

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Revenue		273,158	268,790	529,096	565,482
Cost of sales		(234,727)	(255,418)	(465,844)	(522,123)
Gross profit		38,431	13,372	63,252	43,359
Other income		2,435	3,859	5,892	7,678
Administrative expenses		(17,801)	(12,825)	(29,645)	(25,276)
Operating profits		23,065	4,406	39,499	25,761
Other operating expense		1,633	-	-	(3,949)
Finance Costs		(10,931)	(10,692)	(21,592)	(22,062)
Shares of profit/ (loss) of associates		43	1,015	(2,347)	2,052
Profit / (loss) before tax		13,810	(5,271)	15,560	1,802
Tax expense	A11	(4,859)	(544)	(6,503)	(1,195)
Profit / (loss) net of tax		8,951	(5,815)	9,057	607
Other comprehensive income:					
Foreign exchange translation	A16	1,495	575	3,412	2,041
Total comprehensive income for the period		10,446	(5,240)	12,469	2,648
Profit attributable to:					
Equity holders of the parent		9,888	(5,190)	9,737	1,128
Non controlling interests		(937)	(625)	(680)	(521)
		8,951	(5,815)	9,057	607
Total comprehensive income attributable to:					
Equity holders of the parent		11,069	(4,604)	12,729	2,948
Non controlling interests		(623)	(636)	(260)	(300)
		10,446	(5,240)	12,469	2,648
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.82	(0.43)	0.81	0.09
Diluted (sen)	B12	0.82	(0.43)	0.81	0.09

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 2014 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 31.12.2014 RM'000	Audited AS AT 30.06.2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,571,081	1,584,083
Investment in associates		7,101	6,906
Other investments		44	44
Intangible asset		2,070	2,070
		1,580,296	1,593,103
Current assets			
Inventories		78,643	131,005
Trade and other receivables		612,412	463,433
Other current assets		16,910	83,491
Tax recoverable		948	555
Cash and cash equivalents		54,631	55,616
		763,544	734,100
TOTAL ASSETS		2,343,840	2,327,203
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		209,542	199,805
Other reserve		(296,403)	(299,815)
		1,130,111	1,116,962
Non Controlling interests		15,752	16,012
Total equity		1,145,863	1,132,974
Non-current liabilities			
Borrowings	B9	273,425	311,266
Deferred tax liabilities		68,311	66,137
		341,736	377,403
Current liabilities			
Borrowings	B9	542,711	529,777
Trade and other payables		303,991	271,740
Other current liabilities		5,593	14,630
Tax payable		3,946	679
		856,241	816,826
Total liabilities		1,197,977	1,194,229
TOTAL EQUITY AND LIABILITIES		2,343,840	2,327,203
Net assets per shares (RM)		0.94	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 2014 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent		Non distributable Distributable				
	Equity, total RM'000	Equity attributable to owners of the parents, total RM'000	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000
At 1 July 2013	1,124,944	1,108,692	1,200,000	16,972	(300,777)	192,497	16,252
Total comprehensive Income	7,229	8,270	-	-	962	7,308	(1,041)
Transactions with Owners:							
Acquisition of a Subsidiary	6	-	-	-	-	-	6
Acquisition of additional Shares in a subsidiary	855	-	-	-	-	-	855
Dividend paid to non-controlling interests	(60)	-	-	-	-	-	(60)
At 30 June 2014	<u>1,132,974</u>	<u>1,116,962</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(299,815)</u>	<u>199,805</u>	<u>16,012</u>
						(Note B14)	
At 1 July 2014	1,132,974	1,116,962	1,200,000	16,972	(299,815)	199,805	16,012
Total comprehensive Income	12,989	13,149	-	-	3,412	9,737	(260)
At 31 December 2014	<u>1,145,963</u>	<u>1,130,111</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(296,403)</u>	<u>209,542</u>	<u>15,752</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 2014 and the accompanying explanatory notes attached to this report.*

