

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

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 31.03.2017 RM'000	Preceding year corresponding quarter 31.03.2016 RM'000	Current year to date 31.03.2017 RM'000	Preceding year corresponding period 31.03.2016 RM'000
Revenue		142,899	141,391	435,861	503,651
Cost of sales		(146,436)	(111,411)	(406,354)	(426,006)
Gross (loss) / profit		(3,537)	29,980	29,507	77,645
Other income		2,511	4,549	17,384	17,763
Administrative expenses		(9,159)	(17,819)	(30,955)	(46,610)
Operating (loss) / profits		(10,185)	16,710	15,936	48,798
Other operating income/ (expense)		4,119	(8,069)	(6,681)	(8,076)
Finance Costs		(5,897)	(7,626)	(18,842)	(24,309)
Shares of profit / (loss) of associates		2,131	160	2,935	(3,539)
(Loss)/ Profit before tax		(9,832)	1,175	(6,652)	12,874
Tax income/ (expense)	A11	38	(131)	(1,185)	(4,219)
(Loss)/ Profit net of tax		(9,794)	1,044	(7,837)	8,655
Other comprehensive income:					
Foreign exchange translation	A16	(760)	(164)	4,631	12,540
Total comprehensive income for the period		(10,554)	880	(3,206)	21,195
(Loss)/ Profit attributable to:					
Equity holders of the parent		(7,140)	462	(5,285)	9,435
Non controlling interests		(2,654)	582	(2,552)	(780)
		(9,794)	1,044	(7,837)	8,655
Total comprehensive (loss) / income attributable to:					
Equity holders of the parent		(7,589)	334	(1,152)	20,360
Non controlling interests		(2,965)	546	(2,054)	835
		(10,554)	880	(3,206)	21,195
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	(0.60)	0.04	(0.44)	0.79
Diluted (sen)	B12	(0.60)	0.04	(0.44)	0.79

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 2016 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 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 31.03.2017 RM'000	Audited AS AT 30.06.2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,278,652	1,383,652
Investment in associates		7,278	1,837
Other investments		44	44
Intangible asset		2,015	2,070
		1,287,989	1,387,603
Current assets			
Inventories		51,166	44,968
Trade and other receivables		370,896	466,330
Other current assets		20,338	22,711
Tax recoverable		2,726	1,063
Cash and cash equivalents		102,988	30,447
		548,114	565,519
TOTAL ASSETS		1,836,103	1,953,122
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		203,465	222,864
Other reserve		(289,812)	(289,347)
		1,130,625	1,150,489
Non Controlling interests		(2,640)	20,321
Total equity		1,127,985	1,170,810
Non-current liabilities			
Borrowings	B9	112,268	134,770
Deferred tax liabilities		58,396	58,006
Deferred income		6,561	7,089
		177,225	199,865
Current liabilities			
Borrowings	B9	332,440	374,096
Trade and other payables		198,136	204,931
Other current liabilities		-	3,127
Tax payable		317	293
		530,893	582,447
Total liabilities		708,118	782,312
TOTAL EQUITY AND LIABILITIES		1,836,103	1,953,122
Net assets per shares (RM)		0.94	0.96

