

Boustead Heavy Industries Corporation Berhad (11106-V)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

For the quarter ended 31 March 2012	Current Period		Cumulative Period	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Continuing operations				
Revenue	104,797	116,691	104,797	116,691
Operating cost	(113,374)	(95,931)	(113,374)	(95,931)
Profit / (Loss) from operations	(8,577)	20,760	(8,577)	20,760
Interest income	954	462	954	462
Finance cost	(5,203)	(3,779)	(5,203)	(3,779)
Share of results of Associates	735	1,173	735	1,173
Profit / (Loss) before taxation	(12,091)	18,616	(12,091)	18,616
Taxation	(1,122)	(5,037)	(1,122)	(5,037)
Profit / (Loss) for the period	(13,213)	13,579	(13,213)	13,579
Attributable to:				
Shareholders of the Company	(14,509)	10,072	(14,509)	10,072
Non-controlling interests	1,296	3,507	1,296	3,507
Net profit / (loss) for the period	(13,213)	13,579	(13,213)	13,579
Earnings / (Loss) per share - sen				
Basic	(5.84)	4.05	(5.84)	4.05

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Boustead Heavy Industries Corporation Berhad (11106-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter ended 31 March 2012	Current Period		Cumulative Period	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Continuing operations				
Profit / (Loss) for the period	(13,213)	13,579	(13,213)	13,579
Foreign currency translation	274	145	274	145
Total comprehensive income / (loss) for the period	(12,939)	13,724	(12,939)	13,724
Total comprehensive income / (loss) attributable to:				
Shareholders of the Company	(14,346)	10,159	(14,346)	10,159
Non-controlling interests	1,407	3,565	1,407	3,565
Net profit / (loss) for the period	(12,939)	13,724	(12,939)	13,724

The Unaudited Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Boustead Heavy Industries Corporation Berhad (11106-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March	Restated Audited 31 December	Restated Audited 1 January
	2012 RM'000	2011 RM'000	2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	226,252	228,119	93,553
Goodwill	3,849	3,849	3,849
Deferred tax assets	15,703	15,703	5,200
Associates	197,515	196,780	196,289
	443,319	444,451	298,891
Current assets			
Inventories	40,688	41,150	33,888
Receivables	397,180	370,517	581,125
Tax recoverable	12,184	11,448	2,335
Cash and bank balances	194,322	290,883	100,996
	644,374	713,998	718,344
TOTAL ASSETS	1,087,693	1,158,449	1,017,235
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	248,458	248,458	248,458
Reserves	149,346	178,599	181,846
Shareholders' funds	397,804	427,057	430,304
Non-controlling interests	49,867	48,460	43,283
Total equity	447,671	475,517	473,587
Non-current liabilities			
Long term borrowings	43,139	48,071	33,449
Trade payables	4,859	-	-
Deferred tax liabilities	1,367	1,409	3,963
	49,365	49,480	37,412
Current liabilities			
Borrowings	332,712	329,670	170,342
Trade and other payables	255,130	301,359	323,347
Tax payables	2,815	2,423	12,547
	590,657	633,452	506,236
Total liabilities	640,022	682,932	543,648
TOTAL EQUITY AND LIABILITIES	1,087,693	1,158,449	1,017,235
Net assets per share attributable to ordinary equity holders of the Company - RM	1.60	1.72	1.73

The Unaudited Condensed Consolidated Statements Of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Boustead Heavy Industries Corporation Berhad (11106-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the quarter ended 31 March 2012	Attributable to equity holders of the Company					Total Equity
	Share Capital	*Exchange Fluctuation Reserves	Distributable Retained Earnings	Total	Non- controlling Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	248,458	121	178,478	427,057	48,460	475,517
Total comprehensive income for the period	-	163	(14,509)	(14,346)	1,407	(12,939)
Transactions with owners:						
Dividend on ordinary shares - interim for the current year	-	-	(14,907)	(14,907)	-	(14,907)
Balance at 31 March 2012	248,458	284	149,062	397,804	49,867	447,671
At 1 January 2011	248,458	-	181,846	430,304	43,283	473,587
Total comprehensive income for the period	-	87	10,072	10,159	3,565	13,724
Transactions with owners:						
Issue of shares by subsidiary to non-controlling interests	-	-	-	-	396	396
Dividend on ordinary shares - interim for the previous year	-	-	(16,150)	(16,150)	-	(16,150)
Balance at 31 March 2011	248,458	87	175,768	424,313	47,244	471,557

NOTES

* Denotes non-distributable reserves.

