

Boustead Heavy Industries Corporation Berhad (11106-V)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

| For the quarter ended 31 March 2015 | Note | Current Period | | Cumulative Period | |
|-------------------------------------|------|----------------|----------------|-------------------|----------------|
| | | 2015 RM'000 | 2014 RM'000 | 2015 RM'000 | 2014 RM'000 |
| Continuing operations | | | | | |
| Revenue | A7 | 63,396 | 64,204 | 63,396 | 64,204 |
| Operating cost | | (54,142) | (58,119) | (54,142) | (58,119) |
| Profit from operations | B18 | 9,254 | 6,085 | 9,254 | 6,085 |
| Interest income | | 138 | 161 | 138 | 161 |
| Finance cost | | (4,385) | (4,059) | (4,385) | (4,059) |
| Share of results of joint ventures | | 6,565 | 130 | 6,565 | 130 |
| Share of results of associates | | (3,005) | (1,506) | (3,005) | (1,506) |
| Profit before taxation | A7 | 8,567 | 811 | 8,567 | 811 |
| Taxation | B19 | (149) | (32) | (149) | (32) |
| Profit for the period | | 8,418 | 779 | 8,418 | 779 |
| Attributable to: | | | | | |
| Shareholders of the Company | | 8,418 | 779 | 8,418 | 779 |
| Non-controlling interests | | - | - | - | - |
| Net profit for the period | | 8,418 | 779 | 8,418 | 779 |
| Earnings per share - sen | | | | | |
| Basic | B27 | 3.39 | 0.31 | 3.39 | 0.31 |

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 2015 | Current Period | | Cumulative Period | |
|--|----------------|----------------|-------------------|----------------|
| | 2015 RM'000 | 2014 RM'000 | 2015 RM'000 | 2014 RM'000 |
| Continuing operations | | | | |
| Profit for the period | 8,418 | 779 | 8,418 | 779 |
| Foreign currency translation | - | - | - | - |
| Total comprehensive income for the period | 8,418 | 779 | 8,418 | 779 |
| Total comprehensive income attributable to: | | | | |
| Shareholders of the Company | 8,418 | 779 | 8,418 | 779 |
| Non-controlling interests | - | - | - | - |
| Net profit for the period | 8,418 | 779 | 8,418 | 779 |

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

| | Note | As at 31 March | As at 31 December |
|---|------|-------------------|----------------------|
| | | 2015 RM'000 | 2014 RM'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 169,041 | 170,885 |
| Design rights | | 2,116 | 2,097 |
| Deferred tax assets | | 18,891 | 18,891 |
| Joint ventures | | 77,107 | 70,543 |
| Associates | | 180,695 | 183,700 |
| | | <u>447,850</u> | <u>446,116</u> |
| Current assets | | | |
| Inventories | | 2,055 | 2,216 |
| Receivables | | 194,492 | 225,355 |
| Tax recoverable | | 9,460 | 9,552 |
| Cash and bank balances | | 60,144 | 63,993 |
| | | <u>266,151</u> | <u>301,116</u> |
| TOTAL ASSETS | | <u>714,001</u> | <u>747,232</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | | 248,458 | 248,458 |
| Retained earnings | | 60,517 | 52,099 |
| Shareholders' funds | | <u>308,975</u> | <u>300,557</u> |
| Non-controlling interests | | 36 | 36 |
| Total equity | | <u>309,011</u> | <u>300,593</u> |
| Non-current liabilities | | | |
| Long term borrowings | B21 | 12,601 | 13,997 |
| Deferred tax liabilities | | 76 | 76 |
| | | <u>12,677</u> | <u>14,073</u> |
| Current liabilities | | | |
| Borrowings | B21 | 343,589 | 342,170 |
| Trade and other payables | | 48,107 | 89,370 |
| Tax payables | | 617 | 1,026 |
| | | <u>392,313</u> | <u>432,566</u> |
| Total liabilities | | <u>404,990</u> | <u>446,639</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>714,001</u> | <u>747,232</u> |
| Net assets per share attributable to ordinary equity holders of the Company - RM | | <u>1.24</u> | <u>1.21</u> |