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 2016 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 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
	Equity attributable to owners of the parents,		Non distributable		Distributable		
	Equity, total	Equity, total	Share capital	Share premium	Other reserve	Retained earnings	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2015	1,160,167	1,138,305	1,200,000	16,972	(293,353)	214,686	21,862
Total comprehensive Income	11,442	12,184	-	-	4,006	8,178	(742)
Transactions with Owners:							
Dividend paid to non-controlling interests	(799)	-	-	-	-	-	(799)
At 30 June 2016	<u>1,170,810</u>	<u>1,150,489</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(289,347)</u>	<u>222,864</u>	<u>20,321</u>
At 1 July 2016	1,170,810	1,150,489	1,200,000	16,972	(289,347)	222,864	20,321
Total comprehensive Income	(7,804)	(5,750)	-	-	(465)	(5,285)	(2,054)
Owners:							
Acquisition of a subsidiary	289	-	-	-	-	-	289
Payment of capital	(8,870)	-	-	-	-	-	(8,870)
Partial disposal of a subsidiary	(24,809)	(14,114)	-	-	-	(14,114)	(10,695)
Dividend paid to non-controlling interests	(1,631)	-	-	-	-	-	(1,631)
At 31 March 2017	<u>1,127,985</u>	<u>1,130,625</u>	<u>1,200,000</u>	<u>16,972</u>	<u>(289,812)</u>	<u>203,465</u>	<u>(2,640)</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 2016 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 2017
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 31.03.2017 RM'000	Preceding year 31.03.2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(6,652)	12,874
Adjustment for:		
Depreciation	73,319	71,680
Dividend income	-	(1)
Loss on disposal of fixed assets	6,696	5,883
Gain on disposal of investment	(1,884)	-
(Gain)/ Loss on foreign exchange	(3,556)	7,291
Interest expenses	18,842	24,309
Interest income	(298)	(670)
Inventory written off	-	2
Fixed asset written off	934	-
(Gain)/ Loss retained in associates	(2,935)	3,539
Operating profit before changes in working capital	84,466	124,907
Working Capital Changes		
Increase in inventories	(6,149)	(14,452)
Decrease / (Increase) in receivables	38,336	(2,395)
Decrease in other current assets	4,772	20,239
Decrease in payables	(1,703)	(2,955)
(Decrease)/ Increase in other current liabilities	(3,127)	588
Net changes in amounts due from/to related companies	58,294	(15,200)
Total changes in working capital	90,423	(14,175)
Cash generated from operations	174,889	110,732
Interest received	298	670
Interest paid	(18,842)	(24,309)
Income tax refunded	750	40
Income tax paid	(1,975)	(1,924)
Total interest and tax paid	(19,769)	(25,523)
Net cash generated from operating activities	155,120	85,209
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	-	1
Capital expenditure	(33,791)	(45,197)
Proceeds from disposal of property, plant and equipment	39,367	28,906
Purchase of interests in associated company	(2,569)	-
Payment of Capital	(19,710)	-
Net cash used in investing activities	(16,703)	(16,290)
NET CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	(1,631)	-
Net movement in trade financing	(1,729)	(8,511)
Proceeds from hire purchase	4,090	1,635
Repayment of hire purchase	(10,098)	(16,358)
Proceeds from term loan	29,180	-
Repayment of term loans	(68,007)	(90,569)
Net cash flow used in financing activities	(48,195)	(113,803)
Net increase /(decrease) in cash and cash equivalents	90,222	(44,884)
Cash and cash equivalents at beginning of period	(11,745)	25,603
Effects of exchange rate changes	716	276
Cash and cash equivalents at end of period	79,193	(19,005)
Cash and cash equivalents comprise the following:		
Cash and bank balances	85,988	17,643
Deposit with licensed banks	17,000	19,478
Bank overdrafts	(23,795)	(53,126)
Cash at bank restricted in use	-	(3,000)
Cash and bank balances	79,193	(19,005)

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 2016 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 2016.

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 2016.

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 THIRD QUARTER ENDED 31 MARCH 2017

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 2017						
Segment Revenue						
External revenue	378,090	53,948	3,428	395	-	435,861
Inter-segment revenue	4,619	16,011	1,714	1,506	(23,850)	-
Total	382,709	69,959	5,142	1,901	(23,850)	435,861
Profit/ (loss) from operations	33,090	(18,916)	2,749	(987)	-	15,936
Other operating expense						(6,681)
Finance costs						(18,842)
Share of profit of associates						2,935
Loss before tax						(6,652)
Tax expense						(1,185)
Loss for the period						(7,837)
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

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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 2017						
Segment Revenue						
External revenue	123,526	18,244	997	132	-	142,899
Inter-segment revenue	1,331	6,768	578	502	(9,179)	-
Total	124,857	25,012	1,575	634	(9,179)	142,899
Profit/ (loss) from operations	2,318	(12,014)	355	(844)	-	(10,185)
Other operating income						4,119
Finance costs						(5,897)
Share of profit of associates						2,131
Loss before tax						(9,832)
Tax income						38
Loss for the period						(9,794)
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

Group

	3Q 2017 (RM’000)	3Q 2016 (RM’000)	Changes (%)
Revenue	142,899	141,391	1.1%
(Loss) / Profit before tax	(9,832)	1,175	-936.8%

Revenue of the Group for the third quarter ended 31 March 2017 slightly increased by 1.1% to RM142.8 million as compared to RM141.3 million in the previous corresponding quarter.

The increase was mainly due to the higher revenue generated from the ship repair and metal fabrication segments in the current quarter.

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

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

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 2017 (RM'000)	3Q 2016 (RM'000)	Changes (%)
Revenue	123,526	133,768	-7.7%
Profit before tax	6,122	7,783	-21.3%

For the current quarter, the shipping segment’s revenue of RM123.5million decreased by 7.7% as compared to RM 133.7 million revenue recorded in the corresponding quarter. This was mainly due to the lower volume carried from bulk shipment operations in the current quarter.

The decrease in profit before tax in shipping segment due to the decrease in margin in liquid and dry bulk shipping segments in current quarter.

Shipbuilding and Ship repair

	3Q 2017 (RM'000)	3Q 2016 (RM'000)	Changes (%)
Revenue	18,244	6,389	185.6%
Loss before tax	(14,997)	(6,080)	-146.7%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM18.2million increased by 185.6% as compared to RM6.3million revenue recorded in the corresponding quarter. The increase in revenue was mainly due to more repair and metal fabrication works in the following quarters.

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

Shipping agency

	3Q 2017 (RM'000)	3Q 2016 (RM'000)	Changes (%)
Revenue	997	1,114	-10.5%
Profit before tax	356	475	-25.1%

For the current quarter, the revenue from shipping agency segment decreased by 10.5% compared to the preceding year’s corresponding quarter. The decrease in profit before tax was mainly due to the lower in profit margin in current quarter.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

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

A8. Segmental reporting (Cont’)

Investment Holding

	3Q 2017 (RM’000)	3Q 2016 (RM’000)	Changes (%)
Revenue	132	120	10.0%
Loss before tax	(1,313)	(1,003)	-30.9%

The revenue from Investment holding segment was derived from the interest income from the financial institutions.

