

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

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

(The figures have not audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.06.2012 RM'000	Preceding year corresponding quarter 30.06.2011 RM'000	Current year to date 30.06.2012 RM'000	Preceding year corresponding period 30.06.2011 RM'000
Revenue		196,748	169,332	721,101	592,194
Cost of sales		(183,496)	(144,493)	(629,982)	(470,647)
Gross profit		13,252	24,839	91,119	121,547
Other income		9,663	157	17,271	5,109
Administrative expenses		(9,705)	(8,218)	(34,270)	(34,434)
Operating profits		13,210	16,778	74,120	92,222
Finance Costs		(8,806)	(6,307)	(30,967)	(20,774)
Shares of profit of associates		86	(177)	5,855	(1,947)
Profit before tax		4,490	10,294	49,008	69,501
Tax income/(expense)	A11	3,066	9	(859)	1,927
Profit net of tax		7,556	10,303	48,149	71,428
Other comprehensive income:					
Foreign exchange translation	A16	674	(1,061)	1,245	(2,306)
Total comprehensive income for the period		8,230	9,242	49,394	69,122
Profit attributable to:					
Equity holders of the parent		11,786	11,321	44,886	76,374
Non controlling interests		(4,212)	(1,018)	3,263	(4,946)
		7,556	10,303	48,149	71,428
Total comprehensive income attributable to:					
Equity holders of the parent		6,707	10,260	47,538	74,068
Non controlling interests		1,523	(1,018)	1,856	(4,946)
		8,230	9,242	49,394	69,122
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B11	0.98	0.94	3.74	6.36
Diluted (sen)	B11	0.98	0.94	3.74	6.36

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 FOURTH QUARTER ENDED 30 JUNE 2012
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 30.06.2012 RM'000	AUDITED AS AT 30.6.2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,853,185	1,682,665
Investment in associates		24,176	15,508
Other investments		9,507	157
		<u>1,886,868</u>	<u>1,698,330</u>
Current assets			
Inventories		156,772	160,660
Trade and other receivables		341,065	205,782
Other current assets		34,373	24,656
Tax recoverable		5,492	4,030
Cash and cash equivalents		76,587	97,008
		<u>614,289</u>	<u>492,136</u>
TOTAL ASSETS		<u>2,501,157</u>	<u>2,190,466</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		203,827	179,941
Other reserve		(5,481)	(6,726)
		<u>1,415,318</u>	<u>1,390,187</u>
Non Controlling interests		11,927	10,071
Total equity		<u>1,427,245</u>	<u>1,400,258</u>
Non-current liabilities			
Borrowings	B8	348,537	241,710
Deferred tax liabilities		123,685	124,987
		<u>472,222</u>	<u>366,697</u>
Current liabilities			
Borrowings	B8	408,271	274,131
Trade and other payables		193,173	148,904
Tax payable		246	476
		<u>601,690</u>	<u>423,511</u>
Total liabilities		<u>1,073,912</u>	<u>790,208</u>
TOTAL EQUITY AND LIABILITIES		<u>2,501,157</u>	<u>2,190,466</u>
Net assets per shares (RM)		1.18	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
(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent				Total RM'000	Non controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Distributable Revenue reserve RM'000			
At 1 July 2011	1,200,000	16,972	(6,726)	179,941	1,390,187	10,071	1,400,258
Total comprehensive Income	-	-	1,245	44,886	46,731	1,856	48,587
Transactions with Owners:							
Dividend on Ordinary Share	-	-	-	(21,000)	(21,000)	-	(21,000)
At 30 June 2012	<u>1,200,000</u>	<u>16,972</u>	<u>(5,481)</u>	<u>203,827</u>	<u>1,415,918</u>	<u>11,927</u>	<u>1,427,845</u>
				(Note B12)			
At 1 July 2010	1,200,000	16,972	(1,269)	135,242	1,350,945	16,503	1,367,448
Total comprehensive Income	-	-	(5,457)	74,699	69,242	(6,432)	62,810
Transactions with Owners:							
Dividend on Ordinary Share	-	-	-	(30,000)	(30,000)	-	(30,000)
At 30 June 2011	<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
(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date	Preceding year corresponding period
	30.06.2012 RM'000	30.06.2011 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	49,008	69,501
Adjustment for:		
Depreciation	96,223	75,836
Dividend income	(6)	(3)
Loss / (gain) on disposal of fixed assets	2,883	(1,452)
(Gain) / loss on foreign exchange	(3,081)	2,822
Interest expenses	30,967	20,774
Interest income	(2,138)	(3,004)
Property, plant and equipment written off	67	15
(Profit)/ loss retained in associates	(5,682)	1,947
	168,241	166,436
Operating profit before changes in working capital		
<u>Working Capital Changes</u>		
Decrease in inventories	4,169	18,002
Increase in receivables	(110,505)	(2,144)
Increase in other current assets	(9,767)	(10,371)
Increase in payables	62,421	27,766
Total changes in working capital	(53,682)	33,253
Cash generated from operations	114,559	199,689
Interest received	2,138	2,996
Interest paid	(30,967)	(20,505)
Realised gain/(loss) in foreign exchange	2,155	(2,673)
Tax paid	(2,967)	(3,300)
Total interest and tax paid	(29,497)	(23,482)
Net cash generated from operating activities	84,918	176,207
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	5	2
Capital expenditure	(297,698)	(263,128)
Proceeds from disposal of property, plant and equipment	2,055	16,507
(Cost of acquisition)/proceeds from disposal of other investment	(9,350)	11
Proceeds from deposit placed with licensed banks	-	(400)
Net cash used in investing activities	(304,988)	(247,008)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(21,000)	(30,000)
Net movement in trade financing	82,138	(46,744)
Proceeds from hire purchase	8,987	295
Repayment of hire purchase	(38,036)	(38,819)
Proceeds from term loans	251,223	120,183
Repayment of term loans	(94,477)	(50,621)
Net cash flow generated from /(used in) financing activities	188,835	(45,706)
Net decrease in cash and cash equivalents	(31,235)	(116,507)
Cash and cash equivalents at beginning of period	82,841	200,136
Effects of exchange rate changes	(37)	(788)
Cash and cash equivalents at end of period	51,569	82,841
Cash and cash equivalents comprise the following:		
Cash and bank balances	15,954	10,364
Deposit with licensed banks	60,633	86,644
Bank overdrafts	(25,018)	(14,167)
Cash and bank balances	51,569	82,841

