

# Boustead Heavy Industries Corporation Berhad (11106-V)

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 31 December 2011	Current Period		Cumulative Period	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Continuing operations</b>				
<b>Revenue</b>	<b>156,667</b>	229,205	<b>544,133</b>	649,797
Operating cost	<b>(160,571)</b>	(217,080)	<b>(528,564)</b>	(570,912)
Profit / (Loss) from operations	<b>(3,904)</b>	12,125	<b>15,569</b>	78,885
Interest income	<b>598</b>	414	<b>1,930</b>	605
Finance cost	<b>(4,174)</b>	(3,646)	<b>(16,290)</b>	(6,081)
Share of results of Associates	<b>(6,909)</b>	11,084	<b>491</b>	21,645
<b>Profit / (Loss) before taxation</b>	<b>(14,389)</b>	19,977	<b>1,700</b>	95,054
Taxation	<b>11,873</b>	(2,324)	<b>16,758</b>	(15,399)
<b>Profit / (Loss) for the period</b>	<b>(2,516)</b>	17,653	<b>18,458</b>	79,655
Attributable to:				
Shareholders of the Company	<b>3,747</b>	11,434	<b>12,782</b>	69,806
Non-controlling interests	<b>(6,263)</b>	6,219	<b>5,676</b>	9,849
<b>Net profit / (loss) for the period</b>	<b>(2,516)</b>	17,653	<b>18,458</b>	79,655
<b>Earnings per share - sen</b>				
Basic	<b>1.51</b>	4.60	<b>5.14</b>	28.10

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2010.

## Boustead Heavy Industries Corporation Berhad (11106-V)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 December 2011	Current Period		Cumulative Period	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
<b>Profit / (loss) for the period</b>	<b>(2,516)</b>	17,653	<b>18,458</b>	79,655
Foreign currency translation	<b>194</b>	97	<b>201</b>	286
<b>Total comprehensive income / (loss) for the period</b>	<b>(2,322)</b>	17,750	<b>18,659</b>	79,941
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	<b>3,863</b>	11,494	<b>12,903</b>	69,980
Non-controlling interests	<b>(6,185)</b>	6,256	<b>5,756</b>	9,961
<b>Net profit for the period</b>	<b>(2,322)</b>	17,750	<b>18,659</b>	79,941

The Unaudited Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2010.

# Boustead Heavy Industries Corporation Berhad (11106-V)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December	Audited 31 December
	2011 RM'000	2010 RM'000
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	228,119	93,553
Goodwill	3,849	3,849
Deferred tax assets	15,703	5,200
Associates	196,780	196,289
	<u>444,451</u>	<u>298,891</u>
<b>Current assets</b>		
Inventories	41,150	33,888
Receivables	370,517	581,125
Tax recoverable	11,448	2,335
Cash and bank balances	290,883	100,996
	<u>713,998</u>	<u>718,344</u>
<b>TOTAL ASSETS</b>	<u>1,158,449</u>	<u>1,017,235</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	248,458	248,458
Reserves	178,599	181,846
<b>Shareholders' equity</b>	<u>427,057</u>	430,304
Non-controlling interests	48,460	43,283
<b>Total equity</b>	<u>475,517</u>	<u>473,587</u>
<b>Non current liabilities</b>		
Long term borrowings	48,071	33,449
Deferred tax liabilities	1,409	3,963
	<u>49,480</u>	<u>37,412</u>
<b>Current liabilities</b>		
Borrowings	329,670	170,342
Trade and other payables	301,359	323,347
Tax payable	2,423	12,547
	<u>633,452</u>	<u>506,236</u>
<b>Total liabilities</b>	<u>682,932</u>	<u>543,648</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,158,449</u>	<u>1,017,235</u>
<b>Net assets per share attributable to ordinary equity holders of the Company - RM</b>	<u>1.72</u>	<u>1.73</u>

The Unaudited Condensed Consolidated Statements Of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2010.