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Boustead Heavy Industries Corporation Berhad (11106-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	As at 31 March	As at 31 March
	2012	2011
	RM'000	RM'000
Operating Activities		
Receipts from customers	80,400	71,290
Cash paid to suppliers and employees	(153,875)	(134,445)
Cash generated from / (used in) operations	(73,475)	(63,155)
Tax paid less refund	(1,547)	(2,475)
Net cash generated from / (used in) operating activities	(75,022)	(65,630)
Investing Activities		
Capital expenditure	(1,794)	(105,695)
Others	954	859
Net cash generated from / (used in) investing activities	(840)	(104,836)
Financing Activities		
Net drawdown / (repayment) of borrowings	339	167,100
Dividends paid to shareholders of the Company	(14,907)	(16,150)
Interest paid	(5,682)	(2,549)
Net cash generated from / (used in) financing activities	(20,250)	148,401
Net increase / (decrease) in cash and cash equivalents	(96,112)	(22,065)
Effect of foreign exchange rate changes	(324)	(74)
Cash and cash equivalents at beginning of period	289,625	99,819
Cash and Cash Equivalents at End of Period	193,189	77,680
Analysis of Cash and Cash Equivalents		
Deposits, cash and bank balances	194,322	78,806
Overdrafts	(1,133)	(1,126)
Cash and Cash Equivalents at End of Period	193,189	77,680

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Boustead Heavy Industries Corporation Berhad (11106-V)

Notes to the Interim Financial Report for the Quarter Ended 31 March 2012

Part A Explanatory Notes Pursuant to MFRS 134

A1. First-time Adoption of Malaysian Financial Reporting Standards (“MFRS”)

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with applicable Financial Reporting Standards (“FRS”).

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group’s financial position is set out in Note A2 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS.

The transition from FRS to MFRS has not affected the Group’s financial performance, and thus no reconciliation to the statement of comprehensive income is prepared. The transition from FRS to MFRS also has not had a material impact on the statement of cash flows.

A2. Significant Accounting Policies and Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business Combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

A2. Significant Accounting Policies and Application of MFRS 1 (cont'd)

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:

- i) The classification of former business combinations under FRS is maintained;
- ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Foreign Currency Translation Reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM7,930,000 (31 March 2011: RM7,930,000; 31 December 2011: RM7,930,000) were adjusted to retained earnings.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS, are provided below:

Reconciliations of equity as at 1 January 2011, 31 March 2011 and 31 December 2011

	FRS as at		MFRS as at		FRS as at		MFRS as at		
	1 Jan.	Adj.	1 Jan.	31 Mar.	Adj.	31 Mar.	31 Dec.	Adj.	31 Dec.
	2011		2011	2011		2011	2011		2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS									
Non-current assets									
Property, plant and equipment	93,553	-	93,553	197,013	-	197,013	228,119	-	228,119
Goodwill	3,849	-	3,849	3,849	-	3,849	3,849	-	3,849
Deferred tax assets	5,200	-	5,200	3,311	-	3,311	15,703	-	15,703
Associates	196,289	-	196,289	195,594	-	195,594	196,780	-	196,780
Other investments	-	-	-	-	-	-	-	-	-
	298,891	-	298,891	399,767	-	399,767	444,451	-	444,451
Current assets									
Inventories	33,888	-	33,888	30,200	-	30,200	41,150	-	41,150
Receivables	581,125	-	581,125	705,550	-	705,550	370,517	-	370,517
Tax recoverable	2,335	-	2,335	-	-	-	11,448	-	11,448
Cash and bank balances	100,996	-	100,996	78,806	-	78,806	290,883	-	290,883
	718,344	-	718,344	814,556	-	814,556	713,998	-	713,998
TOTAL ASSETS	1,017,235	-	1,017,235	1,214,323	-	1,214,323	1,158,449	-	1,158,449

A2. Significant Accounting Policies and Application of MFRS 1 (cont'd)

Reconciliations of equity as at 1 January 2011, 31 March 2011 and 31 December 2011 (cont'd)