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 period ended 31 March 2015 | ← Attributable to equity holders of the Company → | | | | |
|--|---|---------------------------------------|---------|----------------------------------|-----------------|
| | Share Capital | Distributable Retained Earnings | Total | Non- controlling Interests | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2015 | 248,458 | 52,099 | 300,557 | 36 | 300,593 |
| Total comprehensive income for the period | - | 8,418 | 8,418 | - | 8,418 |
| Balance at 31 March 2015 | 248,458 | 60,517 | 308,975 | 36 | 309,011 |
| At 1 January 2014 | 248,458 | 34,249 | 282,707 | 36 | 282,743 |
| Total comprehensive income for the period | - | 779 | 779 | - | 779 |
| Balance at 31 March 2014 | 248,458 | 35,028 | 283,486 | 36 | 283,522 |

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 |
|--|-------------------|-------------------|
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Operating Activities | | |
| Receipts from customers | 53,758 | 36,141 |
| Cash paid to suppliers and employees | (49,401) | (35,665) |
| Cash generated from operations | 4,357 | 476 |
| Tax paid less refund | (466) | (638) |
| Net cash generated from/(used in) operating activities | 3,891 | (162) |
| Investing Activities | | |
| Capital expenditure | (1,044) | (1,979) |
| Others | 139 | (890) |
| Net cash used in investing activities | (905) | (2,869) |
| Financing Activities | | |
| Net repayment of borrowings | (3,226) | (4,358) |
| Interest paid | (4,419) | (4,087) |
| Net cash used in financing activities | (7,645) | (8,445) |
| Net decrease in cash and cash equivalents | (4,659) | (11,476) |
| Effect of foreign exchange rate changes | 810 | 9 |
| Cash and cash equivalents at beginning of period | 63,993 | 42,149 |
| Cash and Cash Equivalents at End of Period | 60,144 | 30,682 |
| Analysis of Cash and Cash Equivalents | | |
| Deposits, cash and bank balances | 60,144 | 30,682 |
| Overdraft | - | - |
| Cash and Cash Equivalents at End of Period | 60,144 | 30,682 |

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 2015

Part A Explanatory Notes Pursuant to MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements, for the financial period ended 31 March 2015, have been prepared in accordance with MFRS 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 2014. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

A2. Changes in Accounting Policies

The significant accounting policies adopted in preparing these condensed consolidated financial statements are consistent with those in the audited financial statements for the year ended 31 December 2014 except as follows:

| Amendments to MFRSs | | Effective for annual periods beginning on or after |
|----------------------------|---|---|
| Amendment to MFRS 2 | Share-Based Payment (Annual Improvements 2010 – 2012 Cycle) | 1 July 2014 |
| Amendment to MFRS 3 | Business Combinations (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle) | 1 July 2014 |
| Amendment to MFRS 8 | Operating Segments (Annual Improvements 2010 – 2012 Cycle) | 1 July 2014 |
| Amendments to MFRS 13 | Fair Value Measurement (Annual Improvements 2011 – 2013 Cycle) | 1 July 2014 |
| Amendments to MFRS 116 | Property, Plant and Equipment (Annual Improvements 2010 – 2012 Cycle) | 1 July 2014 |
| Amendments to MFRS 119 | Defined Benefit Plans: Employee Contributions | 1 July 2014 |
| Amendments to MFRS 124 | Related Party Disclosures (Annual Improvements 2010 – 2012 Cycle) | 1 July 2014 |
| Amendments to MFRS 138 | Intangible Assets (Annual Improvements 2010 – 2012 Cycle) | 1 July 2014 |
| Amendments to MFRS 140 | Investment Property (Annual Improvements 2011 – 2013 Cycle) | 1 July 2014 |

The adoption of the above does not have material impact on the financial statements of the Group in the period of initial application.

