

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

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.06.2016 RM'000	Preceding year corresponding quarter 30.06.2015 RM'000	Current year to date 30.06.2016 RM'000	Preceding year corresponding period 30.06.2015 RM'000
Revenue		220,034	160,199	723,686	911,370
Cost of sales		(213,640)	(155,140)	(639,647)	(818,340)
Gross profit		6,394	5,059	84,039	93,030
Other income		18,066	12,554	35,829	31,001
Administrative expenses		(13,418)	(9,485)	(60,029)	(52,642)
Operating profits		11,042	8,128	59,839	71,389
Other operating expense		(13,856)	(278)	(21,932)	(10,429)
Finance Costs		(7,452)	(9,171)	(31,760)	(40,328)
Shares of profit / (loss) of associates		1,387	(3,437)	(2,152)	(6,021)
(Loss)/Profit before tax		(8,879)	(4,758)	3,995	14,611
Tax income /(expense)	A11	7,060	(181)	2,841	(9,454)
(Loss)/Profit net of tax		(1,819)	(4,939)	6,836	5,157
Other comprehensive (loss)/ income:					
Foreign exchange translation	A16	(1,039)	2,312	11,501	8,079
Total comprehensive (loss)/ income for the period		(2,858)	(2,627)	18,337	13,236
(Loss)/ Profit attributable to:					
Equity holders of the parent		(1,743)	(8,137)	7,692	5,035
Non controlling interests		(76)	3,198	(856)	122
		(1,819)	(4,939)	6,836	5,157
Total comprehensive (loss)/ income attributable to:					
Equity holders of the parent		(1,926)	(6,219)	18,434	12,123
Non controlling interests		(932)	3,592	(97)	1,113
		(2,858)	(2,627)	18,337	13,236
(Loss)/ Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	(0.15)	(0.68)	0.64	0.42
Diluted (sen)	B12	(0.15)	(0.68)	0.64	0.42

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 FOURTH QUARTER ENDED 30 JUNE 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 30.06.2016 RM'000	Audited AS AT 30.06.2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,417,796	1,499,332
Investment in associates		3,281	3,901
Other investments		44	44
Intangible asset		2,070	2,070
		<u>1,423,191</u>	<u>1,505,347</u>
Current assets			
Inventories		38,215	68,103
Trade and other receivables		492,069	485,693
Other current assets		14,169	28,666
Tax recoverable		197	415
Cash and cash equivalents		28,393	55,375
		<u>573,043</u>	<u>638,252</u>
TOTAL ASSETS		<u>1,996,234</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		222,378	214,686
Other reserve		(288,437)	(293,353)
		<u>1,150,913</u>	<u>1,138,305</u>
Non Controlling interests		21,705	21,862
Total equity		<u>1,172,618</u>	<u>1,160,167</u>
Non-current liabilities			
Borrowings	B9	134,129	234,470
Deferred tax liabilities		57,459	62,967
		<u>191,588</u>	<u>297,437</u>
Current liabilities			
Borrowings	B9	379,648	416,075
Trade and other payables		231,119	267,405
Other current liabilities		18,148	795
Tax payable		3,113	1,720
		<u>632,028</u>	<u>685,995</u>
Total liabilities		<u>823,616</u>	<u>983,432</u>
TOTAL EQUITY AND LIABILITIES		<u>1,996,234</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 FOURTH QUARTER ENDED 30 JUNE 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	12,511	12,608	-	-	4,916	7,692	(97)
Transactions with Owners:							
Dividend paid to non-controlling interests	(60)	-	-	-	-	-	(60)
At 30 June 2016	<u>1,172,618</u>	<u>1,150,913</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(288,437)</u>	<u>222,378</u>	<u>21,705</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 FOURTH QUARTER ENDED 30 JUNE 2016
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 30.06.2016 RM'000	Preceding year 30.06.2015 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,995	14,611
Adjustment for:		
Bad debts written off	4	-
Depreciation	106,333	106,622
Dividend income	(3)	(5)
Loss on disposal of fixed assets	16,858	10,384
Loss/ (gain) on foreign exchange	9,597	(7,609)
Interest expenses	31,760	40,328
Interest income	(1,089)	(1,698)
Inventory written off	2	-
Fixed asset written off	-	1
Loss retained in associates	2,152	6,021
	169,609	168,655
Operating profit before changes in working capital		
<u>Working Capital Changes</u>		
Decrease in inventories	29,795	32,881
Increase in receivables	(18,485)	(64,661)
Decrease in other current assets	14,427	76,228
(Decrease)/Increase in payables	(38,211)	42,640
Increase in other current liabilities	887	1,773
Net changes in amounts due from/to related companies	20,630	(15,359)
Total changes in working capital	9,043	73,502
Cash generated from operations	178,652	242,157
Interest received	1,089	1,698
Interest paid	(32,086)	(40,328)
Income tax refunded	823	166
Income tax paid	(2,139)	(2,545)
Total interest and tax paid	(32,313)	(41,009)
Net cash generated from operating activities	146,339	201,148
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	3	5
Capital expenditure	(125,347)	(81,635)
Proceeds from disposal of property, plant and equipment	93,432	73,417
Proceeds from disposal of share in a associate company	-	(1,357)
Net cash used in investing activities	(31,912)	(9,570)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(599)	(60)
Net movement in trade financing	368	10,848
Proceeds from hire purchase	2,302	10,687
Repayment of hire purchase	(20,434)	(28,792)
Proceeds from term loan	24,242	21,840
Repayment of term loans	(135,364)	(124,076)
Proceeds from Revolving Credit	4,000	-
Repayment of Revolving Credit	(35,000)	(60,800)
Net cash flow used in financing activities	(160,485)	(192,049)
Net decrease in cash and cash equivalents	(46,058)	(471)
Cash and cash equivalents at beginning of period	25,603	24,283
Effects of exchange rate changes	251	246
Cash and cash equivalents at end of period	(20,204)	24,058
Cash and cash equivalents comprise the following:		
Cash and bank balances	12,081	17,557
Deposit with licensed banks	16,312	38,668
Bank overdrafts	(45,597)	(32,167)
Cash at bank restricted in use	(3,000)	-
Cash and bank balances	(20,204)	24,058

