

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

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2014 RM'000	Preceding year corresponding quarter 31.03.2013 RM'000	Current year to date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
Revenue		282,751	220,715	848,233	670,108
Cost of sales		(259,870)	(206,634)	(781,993)	(623,097)
Gross profit		22,881	14,081	66,240	47,011
Other income		2,225	1,671	9,903	5,684
Administrative expenses		(10,562)	(10,541)	(35,838)	(32,392)
Operating profits		14,544	5,211	40,305	20,303
Other operating expense		-	-	(3,949)	(5,755)
Finance Costs		(10,151)	(10,994)	(32,213)	(30,976)
Shares of (loss) / profit of associates		(104)	903	1,948	9,473
Profit / (Loss) before tax		4,289	(4,880)	6,091	(6,955)
Tax (expense) / income	A11	(782)	1,449	(1,977)	954
Profit / (Loss) net of tax		3,507	(3,431)	4,114	(6,001)
Other comprehensive income:					
Foreign exchange translation	A16	(89)	1,114	1,952	(3,127)
Total comprehensive income for the period		3,418	(2,317)	6,066	(9,128)
Profit attributable to:					
Equity holders of the parent		5,639	(3,894)	6,767	(7,241)
Non controlling interests		(2,132)	463	(2,653)	1,240
		3,507	(3,431)	4,114	(6,001)
Total comprehensive income attributable to:					
Equity holders of the parent		5,567	(3,121)	8,515	(9,865)
Non controlling interests		(2,149)	804	(2,449)	737
		3,418	(2,317)	6,066	(9,128)
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.47	(0.32)	0.56	(0.60)
Diluted (sen)	B12	0.47	(0.32)	0.56	(0.60)

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 THIRD QUARTER ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 31.03.2014 RM'000	(Restated) AS AT 30.06.2013 RM'000	(Restated) AS AT 01.07.2012 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment		1,598,487	1,639,271	1,552,867
Investment in associates		5,866	3,039	2,685
Other investments		44	44	157
Intangible asset		1,215	2,070	2,070
		1,605,612	1,644,424	1,557,779
Current assets				
Inventories		190,112	151,743	155,845
Trade and other receivables		440,895	545,765	333,016
Other current assets		43,199	82,703	55,235
Tax recoverable		1,813	7,767	5,701
Cash and cash equivalents		59,661	59,818	79,989
		735,680	847,796	629,786
TOTAL ASSETS		2,341,292	2,492,220	2,187,565
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital		1,200,000	1,200,000	1,200,000
Share premium		16,972	16,972	16,972
Retained Earnings		199,264	192,497	201,320
Other reserve		(299,029)	(300,777)	(300,242)
		1,117,207	1,108,692	1,118,050
Non Controlling interests		13,803	16,252	15,011
Total equity		1,131,010	1,124,944	1,133,061
Non-current liabilities				
Borrowings	B9	376,419	402,061	371,850
Deferred income		-	-	5,907
Deferred tax liabilities		56,649	57,138	58,818
		433,068	459,199	436,575
Current liabilities				
Borrowings	B9	447,700	519,794	412,308
Trade and other payables		307,965	315,587	184,425
Other current liabilities		19,692	72,599	20,922
Tax payable		1,857	97	274
		777,214	908,077	617,929
Total liabilities		1,210,282	1,367,276	1,054,504
TOTAL EQUITY AND LIABILITIES		2,341,292	2,492,220	2,187,565
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 THIRD QUARTER ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
	Equity attributable to owners of the parents, total		Share capital	Share premium	Other reserve	Retained earnings	Non-controlling interests
	Equity, total	Equity, total	Share capital	Share premium	Other reserve	Retained earnings	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2012	1,133,061	1,118,050	1,200,000	16,972	(300,242)	201,320	15,011
Total comprehensive Income	3,883	2,642	-	-	(535)	3,177	1,241
Transactions with Owners:							
Dividend on Ordinary Share	(12,000)	(12,000)	-	-	-	(12,000)	-
At 30 June 2013	<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)	
At 1 July 2013	1,124,944	1,108,692	1,200,000	16,972	(300,777)	192,497	16,252
Total comprehensive Income	6,066	8,515	-	-	1,748	6,767	(2,449)
At 31 March 2014	<u>1,131,010</u>	<u>1,117,207</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(299,029)</u>	<u>199,264</u>	<u>13,803</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
(Incorporated in Malaysia)