A9. Valuation of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment brought forward from previous annual financial statements.

A10. 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 wholly owned subsidiary of SYSCorp, had on 3rd May 2017 approved and agreed to dispose its entire 55% equity interest in Micaline Sdn Bhd (“MLSB”) to Encik Ita @ Penita Bin Hazmi (“Purchaser”), comprising of One Million Two Hundred Four Thousand Five Hundred (1,204,500) ordinary shares of RM1.00 each (“Shares”) for a total consideration of Ringgit Malaysia One Million Two Hundred Four Thousand Five Hundred only (RM 1,204,500.00) (“Consideration”) (“Disposal”). Upon completion of the Disposal, Micaline Sdn Bhd shall cease to be a subsidiary of the Company.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for current interim quarter under review except that:

Shin Yang FZC (“**SYFZC**”), a 90%-owned indirect subsidiary of SYSCORP, had on current quarter partial disposal of 15% owned interest in Shin Yang Shipbuilding & Engineering RMC FZC (“**SYSBE**”) to Solaris Petra Sdn Bhd.

As a result of the partial disposal, SYSBE will cease to be indirect subsidiaries, but it will become indirect associate companies of SYSCorp.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

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

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 31 Mar 2017 RM'000	Preceding year corresponding quarter 31 Mar 2016 RM'000	Current year to date 31 Mar 2017 RM'000	Preceding year corresponding period 31 Mar 2016 RM'000
Malaysian taxation				
Current year tax	131	(207)	795	3,406
Deferred tax	(169)	338	390	813
	<u>(38)</u>	<u>131</u>	<u>1,185</u>	<u>4,219</u>

A12. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 31 March 2017 are as follows:

	As at 31.03.2017 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>196,428</u>

The Group does not have any contingent assets.

A13. Material commitments

Material commitments of the Group as at 31 March 2017 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 31.03.2017 RM'000	Balance due from/(to) As at 31.03.2017 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	34,709	105,626
Purchase of goods and services	(8,646)	(23,769)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	806	10,955
Purchase of goods and services	(578)	(3,344)

The related party transactions reflect transactions of all the subsidiaries with the respective group of companies.

A15. 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 2017

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 2017 (RM'000)	2Q 2017 (RM'000)	Changes (%)
Revenue	142,899	161,690	-11.6%
(Loss)/ Profit before tax	(9,832)	1,944	-605.8%

As compared to the immediate preceding quarter, the Group's current quarter's revenue decreased by 11.6% to RM142.8 million from RM161.6 million recorded in the immediate preceding quarter.

The Group's incurred a loss before tax mainly due to the decrease in margin in liquid and dry bulk 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 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, 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 THIRD QUARTER ENDED 31 MARCH 2017

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	262,300	70,140	332,440
Long-term borrowings	112,268	-	112,268
	<u>374,568</u>	<u>70,140</u>	<u>444,708</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	4,594	-	4,594
Long-term borrowings	-	-	-
	<u>4,594</u>	<u>-</u>	<u>4,594</u>

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

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 31 May 2017.

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 31.03.2017	Current year to date 31.03.2017
Loss attributable to equity holders of the Company (RM'000)	(7,140)	(5,285)
Weighted average number of ordinary shares in issue ('000)	1,200,000	1,200,000
Basic earnings per share (sen)	<u>(0.60)</u>	<u>(0.44)</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 2017

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 2017 RM'000	Preceding year corresponding quarter 31 Mar 2016 RM'000	Current year to date 31 Mar 2017 RM'000	Preceding year corresponding period 31 Mar 2016 RM'000
Interest income	(109)	(34)	(298)	(670)
Sundry income	(1,269)	(1,064)	(6,574)	(3,167)
Interest expenses	5,897	7,626	18,842	24,309
Depreciation	23,831	20,584	73,319	71,680
(gain)/Loss on disposal of property, Plant and equipment	(188)	6,280	6,696	5,883
Realised foreign exchange loss/ (gain)	637	(2,218)	1,536	(6,260)
Unrealised foreign exchange (gain)/loss	(2,011)	1,301	(5,283)	(798)

B14. Breakdown of realised and unrealised profit or loss

The breakdown of the retained profits of the Group as at 31 March 2017, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows:

	Accumulated quarter ended 31.03.2017 (RM'000)	Accumulated quarter ended 31.03.2016 (RM'000)
Total retained profits of the Company and its subsidiaries		
- Realized	696,104	709,433
- Unrealized	(31,823)	(29,921)
	664,281	679,512
Less: Consolidation adjustments	(460,816)	(455,391)
Total Group's retained profits	203,465	224,121

B15. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2016 was not qualified.

INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

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 2017 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 31 May 2017.

By order of the Board

Richard Ling Peng Liing
Company Secretary
31 May 2017