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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(Incorporated in Malaysia)

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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 12 months ended						
30 June 2016						
Segment Revenue						
External revenue	554,723	163,871	4,595	497	-	723,686
Inter-segment revenue	5,963	67,849	2,382	2,008	(78,202)	-
Total	560,686	231,720	6,977	2,505	(78,202)	723,686
Profit/ (loss) from operations	73,453	(16,209)	3,391	(796)	-	59,839
Other operating expense						(21,932)
Finance costs						(31,760)
Share of loss of associates						(2,152)
Profit before tax						3,995
Tax income						2,841
Profit for the period						6,836
For 12 months ended						
30 June 2015						
Segment Revenue						
External revenue	616,317	290,139	4,449	465	-	911,370
Inter-segment revenue	6,821	94,057	1,971	2,004	(104,853)	-
Total	623,138	384,196	6,420	2,469	(104,853)	911,370
Profit/ (loss) from operations	46,822	24,071	938	(442)	-	71,389
Other operating expense						(10,429)
Finance costs						(40,328)
Share of loss of associates						(6,021)
Profit before tax						14,611
Tax expense						(9,454)
Profit for the period						5,157

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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						
30 June 2016						
Segment Revenue						
External revenue	126,589	92,221	1,103	121	-	220,034
Inter-segment revenue	1,606	21,682	771	502	(24,561)	-
Total	128,195	113,903	1,874	623	(24,561)	220,034
Profit/ (loss) from operations	26,002	(17,288)	1,065	1,263	-	11,042
Other operating expense						(13,856)
Finance costs						(7,452)
Share of profit of associates						1,387
Loss before tax						(8,879)
Tax income						7,060
Loss for the period						(1,819)
For 3 months ended						
30 June 2015						
Segment Revenue						
External revenue	139,042	19,824	1,194	139	-	160,199
Inter-segment revenue	738	14,337	455	479	(16,009)	-
Total	139,780	34,161	1,649	618	(16,009)	160,199
Profit/ (loss) from operations	17,256	(10,386)	315	943	-	8,128
Other operating expense						(278)
Finance costs						(9,171)
Share of loss of associates						(3,437)
Loss before tax						(4,758)
Tax expense						(181)
Loss for the period						(4,939)

Group

	4Q 2016 (RM'000)	4Q 2015 (RM'000)	Changes (%)
Revenue	220,034	160,199	37.4%
Loss before tax	(8,879)	(4,758)	-86.7%

Revenue of the Group for the fourth quarter ended 30 June 2016 increased by 37.4% to RM220.0million as compared to RM160.2 million in the previous corresponding quarter.

The increase was mainly due to the slightly higher revenue generated from the shipbuilding operations segments in the current quarter.

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

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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

	4Q 2016 (RM'000)	4Q 2015 (RM'000)	Changes (%)
Revenue	126,589	139,042	-9.0%
Profit before tax	9,927	8,368	18.6%

For the current quarter, the shipping segment’s revenue of RM126.6 million decreased by 9.0% as compared to RM 139.0 million revenue recorded in the corresponding quarter. This was mainly due to the lower volume carried from UAE shipment operations in the current quarter.

The Shipping segment was generating a profit before tax of RM9.9 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

	4Q 2016 (RM'000)	4Q 2015 (RM'000)	Changes (%)
Revenue	92,221	19,824	365.2%
Loss before tax	(20,693)	(14,035)	-47.4%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM92.2 million significantly increased by 365.2% as compared to RM19.8 million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to delivery of 5 vessels and ship repairs and metal fabrication segment during the current quarter under review.

