

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

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2016 RM'000	Preceding year corresponding quarter 31.03.2015 RM'000	Current year to date 31.03.2016 RM'000	Preceding year corresponding period 31.03.2015 RM'000
Revenue		141,391	222,075	503,651	751,171
Cost of sales		(111,411)	(197,357)	(426,006)	(663,200)
Gross profit		29,980	24,718	77,645	87,971
Other income		4,549	12,554	17,763	18,446
Administrative expenses		(17,819)	(13,512)	(46,610)	(43,157)
Operating profits		16,710	23,760	48,798	63,260
Other operating expense		(8,069)	(10,151)	(8,076)	(10,151)
Finance Costs		(7,626)	(9,564)	(24,309)	(31,156)
Shares of profit / (loss) of associates		160	(237)	(3,539)	(2,585)
Profit before tax		1,175	3,808	12,874	19,368
Tax expense	A11	(131)	(2,769)	(4,219)	(9,272)
Profit net of tax		1,044	1,039	8,655	10,096
Other comprehensive income:					
Foreign exchange translation	A16	(164)	2,355	12,540	5,767
Total comprehensive income for the period		880	3,394	21,195	15,863
Profit attributable to:					
Equity holders of the parent		462	3,435	9,435	13,172
Non controlling interests		582	(2,396)	(780)	(3,076)
		1,044	1,039	8,655	10,096
Total comprehensive income attributable to:					
Equity holders of the parent		334	5,613	20,360	18,342
Non controlling interests		546	(2,219)	835	(2,479)
		880	3,394	21,195	15,863
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.04	0.29	0.79	1.10
Diluted (sen)	B12	0.04	0.29	0.79	1.10

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 THIRD QUARTER ENDED 31 MARCH 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 31.03.2016 RM'000	Audited AS AT 30.06.2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,467,875	1,499,332
Investment in associates		1,882	3,901
Other investments		44	44
Intangible asset		2,070	2,070
		<u>1,471,871</u>	<u>1,505,347</u>
Current assets			
Inventories		82,457	68,103
Trade and other receivables		487,906	485,693
Other current assets		8,645	28,666
Tax recoverable		55	415
Cash and cash equivalents		37,121	55,375
		<u>616,184</u>	<u>638,252</u>
TOTAL ASSETS		<u>2,088,055</u>	<u>2,143,599</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,200,000	1,200,000
Share premium		16,972	16,972
Retained Earnings		224,121	214,686
Other reserve		(287,515)	(293,353)
		<u>1,153,578</u>	<u>1,138,305</u>
Non Controlling interests		22,697	21,862
Total equity		<u>1,176,275</u>	<u>1,160,167</u>
Non-current liabilities			
Borrowings	B9	150,204	234,470
Deferred tax liabilities		63,780	62,967
		<u>213,984</u>	<u>297,437</u>
Current liabilities			
Borrowings	B9	417,380	416,075
Trade and other payables		258,551	267,405
Other current liabilities		18,168	795
Tax payable		3,697	1,720
		<u>697,796</u>	<u>685,995</u>
Total liabilities		<u>911,780</u>	<u>983,432</u>
TOTAL EQUITY AND LIABILITIES		<u>2,088,055</u>	<u>2,143,599</u>
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
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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016
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	16,108	15,273	-	-	5,838	9,435	835
At 31 March 2016	<u>1,176,275</u>	<u>1,153,578</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(287,515)</u>	<u>224,121</u>	<u>22,697</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
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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2016 RM'000	Preceding year 31.03.2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,874	19,368
Adjustment for:		
Depreciation	71,680	74,769
Dividend income	(1)	(1)
Loss on disposal of fixed assets	5,883	10,106
Loss/ (gain) on foreign exchange	7,291	(4,043)
Interest expenses	24,309	31,156
Interest income	(670)	(1,169)
Inventory written off	2	-
Fixed asset written off	-	1
Loss retained in associates	3,539	2,585
	124,907	132,772
Operating profit before changes in working capital		
Working Capital Changes		
(Increase)/Decrease in inventories	(14,452)	64,525
Increase in receivables	(2,395)	(42,319)
Decrease in other current assets	20,239	31,073
(Decrease)/Increase in payables	(2,955)	69,076
Increase in other current liabilities	588	3,399
Net changes in amounts due from/to related companies	(15,200)	(41,104)
Total changes in working capital	(14,175)	84,650
Cash generated from operations	110,732	217,422
Interest received	670	1,169
Interest paid	(24,309)	(31,156)
Income tax refunded	40	-
Income tax paid	(1,924)	(1,599)
Total interest and tax paid	(25,523)	(31,586)
Net cash generated from operating activities	85,209	185,836
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	1	1
Capital expenditure	(45,197)	(52,356)
Proceeds from disposal of property, plant and equipment	28,906	30,096
Proceeds from disposal of share in a associate company	-	(1,354)
Net cash used in investing activities	(16,290)	(23,613)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net movement in trade financing	12,489	5,036
Proceeds from hire purchase	1,635	6,462
Repayment of hire purchase	(16,358)	(20,086)
Proceeds from term loan	-	28,264
Repayment of term loans	(90,569)	(106,184)
Proceeds from Revolving Credit	4,000	-
Repayment of Revolving Credit	(25,000)	(68,800)
Net cash flow used in financing activities	(113,803)	(155,308)
Net (decrease) / increase in cash and cash equivalents	(44,884)	6,915
Cash and cash equivalents at beginning of period	25,603	24,283
Effects of exchange rate changes	276	(66)
Cash and cash equivalents at end of period	(19,005)	31,132
Cash and cash equivalents comprise the following:		
Cash and bank balances	17,643	24,907
Deposit with licensed banks	19,478	38,958
Bank overdrafts	(53,126)	(32,733)
Cash at bank restricted in use	(3,000)	-
Cash and bank balances	(19,005)	31,132