A2. Changes in Accounting Policies (cont'd)

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective:

| MFRS and Amendments to MFRSs | | Effective for annual periods beginning on or after |
|-------------------------------------|--|---|
| Annual Improvements | MFRSs 2012 – 2014 Cycle | 1 January 2016 |
| Amendments to MFRS 10 | Sale or Contribution of Assets between an Investor and its Associates or Joint Venture | 1 January 2016 |
| | Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| Amendments to MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| Amendments to MFRS 12 | Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| MFRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| Amendments to MFRS 101 | Disclosure Initiative | 1 January 2016 |
| Amendments to MFRS 116 | Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| | Agriculture: Bearer Plants | 1 January 2016 |
| Amendments to MFRS 127 | Equity Method in Separate Financial Statements | 1 January 2016 |
| Amendments to MFRS 128 | Sale or Contribution of Assets between an Investor and its Associates or Joint Venture | 1 January 2016 |
| | Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| Amendments to MFRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to MFRS 141 | Agriculture: Bearer Plants | 1 January 2016 |
| MFRS 15 | Revenue from Contracts with Customers | 1 January 2017 |
| MFRS 9 | Financial Instruments | 1 January 2018 |

A2. Changes in Accounting Policies (cont'd)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material impact to the financial statements of the Group upon initial application, except as discussed below:

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group’s and the Company’s financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9: Financial Instruments

In November 2014, MASB issued the final version of MFRS 9: Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139: Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is currently assessing the impact of MFRS 9 and plans to adopt the new standard on the required effective date.

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 2015.

A5. Change in Estimates

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

A6. Dividends Paid

There was no dividend paid during the current financial quarter ended 31 March 2015.

A7. Operating Segments

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

| | Heavy engineering RM'000 | Manufacturing RM'000 | Chartering RM'000 | Elimination RM'000 | Total RM'000 |
|---------------------------------------|--------------------------------|-------------------------|----------------------|-----------------------|-----------------|
| 2015 | | | | | |
| Revenue | | | | | |
| External revenue | 61,092 | - | 2,304 | - | 63,396 |
| Results | | | | | |
| Segmental results – external | 11,936 | - | (2,682) | - | 9,254 |
| Interest income | 138 | - | - | - | 138 |
| Finance cost | (4,385) | - | - | - | (4,385) |
| Share of results in joint ventures | (142) | 6,707 | - | - | 6,565 |
| Share of results in associates | (3,005) | - | - | - | (3,005) |
| Profit / (Loss) before taxation | 4,542 | 6,707 | (2,682) | - | 8,567 |
| Taxation | | | | | (149) |
| Profit for the period | | | | | 8,418 |
| 2014 | | | | | |
| Revenue | | | | | |
| External revenue | 54,603 | - | 9,601 | - | 64,204 |
| Results | | | | | |
| Segmental results – external | 7,364 | - | (1,279) | - | 6,085 |
| Interest income | 161 | - | - | - | 161 |
| Finance cost | (4,059) | - | - | - | (4,059) |
| Share of results in joint ventures | (1,185) | 1,315 | - | - | 130 |
| Share of results in associates | (1,506) | - | - | - | (1,506) |
| Profit / (Loss) before taxation | 775 | 1,315 | (1,279) | - | 811 |
| Taxation | | | | | (32) |
| Profit for the period | | | | | 779 |

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 up to the date of this report that will affect the financial statements of the financial period under review.

A11. Changes in Group Composition

On 18 March 2015, the Group's wholly owned subsidiary, BHIC Defence Technologies ("BHICDT") (a subsidiary held via Boustead Penang Shipyard Sdn Bhd) has signed a Share Purchase Agreement and Joint Venture Agreement ("JVA") with Airbus Helicopters Malaysia Sdn Bhd ("AHM") for the purpose of providing Full Flight Simulator training services to pilots of EC225/EC725 helicopters in Malaysia. Included in the JVA, AHM is offering 30% of the issued and paid-up capital of Airbus Helicopter Simulation Centre Sdn Bhd for a total consideration of EUR2,300,000. The acquisition of this entity will be made through both internally generated funds and bank borrowing.

