

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

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
(The figures have not been audited)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current year quarter 30.09.2018 RM'000	Preceding year corresponding quarter 30.09.2017 RM'000	Current year to date 30.09.2018 RM'000	Preceding year corresponding period 30.09.2017 RM'000
Revenue		159,687	131,033	159,687	131,033
Cost of sales		(147,160)	(120,926)	(147,160)	(120,926)
Gross profit		12,527	10,107	12,527	10,107
Other income		2,255	8,543	2,255	8,543
Administrative expenses		(7,987)	(7,894)	(7,987)	(7,894)
Operating profits		6,795	10,756	6,795	10,756
Other operating expense		-	(61)	-	(61)
Finance Costs		(4,910)	(5,200)	(4,910)	(5,200)
Shares of profit of associates		359	992	359	992
Profit before tax		2,244	6,487	2,244	6,487
Tax expense	A12	(142)	(714)	(142)	(714)
Profit net of tax		2,102	5,773	2,102	5,773
Other comprehensive income:					
Foreign exchange translation	A16	1,618	309	1,618	309
Total comprehensive income for the period		3,720	6,082	3,720	6,082
Profit / (Loss) attributable to:					
Equity holders of the parent		2,242	5,848	2,242	5,848
Non controlling interests		(140)	(75)	(140)	(75)
		2,102	5,773	2,102	5,773
Total comprehensive income / (loss) attributable to:					
Equity holders of the parent		3,697	6,129	3,697	6,129
Non controlling interests		23	(47)	23	(47)
		3,720	6,082	3,720	6,082
Earnings per share attributable to the equity holders of the parent:					
Basic (sen)	B12	0.19	0.49	0.19	0.49
Diluted (sen)	B12	0.19	0.49	0.19	0.49

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 2018 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 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited AS AT 30.09.2018 RM'000	Audited AS AT 30.06.2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,215,659	1,200,140
Investment in associates		3,904	3,715
Other investments		141	141
Intangible asset		2,070	2,064
		1,221,774	1,206,060
Current assets			
Inventories		56,861	44,739
Trade and other receivables		403,322	349,138
Other current assets		22,884	29,819
Tax recoverable		3,663	3,556
Cash and cash equivalents		67,312	77,044
		554,042	504,296
TOTAL ASSETS		1,775,816	1,710,356
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		1,216,972	1,216,972
Treasury share		(6,852)	(4,678)
Retained Earnings		254,101	251,859
Other reserve		(288,246)	(289,701)
		1,175,975	1,174,452
Non Controlling interests		10,339	10,316
Total equity		1,186,314	1,184,768
Non-current liabilities			
Borrowings	B9	96,043	62,428
Deferred tax liabilities		51,816	52,107
		147,859	114,535
Current liabilities			
Borrowings	B9	300,164	290,630
Trade and other payables		129,914	119,874
Other current liabilities		10,720	-
Tax payable		845	549
		441,643	411,053
Total liabilities		589,502	525,588
TOTAL EQUITY AND LIABILITIES		1,775,816	1,710,356
Net assets per shares (RM)		1.00	0.98

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 2018 and the accompanying explanatory notes attached to this report.*

SHIN YANG SHIPPING CORPORATION BERHAD – 666062-A
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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent						
	Equity, total RM'000	Non distributable	Distributable				Non- Controlling interests RM'000
Equity attributable to owners of the parents, total RM'000		Share capital RM'000	Treasury Shares RM'000	Other reserves RM'000	Retained earnings RM'000		
At 1 July 2017	1,159,879	1,156,235	1,216,972	-	(288,939)	228,202	3,644
Profit net of tax	30,514	23,657	-	-	-	23,657	6,857
Other comprehensive income	(827)	(762)	-	-	(762)	-	(65)
Total comprehensive income	29,687	22,895	-	-	(762)	23,657	6,792
Transactions with Owners:							
Purchase of treasury shares	(4,678)	(4,678)	-	(4,678)	-	-	-
Dividend paid to non-controlling interests	(120)	-	-	-	-	-	(120)
At 30 June 2018	1,184,768	1,174,452	1,216,972	(4,678)	(289,701)	251,859	10,316
At 1 July 2018	1,184,768	1,174,452	1,216,972	(4,678)	(289,701)	251,859	10,316
Profit net of tax	2,102	2,242	-	-	-	2,242	(140)
Other comprehensive income	1,618	1,455	-	-	1,455	-	163
Total comprehensive income	3,720	3,697	-	-	1,455	2,242	23
Transactions with Owners:							
Purchase of treasury shares	(2,174)	(2,174)	-	(2,174)	-	-	-
At 30 September 2018	1,186,314	1,175,975	1,216,972	(6,852)	(288,246)	254,101	10,339

