

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.09.2013 RM'000	Preceding year corresponding quarter 30.09.2012 RM'000	Current year to date 30.09.2013 RM'000	Preceding year corresponding period 30.09.2012 RM'000
Revenue		296,692	216,601	296,692	216,601
Cost of sales		(266,705)	(192,791)	(266,705)	(192,791)
Gross profit		29,987	23,810	29,987	23,810
Other income		3,818	1,863	3,818	1,863
Administrative expenses		(12,450)	(10,032)	(12,450)	(10,032)
Operating profits		21,355	15,641	21,355	15,641
Other operating expense		(3,949)	-	(3,949)	-
Finance Costs		(11,370)	(9,446)	(11,370)	(9,446)
Shares of profit of associates		1,037	3,910	1,037	3,910
<b>Profit before tax</b>		<b>7,073</b>	<b>10,105</b>	<b>7,073</b>	<b>10,105</b>
Tax expense	A11	(651)	(238)	(651)	(238)
<b>Profit net of tax</b>		<b>6,422</b>	<b>9,867</b>	<b>6,422</b>	<b>9,867</b>
<b>Other comprehensive income:</b>					
Foreign exchange translation	A16	1,466	(2,123)	1,466	(2,123)
Total comprehensive income for the period		7,888	7,744	7,888	7,744
<b>Profit attributable to:</b>					
Equity holders of the parent		6,319	9,419	6,319	9,419
Non controlling interests		103	448	103	448
		6,422	9,867	6,422	9,867
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		7,624	7,825	7,624	7,825
Non controlling interests		264	(81)	264	(81)
		7,888	7,744	7,888	7,744
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.53	0.79	0.53	0.79
Diluted (sen)	B12	0.53	0.79	0.53	0.79

**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 2013 and the accompanying explanatory notes attached to this report.*

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited AS AT 30.09.2013 RM'000	(Restated) AS AT 30.06.2013 RM'000	(Restated) AS AT 01.07.2012 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		1,595,408	1,639,271	1,552,867
Investment in associates		4,530	3,039	2,685
Other investments		44	44	157
Intangible asset		2,070	2,070	2,070
		<b>1,602,052</b>	<b>1,644,424</b>	<b>1,557,779</b>
<b>Current assets</b>				
Inventories		144,447	151,743	155,845
Trade and other receivables		409,549	545,765	333,016
Other current assets		75,114	82,703	55,235
Tax recoverable		6,639	7,767	5,701
Cash and cash equivalents		74,681	59,818	79,989
		<b>710,430</b>	<b>847,796</b>	<b>629,786</b>
<b>TOTAL ASSETS</b>		<b>2,312,482</b>	<b>2,492,220</b>	<b>2,187,565</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital		1,200,000	1,200,000	1,200,000
Share premium		16,972	16,972	16,972
Retained Earnings		198,816	192,497	201,320
Other reserve		(299,457)	(300,777)	(300,242)
		1,116,331	1,108,692	1,118,050
<b>Non Controlling interests</b>		16,516	16,252	15,011
<b>Total equity</b>		<b>1,132,847</b>	<b>1,124,944</b>	<b>1,133,061</b>
<b>Non-current liabilities</b>				
Borrowings	B9	401,224	402,061	371,850
Deferred income		-	-	5,907
Deferred tax liabilities		56,975	57,138	58,818
		<b>458,199</b>	<b>459,199</b>	<b>436,575</b>
<b>Current liabilities</b>				
Borrowings	B9	464,340	519,794	412,308
Trade and other payables		194,605	315,587	184,425
Other current liabilities		62,458	72,599	20,922
Tax payable		33	97	274
		<b>721,436</b>	<b>908,077</b>	<b>617,929</b>
<b>Total liabilities</b>		<b>1,179,635</b>	<b>1,367,276</b>	<b>1,054,504</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,312,482</b>	<b>2,492,220</b>	<b>2,187,565</b>
Net assets per shares (RM)		0.93	0.92	0.93

**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 2013 and the accompanying explanatory notes attached to this report.*