**Boustead Heavy Industries Corporation Berhad (11106-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the year ended 31 December 2011	Attributable to equity holders of the Company					
	Share Capital	*Exchange Fluctuation Reserves	Distributable Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2011</b>	248,458	(7,930)	189,776	430,304	43,283	473,587
<b>Total comprehensive income for the year</b>	-	121	12,782	12,903	5,756	18,659
<b>Transactions with owners:</b>						
Issue of shares by subsidiary to non-controlling interests	-	-	-	-	396	396
Dilution of interest in a subsidiary	-	-	-	-	6	6
Dividend on ordinary shares - interim for the current year	-	-	(16,150)	(16,150)	(981)	(17,131)
<b>Balance at 31 December 2011</b>	<b>248,458</b>	<b>(7,809)</b>	<b>186,408</b>	<b>427,057</b>	<b>48,460</b>	<b>475,517</b>
<b>At 1 January 2010</b>	248,458	(8,104)	134,877	375,231	10,390	385,621
<b>Total comprehensive income for the year</b>	-	174	69,806	69,980	9,961	79,941
<b>Transactions with owners:</b>						
Issue of shares by subsidiary to non-controlling interests	-	-	-	-	1,600	1,600
Acquisition of non-controlling interest	-	-	-	-	(262)	(262)
Acquisition of subsidiary	-	-	-	-	21,594	21,594
Dividend on ordinary shares - interim for the previous year	-	-	(14,907)	(14,907)	-	(14,907)
<b>Balance at 31 December 2010</b>	<b>248,458</b>	<b>(7,930)</b>	<b>189,776</b>	<b>430,304</b>	<b>43,283</b>	<b>473,587</b>

**NOTES**

\* Denotes non-distributable reserves.

The Unaudited Condensed Consolidated Statements of Changes of Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2010.

# Boustead Heavy Industries Corporation Berhad (11106-V)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

	2011	2010
	RM'000	RM'000
<b>Operating Activities</b>		
Receipts from customers	719,468	135,857
Cash paid to suppliers and employees	(508,827)	(195,397)
Cash generated from / (used in) operations	210,641	(59,540)
Tax paid less refund	(15,536)	(16,578)
Net cash generated from / (used in) operating activities	195,105	(76,118)
<b>Investing Activities</b>		
Capital expenditure	(145,083)	(9,573)
Acquisition of subsidiaries	-	(22,845)
Dividend from associate company	-	2,700
Others	2,326	(157)
Net cash used in investing activities	(142,757)	(29,875)
<b>Financing Activities</b>		
Net drawdown/(repayment) of borrowings	171,028	173,428
Dividends paid to shareholders of the Company	(16,150)	(14,907)
Dividends paid to non-controlling interests	(981)	-
Interest paid	(16,690)	(5,041)
Net cash generated from financing activities	137,207	153,480
Foreign exchange translation difference	251	(239)
Net increase/(decrease) in cash and cash equivalents	189,806	47,248
Cash and cash equivalent at beginning of period	99,819	52,571
<b>Cash and Cash Equivalent at End of Year</b>	<b>289,625</b>	<b>99,819</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Deposits, cash and bank balances	290,883	100,996
Overdrafts	(1,258)	(1,177)
<b>Cash and Cash Equivalent at End of Year</b>	<b>289,625</b>	<b>99,819</b>

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2010.

# **Boustead Heavy Industries Corporation Berhad (11106-V)**

## **Notes to the Interim Financial Report for the Quarter Ended 31 December 2011**

---

### **Part A Explanatory Notes Pursuant to FRS 134**

---

#### **A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2010.

#### **A2. Changes in Accounting Policies**

The accounting policies and method of computation adopted by the Group are consistent with those used in the preparation of the Y2010 Audited Financial Statements, except for the adoption of the following:

##### Effective for financial periods beginning on or after 1 March 2010:

- Amendments to FRS 132: Classification of Right Issues

##### Effective for financial periods beginning on or after 1 July 2010:

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (Revised)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 127: Consolidated and Separate Financial Statements
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