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.*

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.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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

A7. Dividends

At the forthcoming Annual General Meeting, a final tax exempt (single tier) dividend in respect of the financial year ended 30 June 2012, of 1.0% on 1,200,000,000 ordinary shares, amounting to a dividend payable of RM12,000,000.00 (1.0 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 approved by shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ended 30 June 2013.

A8. Segmental reporting

Segmental information in respect of the Group's business segments 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	Investment holding RM'000	Elimination RM'000	Total RM'000
For 12 months ended						
30 June 2012						
Segment Revenue						
External revenue	537,666	177,765	3,542	2,128	-	721,101
Inter-segment revenue	4,267	128,744	201	12,325	(145,537)	
Total	541,933	306,509	3,743	14,453	(145,537)	721,101
Profit from operations	65,669	6,869	2,326	(744)	-	74,120
Finance costs						(30,967)
Share of profit of associates						5,855
Profit before tax						49,008
Tax expense						(859)
Profit for the period						48,149
For 12 months ended						
30 June 2011						
Segment Revenue						
External revenue	457,095	132,103	-	2,996	-	592,194
Inter-segment revenue	7,200	211,017	-	27,010	(245,227)	-
Total	464,295	343,120	-	30,006	(245,227)	592,194
Profit from operations	81,405	9,727	-	1,090	-	92,222
Finance costs						(20,774)
Share of loss of associates						(1,947)
Profit before tax						69,501
Tax income						1,927
Profit for the period						71,428

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

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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

A8. Segmental reporting (Cont’)

	Shipping RM'000	Shipbuilding & Ship repair RM'000	Shipping agency RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000
For 3 months period ended						
30 June 2012						
Segment Revenue						
External revenue	154,063	38,870	1,687	2,128	-	196,748
Inter-segment revenue	1,114	8,781	201	12,325	(22,421)	
Total	155,177	47,651	1,888	14,453	(22,421)	196,748
Profit from operations	15,290	(2,697)	902	(285)	-	13,210
Finance costs						(8,806)
Share of profit of associates						86
Profit before tax						4,490
Tax income						3,066
Profit for the period						<u>7,556</u>
For 3 months period ended						
30 June 2011						
Segment Revenue						
External revenue	125,618	43,039	-	675	-	169,332
Inter-segment revenue	778	95,803	-	27,010	(123,591)	-
Total	126,396	138,842	-	27,685	(123,591)	169,332
Profit from operations	7,459	9,238	-	81	-	16,778
Finance costs						(6,307)
Share of loss of associates						(177)
Profit before tax						10,294
Tax income						9
Profit for the period						<u>10,303</u>