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Parent						
	Equity attributable to owners of the parents,		Share capital	Share premium	Other reserve	Retained earnings	Non-controlling interests
	Equity, total	the parents, total	RM'000	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000					
<b>At 1 July 2012</b>	1,133,061	1,118,050	1,200,000	16,972	(300,242)	201,320	15,011
<b>Total comprehensive Income</b>	3,883	2,642	-	-	(535)	3,177	1,241
<b>Transactions with Owners:</b>							
Dividend on Ordinary Share	(12,000)	(12,000)	-	-	-	(12,000)	-
<b>At 30 June 2013</b>	<u>1,124,944</u>	<u>1,108,692</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(300,777)</u>	<u>192,497</u>	<u>16,252</u>
			(Note B14)				
<b>At 1 July 2013</b>	1,124,944	1,108,692	1,200,000	16,972	(300,777)	192,497	16,252
<b>Total comprehensive Income</b>	7,903	7,639	-	-	1,320	6,319	264
<b>At 30 September 2013</b>	<u>1,132,847</u>	<u>1,116,331</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(299,457)</u>	<u>198,816</u>	<u>16,516</u>
			(Note B14)				

**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 2013 and the accompanying explanatory notes attached to this report.*

**SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A**  
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**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Current year to date 30.09.2013 RM'000	Preceding year 30.06.2013 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,073	4,372
Adjustment for:		
Bad debts recovered	-	(99)
Depreciation	27,136	98,751
Dividend income	-	(14)
Loss on disposal of fixed assets	3,944	5,722
Gain on foreign exchange	539	651
Interest expenses	11,370	42,799
Interest income	(459)	(2,355)
Property, plant and equipment written off	-	8
Profit retained in associates	(1,184)	(6,408)
<b>Operating profit before changes in working capital</b>	<b>48,419</b>	<b>143,306</b>
<b>Working Capital Changes</b>		
Decrease in inventories	17,151	4,168
Decrease/(Increase) in receivables	136,610	(216,300)
Decrease/(Increase) in other current assets	6,140	(27,468)
(Decrease)/Increase in payables	(118,227)	128,003
(Decrease)/increase in other current liabilities	(10,965)	51,677
Net changes in amounts due from/to related companies	20,681	5,686
Total changes in working capital	51,390	(54,234)
<b>Cash generated from operations</b>	<b>99,809</b>	<b>89,072</b>
Interest received	459	2,355
Interest paid	(11,367)	(43,954)
Income tax refunded	687	250
Income tax paid	(1,179)	(3,846)
<b>Total interest and tax paid</b>	<b>(11,400)</b>	<b>(45,194)</b>
<b>Net cash generated from operating activities</b>	<b>88,409</b>	<b>43,878</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend received	-	11
Capital expenditure	(20,726)	(165,844)
Proceeds from disposal of property, plant and equipment	4,800	8,869
Proceeds from disposal of share in investment	-	242
<b>Net cash used in investing activities</b>	<b>(15,926)</b>	<b>(304,988)</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(12,000)
Net movement in trade financing	(37,987)	96,285
Proceeds from hire purchase	6,033	4,407
Repayment of hire purchase	(9,820)	(35,378)
Proceeds from term loans	9,280	125,070
Repayment of term loans	(29,242)	(89,464)
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(61,736)</b>	<b>88,920</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>10,747</b>	<b>(23,924)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>31,082</b>	<b>55,013</b>
<b>Effects of exchange rate changes</b>	<b>(48)</b>	<b>(8)</b>
<b>Cash and cash equivalents at end of period</b>	<b>41,781</b>	<b>31,082</b>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	22,342	16,323
Deposit with licensed banks	52,339	43,495
Bank overdrafts	(32,900)	(28,736)
<b>Cash and bank balances</b>	<b>41,781</b>	<b>31,082</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 2013 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 statements are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRS”) MFRS 134: “Interim Financial Reporting” and Chapter 9 Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the annual audited financial statements of Shin Yang Shipping Corporation Berhad (“SYSCorp” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 30 June 2013.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2013.

**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.

**A7. Dividends**

There were no dividend was paid during the current interim quarter under review.

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

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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

**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
<b>For 3 months ended 30 September 2013</b>						
<b>Segment Revenue</b>						
External revenue	161,289	134,401	968	34	-	296,692
Inter-segment revenue	760	8,420	803	524	(10,507)	-
<b>Total</b>	<b>162,049</b>	<b>142,821</b>	<b>1,771</b>	<b>558</b>	<b>(10,507)</b>	<b>296,692</b>
Profit from operations	14,453	6,531	306	65	-	21,355
Other operating expense						(3,949)
Finance costs						(11,370)
Share of profit of associates						1,037
Profit before tax						7,073
Tax expense						(651)
Profit for the period						6,422
<b>For 3 months ended 30 September 2012</b>						
<b>Segment Revenue</b>						
External revenue	146,608	68,768	1,225	-	-	216,601
Inter-segment revenue	2,303	38,572	400	-	(41,275)	-
<b>Total</b>	<b>148,911</b>	<b>107,340</b>	<b>1,625</b>	<b>-</b>	<b>(41,275)</b>	<b>216,601</b>
Profit/ (loss) from operations	78,747	191	472	(96)	-	15,641
Finance costs						(9,446)
Share of profit of associates						3,910
Profit before tax						10,105
Tax expense						(238)
Profit for the period						9,867