##### Effective for financial periods beginning on or after 1 January 2011:

- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1: Additional Exemptions for First-time Adopters
- Amendments to FRS 1: First-time Adoption of Financing Reporting Standards [Improvements to FRS (2010)]
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 3: Business Combinations [Improvements to FRS (2010)]
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Amendments to FRS 7: Financial Instruments: Disclosures [Improvement to FRS (2010)]
- Amendments to FRS 101: Presentation of Financial Statements [Improvements to FRS (2010)]
- Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates [Improvements to FRS (2010)]

## A2. Changes in Accounting Policies (cont'd)

### Effective for financial periods beginning on or after 1 January 2011 (cont'd):

- Amendments to FRS 128: Investments in Associates [Improvements to FRS (2010)]
- Amendments to FRS 131: Interests in Joint Ventures [Improvements to FRS (2010)]
- Amendments to FRS 132: Financial Instruments: Presentation [Improvements to FRS (2010)]
- Amendments to FRS 134: Interim Financial Reporting [Improvements to FRS (2010)]
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement [Improvements to FRS (2010)]
- IC Interpretation 4: Determining whether an Arrangement contains a Lease
- Amendments to IC Interpretation 13: Customer Loyalty Programme [Improvements to FRS (2010)]
- IC Interpretation 18: Transfer of Assets from Customers

The adoption the above standards, amendments and interpretations are not expected to have any significant impact on the financial statements of the Group.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

### Effective for financial periods beginning on or after 1 July 2011:

- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

### Effective for financial periods beginning on or after 1 January 2012:

- IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- Amendments to IC Interpretation 15: Agreement for the Construction of Real Estate
- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7: Transfers of Financial Assets
- Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets
- Amendments to FRS 101: Presentation of Items of Other Comprehensive Income
- FRS 9: Financial Instruments
- FRS 10: Consolidated Financial Statements
- FRS 11: Joint Arrangements
- FRS 12: Disclosure of interests in Other Entities
- FRS 13: Fair Value Measurement
- FRS 124: Related Party Disclosure
- FRS 119: Employee Benefits
- FRS 127: Separate Financial Statements
- FRS 128: Interest in Associates and Joint Ventures

### Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer.

## A2. Changes in Accounting Policies (cont'd)

### Malaysian Financial Reporting Standards (cont'd)

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

At the date of these financial statements, the Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

## A3. Comments about Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

## A4. Unusual Items Due to Their Nature, Size or Incidence

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size, or incidence for the current financial quarter ended 31 December 2011.

## A5. Change in Estimates

There was no material change in estimates of amounts reported in the prior interim periods of the previous financial year.

## A6. Dividends Paid

A single tier first interim dividend of 6.5% per share for the financial year ended 31 December 2011 amounting to RM16,149,745 (2010: 6.0% per share amounting to RM14,907,457) was paid on 24 March 2011.

## A7. Operating Segments

Segment information for the cumulative period is presented in respect to the Group's business segments as follows:

<b>2011</b>	<b>Heavy engineering RM'000</b>	<b>Manufacturing RM'000</b>	<b>Chartering RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
External revenue	473,249	69,921	963	544,133

**A7. Operating Segments (cont'd)**

<b>2011</b>	<b>Heavy engineering RM'000</b>	<b>Manufacturing RM'000</b>	<b>Chartering RM'000</b>	<b>Total RM'000</b>
<b>Results</b>				
Segmental results – external	18,466	3,243	(6,139)	15,570
Interest income	1,930	-	-	1,930
Finance cost	(16,227)	(63)	(1)	(16,291)
Share of results in Associates	491	-	-	491
Profit before taxation	4,660	3,180	(6,140)	1,700
Taxation				16,758
<b>Profit for the year</b>				<b><u>18,458</u></b>

In the previous financial year, the Group is principally engaged in the heavy engineering segment within Malaysia. The other segments are not significant to be disclosed under the requirement of FRS 8.

**A8. Debts and Equity Securities**

There were no issuances and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

**A9. Carrying Amount of Revalued Assets**

There has been no revaluation of property, plant and equipment during the current quarter.

**A10. Subsequent Material Events**

There were no material subsequent events that will affect the financial statements of the financial period under review.

**A11. Changes in Group Composition**

There were no changes in the composition of the Group during the period under review.

