

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

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.09.2015 RM'000	Preceding year corresponding quarter 30.09.2014 RM'000	Current year to date 30.09.2015 RM'000	Preceding year corresponding period 30.09.2014 RM'000
Revenue		183,901	255,937	183,901	255,937
Cost of sales		(164,131)	(231,116)	(164,131)	(231,116)
Gross profit		19,770	24,821	19,770	24,821
Other income		10,149	3,458	10,149	3,458
Administrative expenses		(13,595)	(11,844)	(13,595)	(11,844)
Operating profits		16,324	16,435	16,324	16,435
Other operating expense		(3)	(1,633)	(3)	(1,633)
Finance Costs		(8,034)	(10,661)	(8,034)	(10,661)
Shares of loss of associates		(2,052)	(2,391)	(2,052)	(2,391)
Profit before tax		6,235	1,750	6,235	1,750
Tax expense	A11	(2,100)	(1,644)	(2,100)	(1,644)
Profit net of tax		4,135	106	4,135	106
Other comprehensive income:					
Foreign exchange translation	A16	13,203	1,917	13,203	1,917
Total comprehensive income for the period		17,338	2,023	17,338	1,023
Profit attributable to:					
Equity holders of the parent		4,105	(150)	4,105	(150)
Non controlling interests		30	256	30	256
		4,135	106	4,135	106
Total comprehensive income attributable to:					
Equity holders of the parent		15,560	1,660	15,560	1,660
Non controlling interests		1,778	363	1,778	363
		17,338	2,023	17,338	2,023
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.30	(0.01)	0.30	(0.01)
Diluted (sen)	B12	0.30	(0.01)	0.30	(0.01)

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 2015 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 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 30.09.2015 RM'000	Audited AS AT 30.06.2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,521,298	1,499,332
Investment in associates		3,393	3,901
Other investments		44	44
Intangible asset		2,070	2,070
		1,526,805	1,505,347
Current assets			
Inventories		83,639	68,103
Trade and other receivables		579,449	485,693
Other current assets		10,666	28,666
Tax recoverable		55	415
Cash and cash equivalents		48,446	55,375
		722,255	638,252
TOTAL ASSETS		2,249,060	2,143,599
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		218,791	214,686
Other reserve		(286,985)	(293,353)
		1,148,778	1,138,305
Non Controlling interests		23,640	21,862
Total equity		1,172,418	1,160,167
Non-current liabilities			
Borrowings	B9	214,905	234,470
Deferred tax liabilities		61,605	62,967
		276,510	297,437
Current liabilities			
Borrowings	B9	460,406	416,075
Trade and other payables		316,610	267,405
Other current liabilities		18,152	795
Tax payable		4,964	1,720
		800,132	685,995
Total liabilities		1,076,642	983,432
TOTAL EQUITY AND LIABILITIES		2,249,060	2,143,599
Net assets per shares (RM)		0.96	0.95