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.12.2014 RM'000	Preceding year 31.12.2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	15,560	1,802
Adjustment for:		
Depreciation	52,381	48,726
Dividend income	(1)	(1)
Loss on disposal of fixed assets	800	3,944
Loss on foreign exchange	3,410	193
Interest expenses	21,592	22,062
Interest income	(815)	(964)
Fixed asset written off	1	-
Loss/(Profit) retained in associates	2,347	(2,342)
	95,275	73,420
Operating profit before changes in working capital		
<u>Working Capital Changes</u>		
Decrease in inventories	64,030	25,349
(Increase) /Decrease in receivables	(74,264)	112,610
Decrease/ (Increase) in other current assets	23,822	(1,526)
Increase/(Decrease) in payables	33,926	(18,077)
Increase/(Decrease) in other current liabilities	1,303	(3,213)
Net changes in amounts due from/to related companies	(57,398)	(24,602)
	(8,581)	90,541
Total changes in working capital		
	86,694	163,961
Cash generated from operations		
Interest received	815	964
Interest paid	(21,592)	(22,062)
Income tax refunded	193	278
Income tax paid	(1,411)	(842)
	(21,995)	(21,662)
Net cash generated from operating activities	64,699	142,299
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	1	1
Capital expenditure	(49,538)	(43,888)
Proceeds from disposal of property, plant and equipment	13,952	4,800
Proceeds from disposal of share in a associate company	(1,343)	-
	(36,928)	(39,087)
Net cash used in investing activities		
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net movement in trade financing	41,969	(64,842)
Proceeds from hire purchase	5,070	19,556
Repayment of hire purchase	(17,267)	(17,057)
Proceeds from term loans	18,264	38,035
Repayment of term loans	(75,969)	(57,523)
Repayment of Revolving credit	(16,200)	-
	(44,133)	(81,831)
Net cash flow used in financing activities		
Net (decrease) / increase in cash and cash equivalents	(16,362)	21,381
Cash and cash equivalents at beginning of period	24,283	31,082
Effects of exchange rate changes	(122)	(114)
	7,799	52,349
Cash and cash equivalents at end of period		
Cash and cash equivalents comprise the following:		
Cash and bank balances	20,901	23,068
Deposit with licensed banks	33,730	52,040
Bank overdrafts	(46,832)	(22,759)
	7,799	52,349
Cash and bank balances		

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 2014 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 2014.

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 2014.

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.

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(Incorporated in Malaysia)

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

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

A7. Dividends

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

A8. Segmental reporting

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

	Shipping RM’000	Shipbuilding, Ship repair and Metal Fabrication RM’000	Shipping agency RM’000	Investment holding RM’000	Elimination RM’000	Total RM’000
For 6 months ended 31 December 2014						
Segment Revenue						
External revenue	324,160	202,503	2,195	238	-	529,096
Inter-segment revenue	3,595	64,972	976	996	(70,539)	-
Total	327,755	267,475	3,171	1,234	(70,539)	529,096
Profit/ (loss) from operations	17,687	21,882	891	(961)	-	39,499
Finance costs						(21,592)
Share of loss of associates						(2,347)
Profit before tax						15,560
Tax expense						(6,503)
Profit for the period						9,057
For 6 months ended 31 December 2013						
Segment Revenue						
External revenue	308,424	254,632	2,306	120	-	565,482
Inter-segment revenue	3,754	25,023	1,245	996	(31,018)	-
Total	312,178	279,655	3,551	1,116	(31,018)	565,482
Profit / (loss) from operations	4,295	21,729	887	(1,150)	-	25,761
Other operating expense						(3,949)
Finance costs						(22,062)
Share of profit of associates						2,052
Profit before tax						1,802
Tax expense						(1,195)
Profit for the period						607

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(Incorporated in Malaysia)

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 and Metal Fabrication RM'000	Shipping agency RM'000	Investment holding RM'000	Elimination RM'000	Total RM'000
For 3 months ended 31 December 2014						
Segment Revenue						
External revenue	171,068	101,374	801	(85)	-	273,158
Inter-segment revenue	3,037	36,741	855	702	(41,335)	-
Total	174,105	138,115	1,656	617	(41,335)	273,158
Profit/ (loss) from operations	4,902	18,149	544	(530)	-	23,065
Other operating expense						1,633
Finance costs						(10,931)
Share of profit of associates						43
Profit before tax						13,810
Tax expense						(4,859)
Profit for the period						8,951
For 3 months ended 31 December 2013						
Segment Revenue						
External revenue	147,135	120,257	1,338	60	-	268,790
Inter-segment revenue	2,994	16,577	442	498	(20,511)	-
Total	150,129	136,834	1,780	558	(20,511)	268,790
(Loss)/Profit from operations	(10,158)	15,198	580	(1,214)	-	4,406
Other operating expense						-
Finance costs						(10,692)
Share of profit of associates						1,015
Loss before tax						(5,271)
Tax expense						(544)
Loss for the period						(5,815)