(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 2018 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 2018
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current year to date 30.09.2018 RM'000	Preceding year 30.09.2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,244	6,487
Adjustment for:		
Depreciation	23,528	20,554
Bad debts written off	10	-
Loss/ (Gain) on disposal of fixed assets	1,162	(5,722)
(Gain)/ Loss on foreign exchange	(253)	233
Interest expenses	4,910	5,200
Interest income	(431)	(435)
Property, plant and equipment written off	-	672
Share of results of associates	(359)	(992)
Operating profit before changes in working capital	30,811	25,997
Working Capital Changes		
(Increase)/ Decrease in inventories	(12,121)	3,098
(Increase)/ Decrease in receivables	(36,415)	17,541
Decrease in other current assets	6,936	2,662
Increase in payables	1,901	2,595
Increase in other current liabilities	10,719	3,542
Net changes in amounts due from/to related companies	(7,936)	(16,293)
Total changes in working capital	(36,916)	13,145
Cash (used in)/ generated from operations	(6,105)	39,142
Interest received	431	435
Interest paid	(4,910)	(5,200)
Income tax refunded	(192)	554
Income tax paid	-	(255)
Total interest and tax paid	(4,671)	(4,466)
Net cash (used in)/ generated from operating activities	(10,776)	34,676
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(46,854)	(3,719)
Proceeds from disposal of property, plant and equipment	6,932	17,703
Net cash (used in)/ generated from investing activities	(39,922)	13,984
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net movement in trade financing	13,854	(1,970)
Repayment of hire purchase	(1,760)	(2,611)
Proceeds from term loan	52,000	-
Repayment of term loans	(10,841)	(17,793)
Purchase of treasury share	(2,174)	-
Net cash flow generated from /(used in) financing activities	51,079	(22,374)
Net increase in cash and cash equivalents	381	26,286
Cash and cash equivalents at beginning of period	53,745	52,038
Effects of exchange rate changes	(3)	(93)
Cash and cash equivalents at end of period	54,123	78,231
Cash and cash equivalents comprise the following:		
Cash and bank balances	21,912	46,353
Deposit with licensed banks	45,400	62,500
Bank overdrafts	(13,189)	(30,622)
Cash and bank balances	54,123	78,231

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 2018 and the accompanying explanatory notes attached to this report.*

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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 2018.

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 2018.

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

Repurchase of shares as Treasury Shares

On 5 December 2017, shareholders of the Company had approved and renewed their approval authority for the Company’s plan to repurchase its own ordinary shares. The Company has purchased a total of 5,916,000 its own ordinary shares at average price of RM 0.3675 per share during the current quarter. As at 30 September 2018, the Company had purchased and hold a cumulative total 23,410,600 of its issued ordinary shares repurchased from open market at an overall average price at RM0.2927 per share. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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 2018						
Segment Revenue						
External revenue	135,381	22,598	1,624	84	-	159,687
Inter-segment revenue	2,581	6,344	660	849	(10,434)	-
Total	137,962	28,942	2,284	933	(10,434)	159,687
Profit/ (loss) from operations	9,662	(4,264)	1,880	(483)	-	6,795
Other operating expense						-
Finance costs						(4,910)
Share of profit of associates						359
Profit before tax						2,244
Tax expense						(142)
Profit for the period						2,102
For 3 months ended 30 September 2017						
Segment Revenue						
External revenue	115,595	14,140	1,141	157	-	131,033
Inter-segment revenue	1,310	10,508	596	838	(13,252)	-
Total	116,905	24,648	1,737	995	(13,252)	131,033
Profit/ (loss) from operations	15,231	(5,076)	732	(131)	-	10,756
Other operating expense						(61)
Finance costs						(5,200)
Share of profit of associates						992
Profit before tax						6,487
Tax expense						(714)
Profit for the period						5,773

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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

A8. Segmental reporting (Cont’)

Group

	1Q 2019 (RM'000)	1Q 2018 (RM'000)	Changes (%)
Revenue	159,687	131,033	21.9%
Profit before tax	2,244	6,487	-65.4%

Revenue of the Group for the first quarter ended 30 September 2018 increased by 21.9% to RM159.7 million as compared to RM131.0 million in the previous corresponding quarter.

The increase was mainly due to the higher revenue generated from the domestic shipping segments in the current quarter.

The decrease in profit before tax due to the decrease in margin in shipping segments on barges & tugboats for preparation costs and docking costs incurred.

Performance and prospects of each operating segment are discussed below:

Shipping

	1Q 2019 (RM'000)	1Q 2018 (RM'000)	Changes (%)
Revenue	135,381	115,595	17.1%
Profit before tax	8,783	14,107	-37.7%

For the current quarter, the shipping segment’s revenue of RM135.4 million increased by 17.1% as compared to RM 115.6 million revenue recorded in the corresponding quarter. This was mainly due to the higher volume carried from domestic shipping operations in the current quarter.