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 2015 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 2015
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 2014	1,132,974	1,116,962	1,200,000	16,972	(299,815)	199,805	16,012
Total comprehensive Income	12,695	11,627	-	-	6,462	5,165	1,068
Transactions with Owners:							
Acquisition of a Subsidiary	80	-	-	-	-	-	80
Acquisition of additional Shares in a subsidiary	1,350	-	-	-	-	-	1,350
Adjustment due to changes in Equities in subsidiaries	13,128	9,716	-	-	-	9,716	3,412
Dividend paid to non-controlling interests	(60)	-	-	-	-	-	(60)
At 30 June 2015	<u>1,160,167</u>	<u>1,138,305</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(293,353)</u>	<u>214,686</u>	<u>21,862</u>
						(Note B14)	
At 1 July 2015	1,160,167	1,138,305	1,200,000	16,972	(293,353)	214,686	21,862
Total comprehensive Income	12,251	10,473	-	-	6,368	4,105	1,778
At 30 September 2015	<u>1,172,418</u>	<u>1,148,778</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(286,985)</u>	<u>218,791</u>	<u>23,640</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 2015 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 2015
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 30.09.2015 RM'000	Preceding year 30.09.2014 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,235	1,750
Adjustment for:		
Depreciation	23,116	26,106
Gain on disposal of fixed assets	(237)	(154)
(Gain)/Loss on foreign exchange	(7,316)	1,470
Interest expenses	8,034	10,661
Interest income	(505)	(276)
Loss retained in associates	2,052	2,391
	31,379	41,948
Operating profit before changes in working capital		
<u>Working Capital Changes</u>		
(Increase)/Decrease in inventories	(16,634)	28,245
Increase in receivables	(96,086)	(105,323)
Decrease in other current assets	18,703	48,552
Increase in payables	42,515	40,103
Increase /(Decrease) in other current liabilities	999	(9,544)
Net changes in amounts due from/to related companies	15,648	(11,406)
Total changes in working capital	(34,855)	(9,373)
Cash generated (used in)/from operations	(3,476)	32,575
Interest received	505	276
Interest paid	(8,034)	(10,661)
Income tax refunded	-	193
Income tax paid	(1,363)	(1,214)
Total interest and tax paid	(8,892)	(11,406)
Net cash generated (used in)/ from operating activities	(12,368)	21,169
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(14,600)	(39,693)
Proceeds from disposal of property, plant and equipment	237	6,567
Net cash used in investing activities	(14,363)	(33,126)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net movement in trade financing	21,816	21,590
Proceeds from hire purchase	180	3,020
Repayment of hire purchase	(6,888)	(9,958)
Repayment of term loans	(22,994)	(28,173)
Net cash flow used in financing activities	(7,886)	(13,521)
Net decrease in cash and cash equivalents	(34,617)	(25,478)
Cash and cash equivalents at beginning of period	25,603	24,283
Effects of exchange rate changes	275	(23)
Cash and cash equivalents at end of period	(8,739)	(1,218)
Cash and cash equivalents comprise the following:		
Cash and bank balances	10,563	11,597
Deposit with licensed banks	37,883	44,266
Bank overdrafts	(54,185)	(57,081)
Cash at bank restricted in use	(3,000)	-
Cash and bank balances	(8,739)	(1,218)

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 2015 and the accompanying explanatory notes attached to this report.*

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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 2015.

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 2015.

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 FIRST QUARTER ENDED 30 SEPTEMBER 2015

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 3 months ended 30 September 2015						
Segment Revenue						
External revenue	141,414	41,171	1,183	133	-	183,901
Inter-segment revenue	1,895	29,693	519	502	(32,609)	-
Total	143,309	70,864	1,702	635	(32,609)	183,901
Profit/ (loss) from operations	17,683	(1,669)	823	(513)	-	16,324
Other operating expense						(3)
Finance costs						(8,034)
Share of loss of associates						(2,052)
Profit before tax						6,235
Tax expense						(2,100)
Profit for the period						4,135
For 3 months ended 30 September 2014						
Segment Revenue						
External revenue	153,092	101,128	1,394	323	-	255,937
Inter-segment revenue	558	28,231	121	294	(29,204)	-
Total	153,650	129,359	1,515	617	(29,204)	255,937
Profit from operations	12,785	3,733	347	(430)	-	16,435
Other operating expense						(1,633)
Finance costs						(10,661)
Share of profit of associates						(2,391)
Profit before tax						1,750
Tax expense						(1,644)
Profit for the period						106

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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

A8. Segmental reporting (Cont’)

Group	1Q 2016 (RM'000)	1Q 2015 (RM'000)	Changes (%)
Revenue	183,901	255,937	-28.1%
Profit before tax	6,235	1,750	256.3%

Revenue of the Group for the first quarter ended 30 September 2015 decreased by 28.1% to RM183.9 million as compared to RM255.9 million in the previous corresponding quarter.

The decrease was mainly due to the lower revenue generated from the shipbuilding operations in the current quarter.

The increase in profit before tax due to the improvement of shipping profit margin in view of bunker cost filter from the global decline of crude oil price and improvement in container shipping operations segments.

Performance and prospects of each operating segment are discussed below:

Shipping

	1Q 2016 (RM'000)	1Q 2015 (RM'000)	Changes (%)
Revenue	141,414	153,092	-7.6%
Profit/(Loss) before tax	11,572	(6,075)	290.5%

For the current quarter, the shipping segment’s revenue of RM141.4 million decreased by 7.6% as compared to RM 153.1 million revenue recorded in the corresponding quarter. This was mainly due to the lower volume carried from bulk shipment operations and UAE shipment operations in the current quarter.

The increase in profit before tax in shipping segment due to the improvement of shipping profit margin in view of bunker cost filter from the global decline of crude oil price and improvement in container shipping operations segments.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	1Q 2016 (RM'000)	1Q 2015 (RM'000)	Changes (%)
Revenue	41,171	101,128	-59.3%
(Loss)/Profit before tax	(5,342)	8,307	-164.3%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM41.2million decreased by 59.3% as lower compared to RM101.1million revenue recorded in the corresponding quarter. The decrease in revenue was mainly due to less vessel's work in progress for external parties to be delivered in the following quarters.