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

	4Q 2016 (RM'000)	4Q 2015 (RM'000)	Changes (%)
Revenue	1,103	1,194	-7.6%
Profit before tax	1,005	297	238.4%

For the current quarter, the revenue from shipping agency segment decreased by 7.6% 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 FOURTH QUARTER ENDED 30 JUNE 2016

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

A8. Segmental reporting (Cont’)

Investment Holding

	4Q 2016 (RM’000)	4Q 2015 (RM’000)	Changes (%)
Revenue	121	139	-12.9%
Profit before tax	882	612	-44.1%

For the current quarter, the investment holding stood a profit from interest income generated from fixed deposit placement.

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 except that:

Danum Shipping Sdn Bhd (“**DSSB**”), a 100%-owned subsidiary of SYSCORP, had incorporated a 55% owned subsidiary company in Malaysia under the Companies Act, 1965 (“**Act**”), namely Sinar Asiamas Sdn Bhd (“**SAMSB**”). Sarawak Oil Palms Berhad (“**SOPB**”) owns the remaining 45% of shareholding in SAMSB.

The authorised and issued and paid-up share capital of SAMSB is RM 100,000.00 divided into 100,000 ordinary shares of RM 1.00 each (“**Shares**”) of which 100,000 ordinary shares of RM 1.00 each have been issued.

The principal activity of SAMSB is engaging in Commercial, Technical and Shipping Manager.

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 (income) / 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 Jun 2016 RM’000	30 Jun 2015 RM’000	30 Jun 2016 RM’000	30 Jun 2015 RM’000
Malaysian taxation				
Current year tax	(739)	(2,496)	2,667	4,564
Deferred tax	(6,321)	2,677	(5,508)	4,890
	<u>(7,060)</u>	<u>181</u>	<u>(2,841)</u>	<u>9,454</u>

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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 30 June 2016 are as follows:

	As at 30.06.2016 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries	239,957

The Group does not have any contingent assets.

A13. Material commitments

Material commitments of the Group as at 30 June 2016 are as follow:

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 30.06.2016 RM'000	Balance due from/(to) As at 30.06.2016 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	44,411	137,778
Purchase of goods and services	(8,685)	(44,141)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	1,811	4,496
Purchase of goods and services	(592)	(15,779)

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 FOURTH QUARTER ENDED 30 JUNE 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

	4Q 2016 (RM'000)	3Q 2016 (RM'000)	Changes (%)
Revenue	220,034	141,391	55.6%
(Loss)/ Profit before tax	(8,879)	1,175	-855.7%

As compared to the immediate preceding quarter, the Group's current quarter's revenue increased by 55.6% to RM220.0 million from RM141.4 million recorded in the immediate preceding quarter.

The Group's incurred a loss before tax in the current quarter under review 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 continue 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 FOURTH QUARTER ENDED 30 JUNE 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	230,462	134,129	364,591
Long-term borrowings	149,186	-	149,186
	<u>379,648</u>	<u>134,129</u>	<u>513,777</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	3,980	-	3,980
Long-term borrowings	-	-	-
	<u>3,980</u>	<u>-</u>	<u>3,980</u>

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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 August 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. (Loss)/ Earnings per share

(a) Basic

The basic loss/ earnings per share for the current interim quarter and current financial year-to-date are computed as follows:

	Current year quarter 30.06.2016	Current year to date 30.06.2016
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(1,743)	7,692
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic (loss)/ earnings per share (sen)	<u>(0.15)</u>	<u>0.64</u>

(Loss)/ 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 FOURTH QUARTER ENDED 30 JUNE 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 30 Jun 2016 RM'000	Preceding year corresponding quarter 30 Jun 2015 RM'000	Current year to date 30 Jun 2016 RM'000	Preceding year corresponding period 30 Jun 2015 RM'000
Interest income	(419)	(529)	(1,089)	(1,645)
Sundry income	(90)	(1,302)	(2,257)	(4,397)
Interest expenses	7,452	9,171	31,760	40,328
Depreciation	34,653	31,853	106,333	106,622
Loss on disposal of property, Plant and equipment	10,972	6,840	16,858	10,384
Realised foreign exchange (gain)/loss	7,668	(4,146)	13,928	(1,709)
Unrealised foreign exchange gain	(14,311)	(4,807)	(15,109)	(2,083)

B14. Breakdown of realised and unrealised profit or loss

The breakdown of the retained profits of the Group as at 30 June 2016, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 30.06.2016 (RM'000)	Accumulated quarter ended 30.06.2015 (RM'000)
Total retained profits of the Company and its subsidiaries		
- Realised	741,809	674,353
- Unrealised	(58,980)	(2,353)
	682,829	672,000
Less: Consolidation adjustments	(460,451)	(457,314)
Total Group's retained profits	222,378	214,686

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.

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 fourth quarter ended 30 June 2016 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 August 2016.

By order of the Board

Richard Ling Peng Liing
Company Secretary
30 August 2016