The decrease in profit before tax in shipping segment due to the decrease in margin in barges & tugs shipping segments in current quarter.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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

A8. Segmental reporting (Cont’)

Shipbuilding and Ship repair

	1Q 2019 (RM'000)	1Q 2018 (RM'000)	Changes (%)
Revenue	22,598	14,140	59.8%
Loss before tax	(7,679)	(8,064)	4.8%

For the current quarter, revenue generated from shipbuilding and ship repair segments of RM22.6million increased by 59.8% as compared to RM14.1million 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 has been reduced in Shipbuilding and ship repair segment were mainly due to vessels repair under work in progress.

Shipping agency

	1Q 2019 (RM'000)	1Q 2018 (RM'000)	Changes (%)
Revenue	1,624	1,141	42.3%
Profit before tax	1,875	978	91.7%

For the current quarter, the revenue from shipping agency segment increased by 42.3% compared to the preceding year's corresponding quarter. The increase in profit before tax was mainly due to the higher in profit margin in current quarter.

Investment Holding

	1Q 2019 (RM'000)	1Q 2018 (RM'000)	Changes (%)
Revenue	84	157	-46.5%
Loss before tax	(735)	(534)	-37.6%

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 2018

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

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.

A11. Changes in the composition of the Group

Danum Shipping, a 100%-owned subsidiary of SYSCORP, had on 16th July 2018, acquired additional 45,000 ordinary shares, representing 45.0% of the paid-up share capital of Sinar Asiamas Sdn Bhd (“Sinar”) from Sarawak Oil Palm Berhad, for a total cash consideration of RM1.00

Upon completion of the Acquisition, Sinar become a wholly-owned subsidiary of SYSCORP

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

A12. 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 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current year tax	433	358	433	358
Deferred tax	(291)	356	(291)	356
	<u>142</u>	<u>714</u>	<u>142</u>	<u>714</u>

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group as at 30 September 2018 are as follows:

	As at 30.09.2018 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to our subsidiaries and associates	<u>242,324</u>

The Group does not have any contingent assets.

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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

A14. Material commitments

Material commitments of the Group as at 30 September 2018 are as follow: **As at 30.09.2018**

<u>Capital Expenditure</u>	RM'000
Approved and contracted for:-	
- 300 units 40 footer Dry Cargo Containers	3,506
- 10 units 40 footer Reefer Containers	248
Total	3,754

A15. 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 30.09.2018 RM'000	Balance due from/(to) As at 30.09.2018 RM'000
(a) Transactions with related companies of Shin Yang Holding Sendirian Berhad		
Sales of goods and services	32,828	89,423
Purchase of goods and services	(10,760)	(10,408)
(b) Transactions with companies in which certain Directors of the Company have substantial interests		
Sales of goods and services	2,033	6,757
Purchase of goods and services	(795)	(14,009)

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

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 2018

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 2019 (RM'000)	4Q 2018 (RM'000)	Changes (%)
Revenue	159,687	174,415	-8.4%
Profit before tax	2,244	4,995	-55.1%

As compared to the immediate preceding quarter, the Group's current quarter's revenue decreased by 8.4% to RM159.7 million from RM174.4 million recorded in the immediate preceding quarter.

The Group's profit before tax decreased as compared to the immediate preceding quarter was mainly due to the decrease in margin in domestic shipping operations segment 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 stable 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 operations, which will remain as the engine of growth of the sector. 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 2018

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	94,993	205,171	300,164
Long-term borrowings	96,043	-	96,043
	<u>191,036</u>	<u>205,171</u>	<u>396,207</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	3,600	-	3,600
Long-term borrowings	-	-	-
	<u>3,600</u>	<u>-</u>	<u>3,600</u>

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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 26 November 2018.

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 30.09.2018	Current year to date 30.09.2018
Profit attributable to equity holders of the Company (RM'000)	2,242	2,242
Weighted average number of ordinary shares in issue ('000)	1,177,725	1,177,725
Basic earnings per share (sen)	<u>0.19</u>	<u>0.19</u>

Earnings per share is computed based on the weighted average number of ordinary shares in issue (net of treasury shares).

(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 2018

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 2018 RM'000	30 Sep 2017 RM'000	30 Sep 2018 RM'000	30 Sep 2017 RM'000
Interest income	(431)	(435)	(431)	(435)
Sundry income	(367)	(879)	(367)	(879)
Interest expenses	4,910	5,200	4,910	5,200
Depreciation	23,528	20,554	23,528	20,554
Loss/ (Gain) on disposal of property, Plant and equipment	1,162	(5,722)	1,162	(5,722)
Realised foreign exchange loss	245	27	245	27
Unrealised foreign exchange (gain)/ loss	(253)	233	(253)	233

B14. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 June 2018 was not qualified.

INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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 2018 was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 November 2018.

By order of the Board

Richard Ling Peng Liing
Company Secretary
28th November 2018