Group

	2Q 2015 (RM'000)	2Q 2014 (RM'000)	Changes (%)
Revenue	273,158	268,790	1.6%
Profit/(loss) before tax	13,810	(5,271)	362.0%

Revenue of the Group for the second quarter ended 31 December 2014 slightly increased by 1.6% to RM273.2 million as compared to RM268.8 million in the previous corresponding quarter.

The increase was mainly attributed to the higher revenue generated from the domestic, container shipping and bulk shipment operations in the current quarter.

The profit was due to increase in margin in domestic, container shipping and bulk shipment operations and shipbuilding operation in current quarter.

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

	2Q 2015 (RM'000)	2Q 2014 (RM'000)	Changes (%)
Revenue	171,068	147,135	16.3%
Profit/(Loss) before tax	9,651	(8,000)	220.6%

For the current quarter, the shipping segment’s revenue stood at RM171.1 million, 16.3% higher as compared to RM 147.1 million revenue recorded in the corresponding quarter. This was mainly due to the higher volume carried from domestic, container shipping and bulk shipment operations in the current quarter.

The Shipping segment was generating a profit before tax of 9.7 million in current quarter. This was mainly due to the improvement of profit margin in view of global reduction of bunker price in domestic, container shipping and bulk shipment operations segments.

Shipbuilding and Ship repair

	2Q 2015 (RM'000)	2Q 2014 (RM'000)	Changes (%)
Revenue	101,374	120,257	-15.7%
Profit before tax	5,297	3,236	63.7%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM101.4 million decreased by 15.7% as lower compared to RM 120.3 million revenue recorded in the corresponding quarter. The decrease in revenue was mainly due to vessel’s work in progress for external parties to be delivered in the following quarters.

The increase of profit before tax in shipbuilding and ship repair segment was mainly due to the increase in profit margin on delivery of 3 units of high value vessels to oil and gas sectors in the current quarter.

Shipping agency

	2Q 2015 (RM'000)	2Q 2014 (RM'000)	Changes (%)
Revenue	801	1,338	-40.1%
(Loss)/Profit before tax	(59)	557	-110.6%

For the current quarter, the revenue from shipping agency segment decreased by 40.1% compared to the preceding year’s corresponding quarter. The loss before tax incurred was mainly due to the nil profit margin in current quarter.

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

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

A8. Segmental reporting (Cont’)

Investment Holding

	2Q 2015 (RM’000)	2Q 2014 (RM’000)	Changes (%)
Revenue	(85)	60	-241.7%
Loss before tax	(1,079)	(1,064)	-1.4%

The revenue from Investment Holding segment was derived from the interest income from the financial institutions. For the current quarter, the loss in investment holding segment was mainly resulted from the finance costs and administrative expenses incurred during the current quarter.

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

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

A10. Changes in the composition of the Group

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

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
	31 Dec 2014 RM’000	31 Dec 2013 RM’000	31 Dec 2014 RM’000	31 Dec 2013 RM’000
Malaysian taxation				
Current year tax	2,522	707	4,329	1,521
Deferred tax	2,337	(163)	2,174	(326)
	<u>4,859</u>	<u>544</u>	<u>6,503</u>	<u>1,195</u>

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 December 2014 are as follows:

	As at 31.12.2014 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>374,260</u>

The Group does not have any contingent assets.

A13. Material commitments

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

	As at 31.12.2014 RM'000
<u>Capital Expenditure</u>	RM'000
<u>Approved and contracted for:-</u>	
- Construction of 1 unit of Pneumatic Cement Carrier	21,600
- Construction of 1 unit of 180ft Dumb Barge	1,760
- Construction of 1 unit of 250ft Dumb Barge	4,040
	<u>27,400</u>
<u>Approved but not contracted for:-</u>	
- Construction of shipyard in RAK, UAE	16,065
Total	<u>43,465</u>

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 31.12.2014 RM'000	Balance due from/(to) As at 31.12.2014 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	55,106	95,987
Purchase of goods and services	(30,508)	(33,887)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	3,606	3,908
Purchase of goods and services	(1,190)	(10,081)

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.