**A12. Changes in Contingent Liabilities**

The status of the contingent liabilities disclosed in the 2010 Annual Report remains unchanged. No other contingent liability has arisen since the financial year end.

**A13. Capital Commitments**

The Group has the following commitments as at 31 December 2011:

	<b>Approved but not contracted for RM'000</b>	<b>Approved and contracted for RM'000</b>	<b>Total RM'000</b>
Property, plant and equipment	23,722	2,038	<u>25,760</u>

**B14. Analysis of Performance**

Turnover for the financial year ended 2011 of RM544.1 million was 16% lower as compared with the RM649.8 million reported in the previous year. This was mainly attributed to lower revenue recognised for the Group's heavy engineering segment, specifically relating to maintenance, repair and overhaul (MRO) jobs which form the bulk of the subsidiaries' activities.

Cumulatively, the Group reported profit after tax of RM18.5 million against last year's net profit of RM79.7 million. The reduction in profit was mainly due to the heavy engineering segment's smaller contribution as compared with the previous year. This was largely attributed to the segment's smaller turnover, commercial shipbuilding losses, higher finance charges and lower share of profit from associates. On the other hand, the manufacturing segment contributed satisfactorily to the enlarged Group although this was offset by the losses produced by the chartering segment for its first year results.

**B15. Material Changes in Quarterly Results Compared with the Results of the Immediate Preceding Quarter**

The current quarter revenue of RM156.7 million was marginally higher as compared with the RM150.0 million achieved for the third quarter of 2011 owing to contributions by MRO jobs from the heavy engineering segment. With the share of losses from associates affecting this segment's results, the Group reported a loss before tax of RM14.4 million compared with loss of RM5.3 million in the third quarter.

**B16. Prospects for the Next Financial Year**

Under the heavy engineering segment, MRO activities, which include submarine maintenance, are expected to continue contributing significantly to Group's earnings in 2012. Management is also intensifying efforts to increase its order book in this segment, including in shipbuilding and oil & gas, and is encouraged by the Government's recent launch of the Malaysian Shipbuilding / Ship Repair Industry Strategic Plan 2020 which aims to increase local participation in the industry.

With the recently announced diversification into aerospace electronics manufacturing, the manufacturing segment is expected to perform reasonably well in 2012. However, the outlook for the chartering segment is dampened by the present oversupply of tonnage.

**B16. Prospects for the Next Financial Year (cont'd)**

On 16 December 2011, BHIC had announced that its associate company, Boustead Naval Shipyard Sdn Bhd had received the Letter of Award dated 16 December 2011 from the Ministry of Defence Malaysia for the Contract to design, construct, equip, install, commission, integrate, test and trials, and deliver six units of “Second Generation Patrol Vessels / Littoral Combat Ships (Frigate Class)” (“the Contract”). The Contract carries a ceiling of RM9.0 billion and is to be implemented over three Malaysia Plans, 10, 11 and 12. The delivery of the first ship is estimated to be in 2017 with follow on ships every 6 months thereafter. Presently, discussions are ongoing to finalise the contract details and mobilization works have commenced at the shipyard.

Taking into account of these internal and external developments, the Board of Directors is optimistic that the overall performance of the Group will be satisfactory in the next financial year.

**B17. Notes on variance in actual profit and shortfall in profit guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and shortfall in profit guarantee are not applicable.

**B18. Notes to the Consolidated Income Statements**

Save as disclosed below and included in the consolidated income statements, there were no other items applicable to be disclosed pursuant to item 16 of Appendix 9B of the Listing Requirements of Bursa Malaysia:

	<b>Current Period 2011 RM'000</b>	<b>Cumulative Period 2011 RM'000</b>
Other income	361	1,086
Depreciation of property, plant and equipment	2,559	9,470
Provision for the and write off of receivables	2,066	1,609
Provision for the and write off of inventories	774	774
Net loss / (gain) on foreign exchange	(193)	1,057

**B19. Taxation**

	<b>Current Period 2011 RM'000</b>	<b>Cumulative Period 2011 RM'000</b>
Malaysian taxation based on profit for the period:		
- Current	3,866	6,592
- Under / (Over) provision in prior year	(3,422)	(10,320)
- Deferred	(12,317)	(13,030)
	<u>(11,873)</u>	<u>(16,758)</u>

The Group's effective tax rate for the current period and financial year to-date are lower than the statutory rate of tax applicable mainly due to certain income not being subjected to income tax and overprovision in prior year.