Group

	Individual quarter			Cumulative quarter		
	4Q 2012 (RM'000)	4Q 2011 (RM'000)	Changes (%)	4Q 2012 (RM'000)	4Q 2011 (RM'000)	Changes (%)
Revenue	196,748	169,332	16.2%	721,101	592,194	21.8%
Profit After tax	7,556	10,303	-26.7%	48,149	71,428	-32.6%

The Group recorded a revenue of RM 196.7million and RM721.1million in current individual quarter and cumulative quarters, which represented an increase of revenue by 16.2% and 21.8% respectively as compared to the revenue in the same calendar period of last year respectively.

The increase was mainly attributed to the improvement of revenue generated from the domestic & coastal shipping operations and Middle East's operations. However, the Group's profit after tax dropped in current individual quarter and cumulative quarters by 26.7% and 32.6% respectively. This was mainly due to slight slowdown in the demand for the international shipping routes to Far East regions and coupled with increase in bunkers and maintenance costs of the newly acquired container vessels to the fleet.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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

A8. Segmental reporting (Cont’)

Performance and prospects of each operating segment are discussed below:

Shipping

	4Q 2012 (RM'000)	4Q 2011 (RM'000)	Changes (%)
Revenue	154,063	125,618	22.6%
Profit After tax	10,816	3,898	177.5%

For the current quarter, the shipping segment's revenue of RM154.1million was 22.6% higher than RM 125.6 million revenue recorded in the comparative quarter. This was mainly due to higher volume carried from the Middle East's shipping operations and additional revenues generated from the additional 28 vessels in the domestic and coastal shipping operations in current quarter.

The profit after tax increased by 177.5% to RM 10.8 million from RM 3.9 million in the comparative quarter, mainly attributed to the improvement of margin in the Middle East's shipping operations and also vessels insurance claim and write back of the capital contribution account as other income in the current quarter under review.

Shipbuilding and Ship repair

	4Q 2012 (RM'000)	4Q 2011 (RM'000)	Changes (%)
Revenue	38,870	43,039	-9.7%
(Loss)/Profit After tax	(2,164)	6,549	-133.0%

For the current quarter, revenue generated from Shipbuilding and ship repair segment stood at RM38.9million, 9.7% lower compared to RM 43.0 million revenue recorded in the comparative quarter. The decrease in revenue were mainly due to lower number of external vessels delivered in the current quarter.

The Shipbuilding and Ship repair segment was managing its net losses after tax of RM2.2 million in current quarter. The loss was mainly due to the unrealised margin in the work in progress.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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

A8. Segmental reporting (Cont’)

Shipping agency

	4Q 2012 (RM’000)	4Q 2011 (RM’000)	Changes (%)
Revenue	1,687	-	100%
Profit After tax	720	-	100%

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

The shipping agency segment has contributed RM0.72 million of Profit after tax to the Group in 4Q2012, which represented 1.5% of the Group’s total Profit after tax in 4Q2012.

Investment Holding

	4Q 2012 (RM’000)	4Q 2011 (RM’000)	Changes (%)
Revenue	2,128	2,996	-29.0%
Loss After tax	(723)	(144)	402.1%
Share of loss from associate	(1,093)	-	-100.0%

The revenue from Investment Holding segment was derived from the interest income from the financial institutions. There was a share of loss of RM1.1million from an associate company which engaged in shipping agency services.

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

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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

A10. Changes in the composition of the Group

During the current quarter, the Company’s associate, namely Marsol Shin Yang L.L.C had acquired 40% shareholding in Trelco Shin Yang FZC from Trelco International Company WLL with a consideration of AED13.7 million. This resulted the Group’s holding interest in Trelco Shin Yang FZC increased from 60% to 79.6%. This acquisition did not have any significant effect on the structure of the Group.

Saved as the above, 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.