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.*

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 unaudited interim financial statements include the adoption of new/revised/amendments to MFRS and IC Interpretation applicable to the Group. The adoption of the new/revised/amendments to MFRS and IC Interpretation does not have any material financial effect on the Group.

A2. Auditor’s report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and of its subsidiaries on the preceding annual financial statements.

A3. Seasonal or cyclical factors

The Group’s operations were not significantly affected by seasonal or cyclical factors.

A4. Unusual items

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current interim quarter under review

A5. Material changes in estimates

There were no changes in estimates of amounts that have had a material effect in the current interim quarter under review.

A6. Debt and equity securities

There is no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buybacks, share cancellations, share held as treasury shares and resale of treasury shares for the current interim quarter under review.

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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 9 months ended						
31 March 2016						
Segment Revenue						
External revenue	428,134	71,650	3,492	375	-	503,651
Inter-segment revenue	4,357	46,167	1,611	1,506	(53,641)	-
Total	432,491	117,817	5,103	1,881	(53,641)	503,651
Profit/ (loss) from operations	47,451	1,080	2,326	(2,059)	-	48,798
Other operating expense						(8,076)
Finance costs						(24,309)
Share of loss of associates						(3,539)
Profit before tax						12,874
Tax expense						(4,219)
Profit for the period						8,655
For 9 months ended						
31 March 2015						
Segment Revenue						
External revenue	477,275	270,315	3,255	326	-	751,171
Inter-segment revenue	6,083	79,720	1,516	1,525	(88,844)	-
Total	483,358	350,035	4,771	1,851	(88,844)	751,171
Profit/ (loss) from operations	29,566	34,457	623	(1,386)	-	63,260
Other operating expense						(10,151)
Finance costs						(31,156)
Share of loss of associates						(2,585)
Profit before tax						19,368
Tax expense						(9,272)
Profit for the period						10,096

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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 March 2016						
Segment Revenue						
External revenue	133,768	6,389	1,114	120	-	141,391
Inter-segment revenue	951	3,919	514	502	(5,886)	-
Total	134,719	10,308	1,628	622	(5,886)	141,391
Profit/ (loss) from operations	19,542	(2,608)	476	(700)	-	16,710
Other operating expense						(8,069)
Finance costs						(7,626)
Share of profit of associates						160
Profit before tax						1,175
Tax expense						(131)
Profit for the period						1,044
For 3 months ended						
31 March 2015						
Segment Revenue						
External revenue	153,115	67,812	1,060	88	-	222,075
Inter-segment revenue	2,488	14,748	540	529	(18,305)	-
Total	155,603	82,560	1,600	617	(18,305)	222,075
Profit/ (loss) from operations	11,878	12,575	(268)	(425)	-	23,760
Other operating expense						(10,151)
Finance costs						(9,564)
Share of loss of associates						(237)
Profit before tax						3,808
Tax expense						(2,769)
Profit for the period						1,039

Group

	3Q 2016 (RM'000)	3Q 2015 (RM'000)	Changes (%)
Revenue	141,391	222,075	-36.3%
Profit before tax	1,175	3,808	-69.1%

Revenue of the Group for the third quarter ended 31 March 2016 decreased by 36.3% to RM141.4 million as compared to RM222.1 million in the previous corresponding quarter.

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

The decrease in profit before tax due to the decrease in margin in shipbuilding segments in current quarter.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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 2016 (RM'000)	3Q 2015 (RM'000)	Changes (%)
Revenue	133,768	153,115	-12.6%
Profit/ (loss) before tax	7,783	(3,884)	300.4%

For the current quarter, the shipping segment’s revenue of RM133.8 million decreased by 12.6% 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 Shipping segment was generating a profit before tax of RM7.8 million in current quarter. This was mainly due to the improvement of profit margin in domestic and container shipping operations segments.