**B20. Status of Corporate Proposal**

On 6 September 2011, the Company had announced that arrangements are in hand which will lead to the return to the Republic of Ghana of the ownership of Tema Shipyard and Drydock (now known as PSC Tema Shipyard Limited ("PSCT")).

The parties have agreed to negotiate an outline framework for a structured and well organised transfer to the Republic of Ghana of the entire 60% of the shares in PSCT held by Boustead Penang Shipyard Sdn Bhd, a subsidiary of the Company.

Save as disclosed above, there were no other corporate proposals announced or pending completion.

**B21. Group Borrowings and Debt Securities**

Total group borrowings as at 31 December 2011 are as follows:

	<b>31.12.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Long term borrowings:		
Unsecured		
- Term loans	17,489	24,966
Secured		
- Term loans	30,332	8,429
- Hire purchase and finance lease liabilities	250	54
	<u>48,071</u>	<u>33,449</u>
Short term borrowings		
Unsecured		
- Term loans	7,476	7,313
- Revolving credits	270,000	156,000
- Banker acceptances	-	516
- Overdraft	1,258	1,177
Secured		
- Term loans	9,153	2,217
- Revolving credits	41,683	3,066
- Hire purchase and finance lease liabilities	100	53
	<u>329,670</u>	<u>170,342</u>

Included above is a secured revolving credit of RM36.2 million (US Dollar: 11.4 million) and a secured term loan of RM30.8 million (US Dollar: 9.7 million) which are denominated in US Dollar. All other borrowings are denominated in Ringgit Malaysia.

**B22. Disclosure of Derivatives**

There were no outstanding derivatives as at 31 December 2011.

**B23. Gains/Losses Arising From Fair Value Changes of Financial Liabilities**

There were no gains/losses arising from fair value changes of the financial liabilities for the current quarter and financial year ended 31 December 2011.

**B24. Realised and Unrealised Unappropriated Profits**

	<b>As at 31 December 2011 RM'000</b>	<b>As at 31 December 2010 RM'000</b>
Total retained profits of Company and its subsidiaries:		
- Realised	11,516	25,411
- Unrealised	11,292	(7,167)
Total share of retained profits from associates:		
- Realised	144,640	144,125
- Unrealised	-	24
	<hr/>	<hr/>
	167,448	162,393
Consolidated adjustments	18,960	27,383
Total Group retained profits as per consolidated financial statements	<hr/>	<hr/>
	186,408	189,776

The determination of realised and unrealised profits is compiled based on Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

**B25. Changes in Material Litigations**

There were no changes in material litigation, including the status of pending material litigation since the last annual statement of financial position as at 31 December 2010, except the following cases are pending:

<b>Company</b>	<b>Claimant Company</b>	<b>Amount RM'000</b>	<b>Remark</b>
Boustead Naval Shipyard Sdn Bhd ("BN Shipyard")	Marapura Sdn Bhd ("Marapura")	10,367	<p>On 14 July 2010, BN Shipyard was served with a Writ of Summons by Marapura in the Ipoh High Court, and was served on BN Shipyard's solicitors, Messrs Azzat &amp; Izzat on 23 July 2010.</p> <p>Under the said Writ of Summons, Marapura is claiming against BN Shipyard for damages totaling RM10,367,063.74, interest at 8% per annum on the said amount of RM10,367,063.74, cost and other relief that the Court deems fit, arising from a contract dispute between Marapura and BN Shipyard.</p>