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2014 RM'000	Preceding year 30.06.2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,091	4,372
Adjustment for:		
Bad debts recovered	-	(99)
Depreciation	83,103	98,751
Dividend income	(1)	(14)
Loss on disposal of fixed assets	3,822	5,722
Gain on disposal of other investment	-	(129)
Gain on foreign exchange	261	651
Interest expenses	32,213	42,799
Interest income	(1,471)	(2,355)
Impairment loss in trade receivables	-	9
Property, plant and equipment written off	-	8
Profit retained in associates	(2,387)	(6,408)
Operating profit before changes in working capital	121,631	143,307
Working Capital Changes		
(Increase)/Decrease in inventories	(28,510)	4,168
Decrease/(Increase) in receivables	106,140	(216,300)
Decrease/(Increase) in other current assets	39,243	(27,468)
(Decrease)/Increase in payables	(7,220)	128,003
(Decrease)/increase in other current liabilities	(52,765)	51,677
Net changes in amounts due from/to related companies	(2,144)	5,686
Total changes in working capital	54,744	(54,234)
Cash generated from operations	176,375	89,073
Interest received	1,471	2,355
Interest paid	(32,213)	(43,954)
Income tax refunded	6,806	250
Income tax paid	(1,211)	(3,845)
Total interest and tax paid	(25,147)	(45,194)
Net cash generated from operating activities	151,228	43,879
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	1	11
Capital expenditure	(54,314)	(165,844)
Proceeds from disposal of property, plant and equipment	4,916	8,869
Proceeds from disposal of share in investment	-	242
Net cash used in investing activities	(49,397)	(156,722)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(12,000)
Net movement in trade financing	(70,621)	96,285
Proceeds from hire purchase	21,333	4,407
Repayment of hire purchase	(25,376)	(35,378)
Proceeds from term loans	37,522	125,070
Repayment of term loans	(80,442)	(89,464)
Net cash flow (used in)/generated from financing activities	(117,584)	88,920
Net decrease in cash and cash equivalents	(15,753)	(23,923)
Cash and cash equivalents at beginning of period	31,082	55,013
Effects of exchange rate changes	(69)	(8)
Cash and cash equivalents at end of period	15,260	31,082
Cash and cash equivalents comprise the following:		
Cash and bank balances	11,864	16,323
Deposit with licensed banks	47,797	43,495
Bank overdrafts	(44,401)	(28,736)
Cash and bank balances	15,260	31,082

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 THIRD QUARTER ENDED 31 MARCH 2014

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
For 9 months ended						
31 March 2014						
Segment Revenue						
External revenue	468,012	376,818	3,223	180	-	848,233
Inter-segment revenue	5,843	34,914	1,760	1,494	(44,011)	-
Total	473,855	411,732	4,983	1,674	(44,011)	848,233
Profit/ (loss) from operations	8,931	32,451	579	(1,656)	-	40,305
Other operating expense						(3,949)
Finance costs						(32,213)
Share of profit of associates						1,948
Profit before tax						6,091
Tax expense						(1,977)
Profit for the period						4,114
For 9 months ended						
31 March 2013						
Segment Revenue						
External revenue	451,545	215,694	2,869	-	-	670,108
Inter-segment revenue	10,447	84,518	1,956	-	(96,921)	-
Total	461,992	300,212	4,825	-	(96,921)	670,108
Profit/ (loss) from operations	15,660	4,225	712	(294)	-	20,303
Other operating expense						(5,755)
Finance costs						(30,976)
Share of profit of associates						9,473
Loss before tax						(6,955)
Tax income						954
Loss for the period						(6,001)