	FRS as at 1 Jan. 2011 RM'000	Adj. RM'000	MFRS as at 1 Jan. 2011 RM'000	FRS as at 31 Mar. 2011 RM'000	Adj. RM'000	MFRS as at 31 Mar. 2011 RM'000	FRS as at 31 Dec. 2011 RM'000	Adj. RM'000	MFRS as at 31 Dec. 2011 RM'000
EQUITY AND LIABILITIES									
Equity attributable to equity holders of the Company									
Share capital	248,458	-	248,458	248,458	-	248,458	248,458	-	248,458
Retained earnings	189,776	(7,930)	181,846	183,698	(7,930)	175,768	186,408	(7,930)	178,478
Exchange fluctuation reserve	(7,930)	7,930	-	(7,843)	7,930	87	(7,809)	7,930	121
Shareholders' funds	430,304	-	430,304	424,313	-	424,313	427,057	-	427,057
Non-controlling interests	43,283	-	43,283	47,244	-	47,244	48,460	-	48,460
Total equity	473,587	-	473,587	471,557	-	471,557	475,517	-	475,517
Non-current liabilities									
Long term borrowings	33,449	-	33,449	31,242	-	31,242	48,071	-	48,071
Deferred tax liabilities	3,963	-	3,963	1,302	-	1,302	1,409	-	1,409
	37,412	-	37,412	32,544	-	32,544	49,480	-	49,480
Current liabilities									
Borrowings	170,342	-	170,342	339,877	-	339,877	329,670	-	329,670
Trade and other payables	323,347	-	323,347	356,782	-	356,782	301,359	-	301,359
Tax payable	12,547	-	12,547	13,563	-	13,563	2,423	-	2,423
	506,236	-	506,236	710,222	-	710,222	633,452	-	633,452
Total liabilities	543,648	-	543,648	742,766	-	742,766	682,932	-	682,932
TOTAL EQUITY AND LIABILITIES	1,017,235	-	1,017,235	1,214,323	-	1,214,323	1,158,449	-	1,158,449

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 March 2012.

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 6.0% per share for the financial year ended 31 December 2012 amounting to RM14,907,457 (2011: 6.5% per share amounting to RM16,149,745) was paid on 26 March 2012.

A7. Operating Segments

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

	Heavy engineering RM'000	Manufacturing RM'000	Chartering RM'000	Total RM'000
2012				
Revenue				
External revenue	88,936	13,008	2,853	104,797
Results				
Segmental results – external	(8,510)	609	(676)	(8,577)
Interest income	954	-	-	954
Finance cost	(5,191)	(12)	-	(5,203)
Share of results in Associates	735	-	-	735
Profit / (Loss) before taxation	(12,012)	597	(676)	(12,091)
Taxation				(1,122)
Loss for the period				(13,213)
2011				
Revenue				
External revenue	93,385	23,306	-	116,691
Results				
Segmental results – external	19,106	1,654	-	20,760
Interest income	462	-	-	462
Finance cost	(3,769)	(10)	-	(3,779)
Share of results in Associates	1,173	-	-	1,173
Profit before taxation	16,972	1,644	-	18,616
Taxation				(5,037)
Profit for the period				13,579

A8. Debt and Equity Securities

There were no issuance 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 2011 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 March 2012:

	Approved but not contracted for RM'000	Approved and contracted for RM'000	Total RM'000
Property, plant and equipment	22,527	2,025	24,552

B14. Analysis of Performance

Turnover for the current period of RM104.8 million was 10% lower as compared with the RM116.7 million reported in the first quarter of 2011. This was mainly attributed to lower sales from the Group's manufacturing segment arising from the downturn in the semiconductor equipment industry. In addition, a dip in the level of maintenance, repair and overhaul (MRO) activities caused a decline in revenue recognized from the heavy engineering segment.

The Group reported loss after tax of RM13.2 million against last year's corresponding quarter net profit of RM13.6 million. The variance was mainly due to the heavy engineering segment's lower contribution from subsidiaries involved in MRO for reasons mentioned above, and commercial shipbuilding losses. The latter arose from material, labour, project management costs and yard overheads to construct the vessels. Losses were also incurred in the chartering segment due to the unfavourable conditions in the shipping sector.

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

The current quarter revenue of RM104.8 million was lower as compared with the RM156.7 million achieved for the fourth quarter of 2011 mainly owing to smaller revenue recognised from MRO works in accordance with the percentage of work completed. The Group recorded operating loss of RM8.6 million, up from RM3.9 million recorded in the previous quarter. Higher commercial shipbuilding losses impacted this quarter's results, although this was partially countered by smaller losses from the chartering segment.