**B25. Changes in Material Litigations (cont'd)**

Company	Claimant Company	Amount RM'000	Remark
Boustead Naval Shipyard Sdn Bhd ("BN Shipyard")	Maraputra Sdn Bhd ("Maraputra")	10,367	<p>Cont'd:</p> <p>BN Shipyard is disputing the claims based on records and contract terms. In consultation with solicitors, the BN Shipyard is of the view that it has a good defence to these claims by Maraputra.</p> <p>In August 2010, BN Shipyard had filed its Statement of Defence and a Counterclaim for damages totaling RM10,295,249.07, interest at 8% per annum on the said amount of RM10,295,249.07, cost and other relief that the Court deems fit against Maraputra. The said Statement of Defence and Counterclaim was filed in the Ipoh High Court.</p> <p>On 31 March 2011, BN Shipyard filed an Application to Strike Out the Action. On 25 May 2011, the Court dismissed the Application. The Court has fixed this matter for trial on 9 to 13 July 2012.</p>
Boustead Naval Shipyard Sdn Bhd ("BN Shipyard")	Meridien Shore Sdn Bhd (In Liquidation) ("Meridien")	49,577	<p>BN Shipyard had on 25 March 2011 been served with a Writ of Summons dated 13 January 2011 and Amended Statement of Claim dated 10 March 2011 by Meridien.</p> <p>The Writ of Summons dated 13 January 2011 and the Amended Statement of Claim dated 10 March 2011 are based on the same subject matter of the litigation that was fully discontinued as announced on 28 April 2010. However, BN Shipyard is not in a position to ascertain as to why Meridien has commenced a fresh action against BN Shipyard based on the same subject matter. From the description of Meridien, BN Shipyard believes that the fresh action has been commenced by the liquidators of the said company, whereas the discontinued litigation was before the winding up of Meridien Shore Sdn Bhd.</p> <p>Under the said Writ of Summons, Meridien is claiming against BN Shipyard for specific damages in the amount of RM49,577,510.10, interest at 8% per annum on the said amount of RM49,577,510.10, general damages, cost and other relief that the Court deems fit over alleged losses suffered by Meridien arising from foreclosure of several of its lands in Johor ("Lands") by Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat").</p>

**B25. Changes in Material Litigations (cont'd)**

Company	Claimant Company	Amount RM'000	Remark
Boustead Naval Shipyard Sdn Bhd ("BN Shipyard")	Meridien Shore Sdn Bhd (In Liquidation) ("Meridien")	49,577	<p>Cont'd:</p> <p>Meridien is alleging that it had created third party charges over the Lands as a form of security for a financing facility granted by Bank Rakyat to BN Shipyard for the sum of RM15 million. It was also alleged by Meridien that Bank Rakyat foreclosed and auctioned off the Lands because BN Shipyard had defaulted on its repayment obligations to Bank Rakyat. BN Shipyard has appointed solicitors to handle this case while its Directors, in consultation with the solicitors, are of the view that BN Shipyard has a good defence to this claim by Meridien. BN Shipyard's Statement of Defence &amp; Counterclaim was filed on 13 April 2011.</p> <p>The case was fixed for trial by the Court on 28 to 30 December 2011. The trial proceeded on 28 and 29 December 2011, however the trial on the 30 December 2011 was adjourned by the Court to 2 February 2012.</p> <p>On 2 February 2012, the hearing proceeded firstly on BN Shipyard's application on Security for Cost which the Judge has allowed for RM50,000 payable by Meridien within 14 days. Secondly, the trial proceeded and then adjourned to 16 March 2012.</p>

**B26. Dividend Payable**

The Directors have declared a single tier first interim dividend of 6.0% (2011: 6.5%) per share in respect of year ending 31 December 2012 amounting to RM14,907,457 (2011: RM16,149,745). The dividend will be paid on 26 March 2012 to shareholders registered in the Register of Members at the close of business on 9 March 2012. These financial statements do not reflect the interim dividend which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2012 when paid.

**B27. Earnings per Share**

	Current Period		Cumulative Period	
	2011	2010	2011	2010
Net profit / (loss) for the period – RM'000	3,747	11,434	12,782	69,806
Number of ordinary shares in issue – '000	248,458	248,458	248,458	248,458
Basic earnings / (loss) per share for – sen	1.51	4.60	5.14	28.10