The key salient terms of the JVA has been disclosed in the announcement at Bursa Malaysia website on 18 March 2015. To date, the conditions precedent of the JVA are not met.

Save as disclosed above, there were no other changes in the composition of the Group during the period under review.

A12. Changes in Contingent Liabilities

A customer of the Group, issued a notice of arbitration dated 7 December 2012 against a subsidiary of the Group for alleged breach of contract. The subsidiary, in response, has initiated a counter-claim against the customer who is claiming for USD4,935,000 (RM18,301,448 equivalent) together with interest and costs. The subsidiary's counter-claim is for the sums of USD684,766 (RM2,539,455 equivalent) and RM55,760,483, together with interest and costs.

The case is currently pending further directions from the Arbitration Tribunal on exchange of witness statements and expert witness statements.

A13. Capital Commitments

The Group has the following commitments as at 31 March 2015:

| | Approved but not contracted for RM'000 | Approved and contracted for RM'000 | Total RM'000 |
|-------------------------------|---|---|-------------------------|
| Property, plant and equipment | 85,808 | 104 | 85,912 |

B14. Analysis of Performance (Q1 2015 vs. Q1 2014)

For the current period under review, BHIC Group recorded a revenue of RM63.4 million, a decrease of RM0.8 million or 1.2% from RM64.2 million reported in the previous corresponding period. The heavy engineering segment contributed positively to the Group's revenue with the progress of Belum Satellite (BE-SA) Topsides Facilities for Murphy's Sarawak SK309/311 Gas Development project. However, it was offset by lower revenue recognised from defence-related maintenance, repair and overhaul ("MRO") of navy vessels and chartering segment.

The Group recorded a first quarter profit after tax of RM8.4 million versus 2014's RM0.8 million net profit. The increase in profit after tax in the current period was mainly due to higher percentage of completion for the Belum project and significantly higher share of profit from Joint Venture Companies ("JV Cos") which were largely due from Contraves Advanced Devices Group ("CAD Group") and BHIC AeroServices Sdn Bhd.

The chartering segment posted a loss due to unfavourable foreign exchange rate fluctuations in the current quarter and high operating expenses incurred for Chulan 1 prior to joining Chulan 2 and Chulan 3 on bareboat charter arrangement in January 2015.

The associates recorded higher losses in the current period despite acceleration of its Littoral Combat Ship ("LCS") project's progress due to fewer numbers of navy vessels entering the Lumut yard for repair works and on-going restoration works on KD PERANTAU. There were no new MRO and shipbuilding projects undertaken in the current period.

B15. Material Changes in Quarterly Results Compared with the Results of the Immediate Preceding Quarter (Q1 2015 vs. Q4 2014)

Current quarter revenue of RM63.4 million was a decrease of RM56.6 million or 47% from the RM120.0 million reported in the fourth quarter of 2014. The decline in revenue was mainly due to higher percentage of completion for certain construction activities such as North Tugz and Belum projects in prior period. The Group posted a profit after tax of RM8.4 million in the current period compared with a RM4.5 million loss in the preceding quarter.

The current period share of profit in JV Cos of RM6.6 million increased by RM8.2 million from RM1.6 million loss in the fourth quarter of 2014. The increase was mainly from a joint venture company engaged in the LCS contract. In the last quarter of 2014, a joint venture company involved in the In-Service Support contract reported a significant loss due to revision in its profit margin attributable to additional costs such as spares and man hours needed to complete this project.

However the associate companies posted a negative share of results mainly due to variations in the milestone achieved for the LCS and other projects.

Consequently, the Group registered a profit before tax of RM8.6 million against the fourth quarter 2014 loss of RM3.7 million.