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014

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 ended						
31 March 2014						
Segment Revenue						
External revenue	159,587	122,187	917	60	-	282,751
Inter-segment revenue	2,090	9,890	515	498	(12,993)	-
Total	161,677	132,077	1,432	558	(12,993)	282,751
Profit / (loss) from operations	4,636	10,722	(308)	(506)	-	14,544
Finance costs						(10,151)
Share of loss of associates						(104)
Profit before tax						4,289
Tax expense						(782)
Profit for the period						3,507
For 3 months ended						
31 March 2013						
Segment Revenue						
External revenue	148,439	71,353	923	-	-	220,715
Inter-segment revenue	6,764	17,606	653	-	(25,023)	-
Total	155,203	88,959	1,576	-	(25,023)	220,715
Profit/ (loss) from operations	1,735	3,782	(203)	(103)	-	5,211
Finance costs						(10,994)
Share of profit of associates						903
Loss before tax						(4,880)
Tax income						1,449
Loss for the period						(3,431)

Group

	3Q 2014 (RM'000)	3Q 2013 (RM'000)	Changes (%)
Revenue	282,751	220,715	28.1%
Profit / (Loss) before tax	4,289	(4,880)	187.9%

Revenue of the Group for the third quarter ended 31 March 2014 increased by 28.1% to RM282.7million as compared to RM220.7million 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 3 units of vessels delivered and increase in vessels repair works and also container shipping in the current quarter.

The Shipbuilding and ship repair segment contributed a profit of RM7.2million 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.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014

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

	3Q 2014 (RM'000)	3Q 2013 (RM'000)	Changes (%)
Revenue	159,587	148,439	7.5%
Loss before tax	(1,683)	(3,888)	56.7%

For the current quarter, the shipping segment's revenue of RM159.5million increased by 7.5% as compared to RM 148.4million revenue recorded in the corresponding quarter. This was mainly due to the higher volume carried from the domestic and container shipping operations in the current quarter.

The Shipping segment was managing its losses to RM1.6 million in current quarter. This was mainly due to the lower profit margin in international liquid bulk segment.

Shipbuilding and Ship repair

	3Q 2014 (RM'000)	3Q 2013 (RM'000)	Changes (%)
Revenue	122,187	71,353	71.2%
Profit /(loss) before tax	7,164	(555)	1,390.8%

For the current quarter, revenue generated from shipbuilding and ship repair segments stood at RM122.1 million, 71.2% higher compared to RM 71.3 million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to the delivery of 3 units of specific high end vessels in the current quarter under review.

The Shipbuilding and ship repair segment was achieving a profit of RM7.1 million in current quarter. The increase was mainly attributed to the improvement of profit contribution from the vessels completion and vessels repair works in the current quarter under review.

Shipping agency

	3Q 2014 (RM'000)	3Q 2013 (RM'000)	Changes (%)
Revenue	917	923	-0.7%
Loss before tax	(366)	(282)	-29.8%

For the current quarter, the revenue from shipping agency segment slightly decreased by 0.7% compared to the preceding year's corresponding quarter. The loss before tax was mainly resulted from the losses share in its associate company in the current quarter.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014

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

A8. Segmental reporting (Cont’)

Investment Holding

	3Q 2014 (RM’000)	3Q 2013 (RM’000)	Changes (%)
Revenue	60	-	100%
Loss before tax	(826)	(155)	-432.9%

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.