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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

**A8. Segmental reporting (Cont’)**

**Group**

	<b>1Q 2014 (RM'000)</b>	<b>1Q 2013 (RM'000)</b>	<b>Changes (%)</b>
Revenue	296,692	216,601	37.0%
Profit before tax	7,073	10,105	-30.0%

Revenue of the Group for the first quarter ended 30 September 2013 increased by 37.0% to RM296.7 million as compared to RM216.6 million in the previous corresponding quarter.

The increase was mainly attributed to the improvement of revenue generated from the ship new build and repair segments with delivery of 5 units new built vessels during the current quarter under review.

The decrease in the net profit before tax in current quarter by 30.0% to RM7.1 million as compared to RM 10.1 million in the previous corresponding quarter was mainly due to the lower profit margin in international shipping segment.

Performance and prospects of each operating segment are discussed below:

**Shipping**

	<b>1Q 2014 (RM'000)</b>	<b>1Q 2013 (RM'000)</b>	<b>Changes (%)</b>
Revenue	161,289	146,608	10.0%
(Loss) /Profit before tax	(2,808)	13,130	-121.4%

For the current quarter, the shipping segment’s revenue of RM161.3 million increased by 10.0% as compared to RM 146.6 million revenue recorded in the corresponding quarter. This was mainly due to the higher volume carried from the domestic shipping operation in the current quarter.

However, the Group’s profit after tax dropped in current quarter by 121.4%. This was mainly due to the loss of disposal of “MV Shinline 4” amounting to RM3.9m and the lower margin from the bulk carriers shipment.

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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

**A8. Segmental reporting (Cont’)**

**Shipbuilding and Ship repair**

	<b>1Q 2014 (RM'000)</b>	<b>1Q 2013 (RM'000)</b>	<b>Changes (%)</b>
Revenue	134,401	68,768	95.4%
Profit /(loss) before tax	10,342	(3,338)	409.8%

For the current quarter, revenue generated from shipbuilding and ship repair segments stood at RM134.4 million, 95.4% higher compared to RM 68.8 million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to delivery of 5 units new built vessels in current quarter.

The Shipbuilding and ship repair segment was achieving a profit of RM10.3 million in current quarter. The increase was mainly attributed to the improvement of profit contribution from the vessels delivered and vessels repair works in the current quarter under review.

**Shipping agency**

	<b>1Q 2014 (RM'000)</b>	<b>1Q 2013 (RM'000)</b>	<b>Changes (%)</b>
Revenue	968	1,225	-21.0%
Profit before tax	209	409	-48.9%

For the current quarter, the revenue from shipping agency segment decreased by 21.0% compared to the preceding year's corresponding quarter. The decrease in profit before tax was mainly resulted from the increase in administrative expenses and finance costs in the current quarter as compared to the preceding year's corresponding quarter.

**Investment Holding**

	<b>4Q 2013 (RM'000)</b>	<b>4Q 2012 (RM'000)</b>	<b>Changes (%)</b>
Revenue	34	-	100%
Loss before tax	(670)	(96)	-597.9%

For the current quarter, the increase in losses in investment holding segment was mainly resulted from the higher administrative and finance expenses incurred during the current quarter.



**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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

**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.

**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) Shin Yang Shipping, a wholly-owned subsidiary of SYSCorp, had, on 24th September 2013 acquired a 99.50% owned subsidiary company known as PT. Shinline (“PT. SL”). PT. SL was incorporated in Indonesia with a paid-up capital of USD500,000.00. The principal activity of PT. ST is investment holding and provision of management consultancy services.

**A11. Tax 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 Sep 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	814	401	814	401
Deferred tax	(163)	(163)	(163)	(163)
	<u>651</u>	<u>238</u>	<u>651</u>	<u>238</u>

**A12. Contingent liabilities and contingent assets**

The contingent liabilities of the Group as at 30 September 2013 are as follows:

	As at 30.09.2013 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>383,833</u>

The Group does not have any contingent assets.

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

**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 September 2013 are as follow:

	<b>As at 30.09.2013</b>
<b><u>Capital Expenditure</u></b>	<b>RM'000</b>
<b><u>Approved but not contracted for:-</u></b>	
- Construction of shipyard in RAK, UAE	16,065
<b>Total</b>	<b><u>16,065</u></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.