B16. Commentary on Prospects

On 27 March 2015, a JV Co obtained an additional RM532 million contract from the Government of Malaysia to undertake the In-Service Support for two units of Prime Minister's Class Submarines. The additional contract value is for the extension of the contract period up to 31 May 2017.

The physical construction of the first of the six ships for the LCS project is expected to begin in the first half of 2015, with an early 2019 delivery date. The remaining five ships will be delivered at regular intervals thereafter. The Group's associate holds the design rights of the LCS platform, which raises the possibility of the associate company offering it for future projects.

On 18 March 2015, the Group announced the signing of a share purchase agreement and joint venture agreement with Airbus Helicopters Malaysia Sdn Bhd, which will see provision of full flight simulator ("FFS") devices to pilots of EC225/EC725 helicopters in Malaysia. It is the first FFS for this helicopter type in Southeast Asia.

The heavy engineering segment will continue to drive the Group's performance through defence related maintenance, repair and overhaul (MRO) activities.

The Group intends to be cautious in expanding its business in the oil and gas sector in view of the presently unsettled environment and the announcement of capital expenditures cuts by oil majors, including PETRONAS.

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 2015 RM'000 | Cumulative Period 2015 RM'000 |
|---|---|--|
| Other income | (12) | (12) |
| Depreciation of property, plant and equipment | 2,679 | 2,679 |
| Net loss on foreign currency exchange | 2,181 | 2,181 |

B19. Taxation

| | Current Period 2015 RM'000 | Cumulative Period 2015 RM'000 |
|--|---|--|
| Malaysian taxation based on profit for the period: | | |
| - Current corporate tax | 149 | 149 |

The Group's effective tax rate for the current and cumulative period are lower than the statutory rate of tax applicable mainly due to certain incomes were granted a tax exemption and availability of tax losses brought forward from prior years to be offset against current profit.

B20. Status of Corporate Proposal

There were no corporate proposals announced and there are none pending completion.

B21. Group Borrowings and Debt Securities

Total group borrowings as at 31 March 2015 are as follows:

| | 31.03.2015 RM'000 | 31.12.2014 RM'000 |
|---|------------------------------|------------------------------|
| Long term borrowings: | | |
| Unsecured | | |
| - Term loans | 8,606 | 8,565 |
| Secured | | |
| - Term loans | 3,794 | 5,372 |
| - Hire purchase and finance lease liabilities | 201 | 60 |
| | <u>12,601</u> | <u>13,997</u> |
| Short term borrowings | | |
| Unsecured | | |
| - Term loans | 2,413 | 4,287 |
| - Revolving credits | 290,000 | 290,000 |
| - Banker's acceptance | - | - |
| Secured | | |
| - Term loans | 8,715 | 7,837 |
| - Revolving credits | 42,337 | 39,956 |
| - Hire purchase and finance lease liabilities | 124 | 90 |
| | <u>343,589</u> | <u>342,170</u> |

Included above is a secured revolving credit of RM40.0 million (US Dollar: 11.4 million) and a secured term loan of RM11.4 million (US Dollar: 3.1 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 2015.

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 ended 31 March 2015.

B24. Realised and Unrealised Unappropriated Profits

| | As at 31 March 2015 RM'000 | As at 31 December 2014 RM'000 |
|---|---|--|
| Total retained profits of Company and its subsidiaries: | | |
| - Realised | (299,298) | (310,297) |
| - Unrealised | 20,847 | 23,260 |
| Total share of retained profits from joint ventures: | | |
| - Realised | 83,202 | 71,256 |
| - Unrealised | (1,837) | 2,832 |
| Total share of retained profits from associates: | | |
| - Realised | 128,958 | 131,963 |
| - Unrealised | - | - |
| | <hr/> | <hr/> |
| | (68,128) | (80,986) |
| Consolidated adjustments | 128,645 | 133,085 |
| Total Group retained profits as per consolidated financial statements | <hr/> 60,517 | <hr/> 52,099 |

