'000)	Changes (%)
Revenue	180,429	181,947	-0.8%
Profit Before tax	13,749	13,680	0.5%
Profit After tax	14,423	14,045	2.7%

Save as the table above, profitability performance of the Group for the current interim quarter ended 31 March 2012 was fairly consistent with preceding quarter ended 31 December 2011.

**B3. Commentary on Prospects**

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

The other dependents on shipbuilding operations include the corresponding price movement of the marine mild steel plates, other heavy equipments and global trend of demand of newly constructed vessels especially from the niche markets with oil and gas industry both domestically and regionally.

**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 THIRD QUARTER ENDED 31 MARCH 2012**

**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	69,200	Within 24 months
(ii) Part finance expansion of shipbuilding capacity and new shipbuilding facilities	61,200	45,727	Within 12 months
(iii) Estimated listing expenses	8,000	6,220	Immediate
(iv) Working capital	5,959	7,739	Immediate
	<u>190,859</u>	<u>128,886</u>	

**B8. Borrowings and debt securities**

	Secured RM'000	unsecured RM'000	Total RM'000
<b>1. Total borrowings</b>			
Short-term borrowings	290,152	82,848	373,000
Long-term borrowings	<u>356,254</u>	-	<u>356,254</u>
	<u>646,406</u>	<u>82,848</u>	<u>729,254</u>

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

	Secured USD'000	unsecured USD'000	Total USD'000
<b>2. Borrowings denominated in USD</b>			
Short-term borrowings	3,900	-	3,900
Long-term borrowings	<u>16,128</u>	-	<u>16,128</u>
	<u>20,028</u>	-	<u>20,028</u>

**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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**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 30 May 2012.

**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:

	<b>Current year quarter 31.03.2012</b>	<b>Current year to date 31.03.2012</b>
Profit attributable to equity holders of the Company (RM'000)	13,892	41,542
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>1.16</u>	<u>3.46</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.

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

**B12. Notes to the Condensed Consolidated Statement of Comprehensive Income**

The profit of the Group for the interim quarter is arrived at after crediting/(charging):-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2012 RM'000	31 Mar 2011 RM'000	31 Mar 2012 RM'000	31 Mar 2011 RM'000
Interest income	(572)	(713)	(1,846)	(2,321)
Sundry income	(19)	(97)	(241)	(195)
Interest expenses	8,306	4,793	22,161	14,467
Depreciation	25,213	19,948	70,100	60,016
Property, plant and equipment				
Written off	66	15	67	15
Loss/ (Gain) on disposal of property, Plant and equipment	2,308	(1,786)	2,887	(1,849)
Realised foreign exchange gain	(192)	933	(838)	311
Unrealised foreign exchange gain	(456)	230	(1,294)	635

**B13. Breakdown of realised and unrealised profit or loss**

The breakdown of the retained profits of the Group as at 31 March 2012, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 31.03.2012 (RM'000)	Accumulated quarter ended 30.12.2012 (RM'000)
<b>Total retained profits of the Company and its subsidiaries</b>		
- Realized	651,589	651,123
- Unrealized	(20,656)	(20,945)
	<b>630,933</b>	<b>630,178</b>
Less: Consolidation adjustments	(430,450)	(422,586)
<b>Total Group's retained profits</b>	<b>200,483</b>	<b>207,592</b>



**INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2012**

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**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 third quarter ended 31 March 2012 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2012.

By order of the Board

Richard Ling Peng Liing  
Company Secretary  
30 May 2012