**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 30.09.2013 RM'000</b>	<b>Balance due from/(to) As at 30.09.2013 RM'000</b>
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	49,133	91,913
Purchase of goods and services	29,510	(62,458)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	1,681	9,921
Purchase of goods and services	2,716	(18,094)

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

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

**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 FIRST QUARTER ENDED 30 SEPTEMBER 2013**

**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 after tax for the current quarter as compared with the immediate preceding quarter**

	<b>1Q 2014 (RM'000)</b>	<b>4Q 2013 (RM'000)</b>	<b>Changes (%)</b>
Revenue	296,692	239,832	23.7%
Profit before tax	7,073	15,807	-55.3%

As compared to the immediate preceding quarter, the Group's current quarter's revenue increased by 23.7% to RM296.7 million from RM239.8 million recorded in the immediate preceding quarter. The increase in revenue was mainly contributed by delivery of 5 units new built vessels and also of the higher volume carried from the domestic and coastal shipping operations in the current quarter.

The Group's current quarter's profit before tax decreased by 55.3% to RM7.1 million from RM15.8 million recorded in the immediate preceding quarter, largely due to higher operating costs, especially bunker costs and maintenance & upkeep costs in the bulk carriers and containers shipping segment. The decrease also due to the loss of disposal of "MV Shinline 4" amounting to RM3.9m in the current quarter.

**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.

Vessel overcapacity continues to put bulk cargo, petroleum and chemical freight rates under pressure over the short term. The Group has prepared itself for the continuing uncertainties in global economic situations. The prospects for the shipping industry continue to remain challenging and the Group is prepared with a sustainable and market driven routes for its fleet movements. The Group is confident in the stability of the domestic & coastal shipping and Middle East operations, and operational costs management will be an important priority in the next few quarters ahead.

The other dependents for 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, infrastructure development and manufacturing industries have show signs of improvement.

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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

**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.

**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	115,700	Completed
(ii) Part finance expansion of shipbuilding capacity and new shipbuilding facilities	61,200	48,780	Completed
(iii) Estimated listing expenses	8,000	6,220	Completed
(iv) Working capital	5,959	7,740	Completed
	<u>190,859</u>	<u>178,440</u>	

The unutilised portion of RM12.4 million for the construction and completion of repair shipyard in Rak Al Khaimah, United Arab of Emirates has been reallocated for working capital utilisation.

**B9. Borrowings and debt securities**

	Secured RM'000	unsecured RM'000	Total RM'000
<b>1. Total borrowings</b>			
Short-term borrowings	316,144	148,196	464,340
Long-term borrowings	401,224	-	401,224
	<u>715,368</u>	<u>148,196</u>	<u>865,564</u>

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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

**B9. Borrowings and debt securities (Cont’)**

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	10,278	-	10,278
	<u>14,178</u>	<u>-</u>	<u>14,178</u>

**B10. Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at 28 November 2013.

**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 30.09.2013	Current year to date 30.09.2013
Profit attributable to equity holders of the Company (RM’000)	6,319	6,319
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.53</u>	<u>0.53</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 FIRST QUARTER ENDED 30 SEPTEMBER 2013**

**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 (charging)/crediting:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30 Sep 2013	30 Sep 2012	30 Sep 2013	30 Sep 2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(459)	(549)	(459)	(549)
Sundry income	(667)	(107)	(667)	(107)
Interest expenses	11,370	9,446	11,370	9,446
Depreciation	26,703	26,557	26,703	26,557
Property, plant and equipment				
Written off	-	8	-	8
Loss/(gain) on disposal of property, Plant and equipment	3,944	(15)	3,944	(15)
Realised foreign exchange loss/(gain)	173	(34)	173	(34)
Unrealised foreign exchange loss	37	190	37	190

**B14. Breakdown of realised and unrealised profit or loss**

The breakdown of the retained profits of the Group as at 30 September 2013, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 30.09.2013 (RM'000)	Accumulated quarter ended 30.06.2013 (Restated) (RM'000)
<b>Total retained profits of the Company and its subsidiaries</b>		
- Realized	688,511	656,901
- Unrealized	(48,338)	(25,222)
	<b>639,173</b>	<b>631,679</b>
Less: Consolidation adjustments	(440,357)	(439,182)
<b>Total Group's retained profits</b>	<b>198,816</b>	<b>192,497</b>

**B15. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 30 June 2013 was not qualified.

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

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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 first quarter ended 30 September 2013 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 November 2013.

By order of the Board

Richard Ling Peng Liing  
Company Secretary  
29 November 2013