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 2014, except for the following cases:

| Company | Claimant Company | Amount RM'000 | Status |
|---|---------------------------------------|---------------|---|
| Boustead Naval Shipyard Sdn Bhd ("BN Shipyard") | Maraputra Sdn Bhd ("Maraputra") | 7,199 | <p>On 2 September 2013, the Ipoh High Court had allowed Maraputra's claims amounting to RM6,337,902.58, together with interest accruing thereon calculated on a daily basis at the rate of 4% per annum from 14 July 2010 (date of filing of the Writ of Summons) to 2 September 2013 (date of Judgment) and 5% per annum from 2 September 2013 until full settlement, and costs of RM150,000.00 to Maraputra. The Court also dismissed BN Shipyard's counterclaim.</p> <p>BN Shipyard, in consultation with its lawyers, is of the view it has good grounds to appeal against the High Court's decision. BN Shipyard has subsequently filed a Notice of Appeal to the Court of Appeal on 24 September 2013.</p> <p>On the advice of its solicitors, BN Shipyard had paid RM7,198,631.57 into a joint stakeholders account pending the disposal of the appeal in the Court of Appeal. The amount included the judgment sum, interest and costs of RM150,000.00.</p> <p>The Court has fixed hearing of the appeal on 13 August 2015.</p> |
| Boustead Naval Shipyard Sdn Bhd ("BN Shipyard") | Ingat Kawan (M) Sdn Bhd ("Plaintiff") | 50,000 | <p>On 14 March 2013, the Court had allowed the application to strike out the Plaintiff's claim with costs of RM5,000.00 to be paid by the Plaintiff to BN Shipyard.</p> <p>BN Shipyard, as instructed by the High Court, had on 1 April 2013 withdrawn its counterclaim with liberty to file afresh with no order as to costs. Ingat Kawan had, on 22 March 2013, filed a Notice of Appeal to the Court of Appeal. Hearing on the appeal was heard on 11 November 2013, where the Court of Appeal had allowed Ingat Kawan's appeal and ordered the matter to be tried at the High Court.</p> <p>BN Shipyard has filed a leave application to appeal to the Federal Court. This matter was originally fixed for hearing on 23 June 2014 but later adjourned by the Court to 15 October 2014.</p> <p>The Court heard the application on 15 October 2014 and then adjourned the matter for Case Management on 3 November 2014 pending issuance of the Grounds of Judgment by the Court of Appeal.</p> <p>Pursuant to the Case Management before the Deputy Registrar of the Federal Court on 3 November 2014, the Court has fixed the next case management on 4 February 2015 pending availability of the Court of Appeal's Ground of Judgment and the filing of the Supplementary Affidavit containing the Grounds of Judgment.</p> |

| Company | Claimant Company | Amount RM'000 | Status |
|---------|------------------|---------------|--|
| | | | The Court has fixed the next Case Management date on 13 May 2015 pending the availability of the Court of Appeal's Ground of Judgement and filing of the Supplementary Affidavit containing the Grounds of Judgement. The Court has further allowed BN Shipyard to add or alter the question of law for the leave application upon obtaining the Grounds of Judgement. |

B26. Dividend Payable

The Board does not recommend any dividend for the financial period ended 31 March 2015 (previous period ended 31 March 2014: Nil).

B27. Earnings per Share

| | 2015 | Current Period 2014 | 2015 | Cumulative Period 2014 |
|---|---------|---------------------------|---------|------------------------------|
| Net profit for the period – RM'000 | 8,418 | 779 | 8,418 | 779 |
| Number of ordinary shares in issue – '000 | 248,458 | 248,458 | 248,458 | 248,458 |
| Basic earnings per share – sen | 3.39 | 0.31 | 3.39 | 0.31 |

By Order of the Board

LILYROHAYU BINTI AB. HAMID @ KASSIM (MAICSA 7044674)

SUZANA BINTI SANUDIN (LS 008028)

Secretaries

Kuala Lumpur

Date: 13 May 2015