However, the Group reported a marginally smaller loss before tax of RM12.1 million compared with loss of RM14.4 million in the previous quarter largely due to improved share of profit from Associates. Mobilisation activity from the Second Generation Patrol Vessels - Littoral Combat Ships (SGPV – LCS) project has gathered momentum in the recent months and this contributed to the favourable outcome.

B16. Current Year Prospects

Under the heavy engineering segment, MRO activities which include submarine maintenance, are expected to increase its contribution in the coming months as activity levels picked up.

With plans to diversify into aerospace electronics manufacturing and the recent award to undertake engineering and integration works in connection with the DCNS SETIS Combat Management System (CMS), together with procurement of the CMS and Rheinmetall Fire Control System, the manufacturing segment is anticipated to generate additional income in the coming quarters.

The outlook for the chartering segment remains unfavourable. However, we shall continue to offer the vessels for charter to mitigate the quantum of losses which would otherwise be sustained if the vessels were to remain idle.

B16. Current Year Prospects (cont'd)

We are actively pursuing new construction projects in the tug and work boats category.

As for the associate company Boustead Naval Shipyard Sdn Bhd, mobilisation work on major systems, which includes finalising the ships' design, has begun. Thus, BN Shipyard is expected to contribute significantly to the Group's results.

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:

	Current Period 2012 RM'000	Cumulative Period 2012 RM'000
Other income	(1,791)	(1,791)
Depreciation of property, plant and equipment	3,333	3,333
Impairment / (write back) of receivables	(715)	(715)
Net loss / (gain) on foreign exchange	(164)	(164)

B19. Taxation

	Current Period 2012 RM'000	Cumulative Period 2012 RM'000
Malaysian taxation based on profit for the period:		
- Current	1,017	1,017
- Under provision in prior year	105	105
	<u>1,122</u>	<u>1,122</u>

The Group reported tax expense for the current period even though it reported a loss before tax due to profits recorded by certain subsidiaries.

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 March 2012 are as follows:

	31.3.2012	31.12.2011
	RM'000	RM'000
Long term borrowings:		
Unsecured		
- Term loans	15,597	17,489
Secured		
- Term loans	27,313	30,332
- Hire purchase and finance lease liabilities	229	250
	<u>43,139</u>	<u>48,071</u>
Short term borrowings		
Unsecured		
- Term loans	7,516	7,476
- Revolving credits	280,000	270,000
- Overdraft	1,133	1,258
Secured		
- Term loans	8,944	9,153
- Revolving credits	35,025	41,683
- Hire purchase and finance lease liabilities	94	100
	<u>332,712</u>	<u>329,670</u>

Included above is a secured revolving credit of RM35.0 million (US Dollar: 11.4 million) and a secured term loan of RM28.3 million (US Dollar: 9.2 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 March 2012.

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 period ended 31 March 2012.

B24. Realised and Unrealised Unappropriated Profits

	As at 31 March 2012 RM'000	Restated As at 31 December 2011 RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	(6,753)	11,514
- Unrealised	690	3,362
Total share of retained profits from associates:		
- Realised	145,374	144,640
- Unrealised	-	-
	<hr/> 139,311	<hr/> 159,516
Consolidated adjustments	9,751	18,962
Total Group retained profits as per consolidated financial statements	<hr/> 149,062	<hr/> 178,478

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 2011, except the following cases are pending:

Company	Claimant Company	Amount RM'000	Remark
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 & 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> <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 Marapura.</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>In August 2010, BN Shipyard 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 & Counterclaim was filed on 13 April 2011.</p> <p>On 2 February 2012, a hearing proceeded on BN Shipyard's application on Security for Cost which the Judge has allowed for RM50,000 payable by Meridien within 14 days. The Court has fixed the matter for clarification / decision on 25 May 2012.</p>

B26. Dividend Payable

No dividend has been declared for the financial period ended 31 March 2012.

B27. Earnings per Share

	Current Period		Cumulative Period	
	2012	2011	2012	2011
Net profit / (loss) for the period – RM'000	(14,509)	10,072	(14,509)	10,072
Number of ordinary shares in issue – '000	248,458	248,458	248,458	248,458
Basic earnings / (loss) per share for – sen	(5.84)	4.05	(5.84)	4.05