The losses in Shipbuilding and ship repair segment were mainly due the lesser vessels under work in progress during construction.

Shipping agency

	1Q 2016 (RM'000)	1Q 2015 (RM'000)	Changes (%)
Revenue	1,183	1,394	-15.1%
Profit before tax	816	269	203.3%

For the current quarter, the revenue from shipping agency segment decreased by 15.1% compared to the preceding year's corresponding quarter. The increase in profit before tax was mainly due to the improvement in profit margin in current quarter.

Investment Holding

	1Q 2016 (RM'000)	1Q 2015 (RM'000)	Changes (%)
Revenue	133	323	-58.8%
Loss before tax	(811)	(751)	-8.0%

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.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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

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 for current interim quarter under review.

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 2015	30 Sep 2014	30 Sep 2015	30 Sep 2014
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	3,462	1,807	3,462	1,807
Deferred tax	(1,362)	(163)	(1,362)	(163)
	<u>2,100</u>	<u>1,644</u>	<u>2,100</u>	<u>1,644</u>

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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 30 September 2015 are as follows:

	As at 30.09.2015 RM’000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	289,734

The Group does not have any contingent assets.

A13. Material commitments

Material commitments of the Group as at 30 September 2015 are as follow:

	As at 30.09.2015 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 2 units of Dumb Barges	8,080
Total	29,680

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 FIRST QUARTER ENDED 30 SEPTEMBER 2015

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 30.09.2015 RM’000	Balance due from/(to) As at 30.09.2015 RM’000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	39,012	114,148
Purchase of goods and services	(12,257)	(46,486)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	1,024	7,878
Purchase of goods and services	(624)	(15,463)

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 FIRST QUARTER ENDED 30 SEPTEMBER 2015

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

	1Q 2016 (RM'000)	4Q 2015 (RM'000)	Changes (%)
Revenue	183,901	160,199	14.8%
Profit before tax	6,235	(4,758)	231.0%

As compared to the immediate preceding quarter, the Group's current quarter's revenue increased by 14.8% to RM183.9 million from RM160.2 million recorded in the immediate preceding quarter.

The Group stood a profit largely due to the improvement of shipping profit margin in view of bunker cost filter from the global decline of crude oil price and improvement in container shipping operations segments.

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 dry 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 positive with the recent decline in crude oil price 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 and container shipping and challenging projects development 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. The emphasis is on taking steps to aggressively to carry out repair and maintenance and fabrication works to meet the requirements of the niche markets from operating expenditures in the oil and gas industry and also to meet the potential requirements of the resource based sectors.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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 RM'000	unsecured RM'000	Total RM'000
1. Total borrowings			
Short-term borrowings	288,408	171,998	460,406
Long-term borrowings	214,905	-	214,905
	<u>503,313</u>	<u>171,998</u>	<u>675,311</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	2,985	-	2,985
	<u>6,966</u>	<u>-</u>	<u>6,966</u>

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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 30 November 2015.

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 30.09.2015	Current year to date 30.09.2015
Profit attributable to equity holders of the Company (RM'000)	4,105	(150)
Weighted average number of ordinary shares in issue (‘000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.34</u>	<u>(0.01)</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 2015

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 2015 RM'000	30 Sep 2014 RM'000	30 Sep 2015 RM'000	30 Sep 2014 RM'000
Interest income	(505)	(276)	(505)	(276)
Sundry income	(1,798)	(382)	(1,798)	(382)
Interest expenses	8,034	10,661	8,034	10,661
Depreciation	23,116	26,106	23,116	26,106
Gain on disposal of property, Plant and equipment	(237)	(154)	(237)	(154)
Realised foreign exchange loss/(gain)	2,067	(676)	2,067	(676)
Unrealised foreign exchange gain	(7,316)	(2,611)	(7,316)	(2,611)

B14. Breakdown of realised and unrealised profit or loss

The breakdown of the retained profits of the Group as at 30 September 2015, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 30.09.2015 (RM'000)	Accumulated quarter ended 30.09.2014 (RM'000)
Total retained profits of the Company and its subsidiaries		
- Realized	718,515	685,169
- Unrealized	(40,040)	(39,675)
	678,475	645,494
Less: Consolidation adjustments	(459,684)	(445,839)
Total Group's retained profits	218,791	199,655

B15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2015 was not qualified.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

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 2015 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 November 2015.

By order of the Board

Richard Ling Peng Liing
Company Secretary
30 November 2015