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 Sdn Bhd, 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 / (income)

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31 Mar 2014 RM’000	Preceding year corresponding quarter 31 Mar 2013 RM’000	Current year to date 31 Mar 2014 RM’000	Preceding year corresponding period 31 Mar 2013 RM’000
Malaysian taxation				
Current year tax	945	845	2,466	1,733
Deferred tax	(163)	(2,294)	(489)	(2,687)
	<u>782</u>	<u>(1,449)</u>	<u>1,977</u>	<u>(954)</u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014

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

A12. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 31 March 2014 are as follows:

	As at 31.03.2014 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	360,717

The Group does not have any contingent assets.

A13. Material commitments

Material commitments of the Group as at 31 March 2014 are as follow:

	As at 31.03.2014 RM'000
<u>Capital Expenditure</u>	RM'000
<u>Approved but not contracted for:-</u>	
- Construction of shipyard in RAK, UAE	16,065
Total	16,065

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 31.03.2014 RM'000	Balance due from/(to) As at 31.03.2014 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	51,980	85,531
Purchase of goods and services	21,339	(56,336)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	2,431	7,411
Purchase of goods and services	4,429	(17,043)

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 2014

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

	3Q 2014 (RM'000)	2Q 2014 (RM'000)	Changes (%)
Revenue	282,751	268,790	5.2%
Profit / (Loss) before tax	4,289	(5,271)	181.4%

As compared to the immediate preceding quarter, the Group's current quarter's revenue increased by 5.2% to RM282.7 million from RM268.7 million recorded in the immediate preceding quarter. The increase in revenue was mainly improvement of revenue generated from the ship new build and repair segments with 3 units of vessels delivered and increase in vessels repair works and also container shipping in the current quarter.

The Group recorded a profit before tax of RM 4.2 million largely due to the improvement of profit contribution from the vessels completion and vessels repair works in the current quarter under review.

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 and container 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, machineries 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 resources based industries have show signs of improvement.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014

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

There was no corporate proposal announced at the date of this quarterly report.

B9. Borrowings and debt securities

	Secured	unsecured	Total
	RM'000	RM'000	RM'000
1. Total borrowings			
Short-term borrowings	307,742	139,958	447,700
Long-term borrowings	376,419	-	376,419
	<u>684,161</u>	<u>139,958</u>	<u>824,119</u>

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

	Secured	unsecured	Total
	USD'000	USD'000	USD'000
2. Borrowings denominated in USD			
Short-term borrowings	3,900	-	3,900
Long-term borrowings	8,328	-	8,328
	<u>12,228</u>	<u>-</u>	<u>12,228</u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2014

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 29 May 2014.

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 31.03.2014	Current year to date 31.03.2014
Profit attributable to equity holders of the Company (RM'000)	5,639	6,767
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.47</u>	<u>0.56</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 THIRD QUARTER ENDED 31 MARCH 2014

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
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(507)	(525)	(1,471)	(1,830)
Sundry income	(1,097)	(264)	(2,736)	(1,148)
Interest expenses	10,151	10,994	32,213	30,976
Depreciation	29,228	41,567	83,103	95,227
Property, plant and equipment				
Written off	-	-	-	8
(Gain)/ Loss on disposal of property, Plant and equipment	(122)	620	3,822	6,219
Realised foreign exchange loss/(gain)	5	(563)	261	(367)
Unrealised foreign exchange (gain)/loss	(103)	1,031	(847)	1,353

B14. Breakdown of realised and unrealised profit or loss

The breakdown of the retained profits of the Group as at 31 March 2014, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 31.03.2014 (RM'000)	Accumulated quarter ended 30.06.2013 (Restated) (RM'000)
Total retained profits of the Company and its subsidiaries		
- Realized	690,544	656,901
- Unrealized	(49,222)	(25,222)
	641,322	631,679
Less: Consolidation adjustments	(442,058)	(439,182)
Total Group's retained profits	199,264	192,497

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 THIRD QUARTER ENDED 31 MARCH 2014

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 2014 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 May 2014.

By order of the Board

Richard Ling Peng Liing
Company Secretary
29 May 2014