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

	2Q 2015 (RM'000)	1Q 2015 (RM'000)	Changes (%)
Revenue	273,158	255,937	6.7%
Profit before tax	13,810	1,750	689.1%

As compared to the immediate preceding quarter, the Group's current quarter's revenue increased by 6.7% to RM273.2 million from RM255.9 million recorded in the immediate preceding quarter.

The Group recorded an increase of 689.1% profit largely due to the improvement of profit margin in view of global reduction of bunker price in domestic, container shipping and bulk shipment segments and the increase in profit margin in shipbuilding sector on delivery of 3 units of high value vessels to oil and gas sectors 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 and demand 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, both domestically and internationally. The Group is confident in the stability of the domestic, coastal and container shipping and challenging in Middle East operations. The continuous improvement in terms of operational costs management, fleet efficiency and routes enhancement would 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 SECOND QUARTER ENDED 31 DECEMBER 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 is no corporate proposal announced but not completed as at the date of issuance of this quarterly report except for the followings:-

The Company's 55% owned subsidiary, Micaline Sdn Bhd had on 31 October 2014 incorporated a 69.80% owned subsidiary company in Singapore under Company Act, Cap. 50 Republic of Singapore, namely Bayshore Shipping Services Pte. Ltd. ("BSS"). The authorized and issued and paid-up share capital of BSS is SGD 100,000.00 divided into 100,000 ordinary shares of SGD 1.00 each of which 100,000 ordinary shares of SGD 1.00 each have been issued as follows:

Shareholders	Shareholdings (number of share)	Shareholdings (%)
Micaline Sdn Bhd	69,800	69.8%
G.A. Chartering Pte. Ltd.	30,000	30.0%
Ling Lu Kuang	200	0.2%
Total	100,000	100%

The principal activity of BSS is engaged in ship management services and as manager for providing commercial management and marketing services in relation to vessels' shipments activities. The Company would commence business by 1 January 2015.

Barring any unforeseen circumstances and subject to all conditions precedent being fulfilled and all requisite approvals being obtained, the proposed acquisitions are expected to be completed by third (3rd) quarter of financial year ended 30 June 2015.

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

B9. Borrowings and debt securities

	Secured RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	371,496	171,215	542,711
Long-term borrowings	273,425	-	273,425
	<u>644,921</u>	<u>171,215</u>	<u>816,136</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	3,981	-	3,981
Long-term borrowings	5,971	-	5,971
	<u>9,952</u>	<u>-</u>	<u>9,952</u>

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at 26 February 2015.

B11. Changes in material litigation

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

INTERIM REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

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

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 31.12.2014	Current year to date 31.12.2014
Profit attributable to equity holders of the Company (RM'000)	9,888	9,737
Weighted average number of ordinary shares in issue (‘000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.82</u>	<u>0.81</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.

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 31 Dec 2014 RM'000	Preceding year corresponding quarter 31 Dec 2013 RM'000	Current year to date 31 Dec 2014 RM'000	Preceding year corresponding period 31 Dec 2013 RM'000
Interest income	(539)	(505)	(815)	(964)
Sundry income	(2,674)	(972)	(3,056)	(1,639)
Interest expenses	10,931	10,692	21,592	22,062
Depreciation	26,276	27,172	52,381	53,875
Loss on disposal of property, Plant and equipment	954	-	800	3,944
Realised foreign exchange loss	2,302	83	1,626	256
Unrealised foreign exchange loss / (gain)	2,467	(781)	(144)	(744)

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

B14. Breakdown of realised and unrealised profit or loss

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

	Accumulated quarter ended 31.12.2014	Accumulated quarter ended 31.12.2013
	(RM'000)	(RM'000)
Total retained profits of the Company and its subsidiaries		
- Realized	692,748	685,637
- Unrealized	(35,236)	(49,119)
	657,512	636,518
Less: Consolidation adjustments	(447,970)	(442,893)
Total Group's retained profits	209,542	193,625

B15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2014 was not qualified.

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 second quarter ended 31 December 2014 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2015.

By order of the Board

Richard Ling Peng Liing
Company Secretary
27 February 2015