Shipbuilding and Ship repair

	3Q 2016 (RM'000)	3Q 2015 (RM'000)	Changes (%)
Revenue	6,389	67,812	-90.6%
(Loss)/Profit before tax	(6,080)	8,621	-170.5%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM6.4million decreased by 90.6% as lower compared to RM67.8million 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 loss before tax incurred in Shipbuilding and ship repair segment were mainly due the lesser vessels under work in progress during construction.

Shipping agency

	3Q 2016 (RM'000)	3Q 2015 (RM'000)	Changes (%)
Revenue	1,114	1,016	9.6%
Profit /(Loss) before tax	475	(185)	356.8%

For the current quarter, the revenue from shipping agency segment increased by 9.6% compared to the preceding year’s corresponding quarter. The profit before tax was mainly due to the improvement in profit margin from container segment in current quarter.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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

A8. Segmental reporting (Cont’)

Investment Holding

	3Q 2016 (RM’000)	3Q 2015 (RM’000)	Changes (%)
Revenue	120	88	36.4%
Loss before tax	(1,003)	(744)	-34.8%

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 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
	31 Mar 2016 RM’000	31 Mar 2015 RM’000	31 Mar 2016 RM’000	31 Mar 2015 RM’000
Malaysian taxation				
Current year tax	(207)	2,731	3,406	7,060
Deferred tax	338	38	813	2,212
	<u>131</u>	<u>2,769</u>	<u>4,219</u>	<u>9,272</u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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 2016 are as follows:

	As at 31.03.2016 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries	232,345

The Group does not have any contingent assets.

A13. Material commitments

Material commitments of the Group as at 31 March 2016 are as follow:

	As at 31.03.2016 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 Dumb Barge	4,040
Total	25,640

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 THIRD QUARTER ENDED 31 MARCH 2016

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 31.03.2016 RM'000	Balance due from/(to) As at 31.03.2016 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	37,627	125,672
Purchase of goods and services	(9,947)	(41,608)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	880	7,770
Purchase of goods and services	(489)	(17,946)

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 2016

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 2016 (RM'000)	2Q 2016 (RM'000)	Changes (%)
Revenue	141,391	178,359	-20.7%
Profit before tax	1,175	5,464	-78.5%

As compared to the immediate preceding quarter, the Group's current quarter's revenue decreased by 20.7% to RM141.4 million from RM178.3 million recorded in the immediate preceding quarter.

The Group's profit before tax decrease as compared to the immediate preceding quarter is mainly due to the decrease in margin in shipbuilding and UAE shipping segments in 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 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 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. 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 THIRD QUARTER ENDED 31 MARCH 2016

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	257,361	160,019	417,380
Long-term borrowings	150,204	-	150,204
	<u>407,565</u>	<u>160,019</u>	<u>567,584</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	994	-	994
	<u>4,975</u>	<u>-</u>	<u>4,975</u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2016

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 May 2016.

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 31.03.2016	Current year to date 31.03.2016
Profit attributable to equity holders of the Company (RM'000)	462	8,972
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>0.04</u>	<u>0.75</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 2016

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 31 Mar 2016 RM'000	Preceding year corresponding quarter 31 Mar 2015 RM'000	Current year to date 31 Mar 2016 RM'000	Preceding year corresponding period 31 Mar 2015 RM'000
Interest income	(34)	(354)	(670)	(1,169)
Sundry income	(1,064)	(572)	(3,167)	(3,628)
Interest expenses	7,626	9,564	24,309	31,156
Depreciation	20,584	22,388	71,680	74,769
Gain/(loss) on disposal of property, Plant and equipment	6,280	9,306	5,883	10,106
Realised foreign exchange (gain)/loss	(2,218)	(6,342)	(6,260)	(4,716)
Unrealised foreign exchange loss/(gain)	1,301	(3,926)	(798)	(4,070)

B14. Breakdown of realised and unrealised profit or loss

The breakdown of the retained profits of the Group as at 31 March 2016, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 31.03.2016 (RM'000)	Accumulated quarter ended 31.03.2015 (RM'000)
Total retained profits of the Company and its subsidiaries		
- Realized	709,433	728,447
- Unrealized	(29,921)	(34,973)
	679,512	693,474
Less: Consolidation adjustments	(455,391)	(450,838)
Total Group's retained profits	224,121	242,636

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 THIRD QUARTER ENDED 31 MARCH 2016

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 2016 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2016.

By order of the Board

Richard Ling Peng Liing
Company Secretary
31 May 2016