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	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 Jun 2012	30 Jun 2011	30 Jun 2012	30 Jun 2011
	RM’000	RM’000	RM’000	RM’000
Malaysian taxation				
Current year tax	(2,961)	170	2,161	1,480
Deferred tax	(105)	(179)	(1,302)	(3,407)
	<u>(3,066)</u>	<u>(9)</u>	<u>859</u>	<u>(1,927)</u>

A12. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 30 June 2012 are as follows:

	As at 30.06.2012 RM’000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>265,268</u>

The Group does not have any contingent assets.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 JUNE 2012

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 2012 are as follow:

	As at 30.06.2012
<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	57,000
- Construction of an additional 3 units shipping vessels	4,320
	----- 61,320
<u>Approved but not contracted for:-</u>	
- Construction of shipyard in RAK, UAE	16,065
	----- 16,065
Total	----- 77,385 -----

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 FOURTH QUARTER ENDED 30 JUNE 2012

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 30.06.2012 RM'000	Balance due from/(to) As at 30.06.2012 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	64,793	89,442
Purchase of goods and services	26,061	(24,433)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	1,258	13,758
Purchase of goods and services	1,893	(43,075)

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 2012

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

	4Q 2012 (RM'000)	3Q 2012 (RM'000)	Changes (%)
Revenue	196,748	180,429	9.0%
Profit After tax	7,556	14,423	-47.6%

As compared to the immediate preceding quarter, the Group's current quarter's revenue of RM196.7 million was 9.0% higher than RM180.4 million recorded in the preceding quarter. The increase in revenue was mainly contributed by higher freight income from domestic and coastal shipping operations and Middle East operations during the quarter.

The Group's profit after tax was lower by 47.6% to RM 7.6 million from RM 14.4 million in the preceding quarter, largely due to slight slowdown in the demand in the international shipping routes to Far East regions and coupled with increase in bunkers and maintenance costs of the newly acquired container vessels to the fleet

B3. Commentary on Prospects

The performance of the Group is largely dependent on the volatility of 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 shipping industry had not shown signs of recovery. Vessel overcapacity continues to put petroleum and chemical freight rates under pressure over the short to medium term. Business cycles are unavoidable and the Group has prepared itself for such an inevitable downturn. Compounded by continuing uncertainties in global economic situations, the prospects for the shipping industry continue to remain challenging. However, the Group is confident in the stability of domestic & coastal shipping and Middle East operations and operational costs management will be an important priority in the few quarters ahead.

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 for newly constructed vessels, especially from the niche markets in oil and gas industry both domestically and regionally. The demand for new build of high value vessels to serve in the oil and gas industry is seem to show sign of improvement to the sector.

B4. Statements by Directors

The Group did not disclose or announce any profit forecast or projection in any public document in the current quarter or prior financial year.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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

B5. Profit forecast or profit guarantee

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

B6. Sales of unquoted investments and/or properties

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

B7. Quoted securities

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

B8. 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	70,200	Within 24 months
(ii) Part finance expansion of shipbuilding capacity and new shipbuilding facilities	61,200	47,409	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>131,568</u>	

B9. Borrowings and debt securities

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	331,063	77,208	408,271
Long-term borrowings	348,537	-	348,537
	<u>679,600</u>	<u>77,208</u>	<u>756,808</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	15,478	-	15,478
	<u>19,378</u>	<u>-</u>	<u>19,378</u>

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 28 August 2012.

B11. Changes in material litigation

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

B12. 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 30.06.2012	Current year to date 30.06.2012
Profit attributable to equity holders of the Company (RM'000)	11,768	44,886
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.98</u>	<u>3.74</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 2012

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

B13. 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
	30 Jun 2012	30 Jun 2011	30 Jun 2012	30 Jun 2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(292)	(683)	(2,138)	(3,004)
Sundry income	(10,545)	(92)	(10,786)	(189)
Interest expenses	8,806	6,307	30,967	20,774
Depreciation	26,123	15,820	96,223	75,836
Property, plant and equipment				
Written off	-	-	67	15
(Gain)/ Loss on disposal of property, Plant and equipment	(4)	397	2,883	(1,452)
Realised foreign exchange gain	(2,254)	2,362	(3,092)	2,673
Unrealised foreign exchange gain	1,407	305	113	940

B14. Breakdown of realised and unrealised profit or loss

The breakdown of the retained profits of the Group as at 30 June 2012, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 30.06.2012 (RM'000)	Accumulated quarter ended 31.03.2012 (RM'000)
Total retained profits of the Company and its subsidiaries		
- Realized	642,873	651,589
- Unrealized	(19,512)	(20,656)
	623,361	630,933
Less: Consolidation adjustments	(419,534)	(430,450)
Total Group's retained profits	203,827	200,483

B15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2011 was not qualified.

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

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 2012 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 August 2012.

By order of the Board

Richard Ling Peng Liing
Company Secretary
29 August 2012