



SEALINK INTERNATIONAL BERHAD (800981-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2015

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sept 2015 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)	30 Sept 2015 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)
Revenue	46,195	31,330	116,083	99,230
Cost of sales	<u>(46,454)</u>	<u>(28,206)</u>	<u>(95,619)</u>	<u>(74,408)</u>
Gross profit/(loss)	(259)	3,124	20,464	24,822
Other operating income	1,346	5,221	3,216	9,328
Other operating expenses	(1,938)	(2,303)	(4,164)	(2,599)
Administrative expenses	(5,585)	(2,726)	(13,626)	(14,306)
Finance expenses	(3,522)	(3,585)	(10,370)	(11,265)
Share of result of an associate	155	495	11	1,332
Share of result of joint ventures	<u>(1,383)</u>	<u>(15)</u>	<u>(1,960)</u>	<u>426</u>
Profit/(Loss) before tax	(11,186)	211	(6,429)	7,738
Income tax expense	5,386	202	5,005	(1,071)
Profit/(Loss) for the period	<u>(5,800)</u>	<u>413</u>	<u>(1,424)</u>	<u>6,667</u>
Profit/(Loss) attributable to:				
Owners of the Parent	<u>(5,800)</u>	<u>413</u>	<u>(1,424)</u>	<u>6,667</u>
	<u>(5,800)</u>	<u>413</u>	<u>(1,424)</u>	<u>6,667</u>
Earnings per share (sen)				
- Basic EPS	(1.16)	0.08	(0.28)	1.33
- Diluted EPS	(1.16)	0.08	(0.28)	1.33

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2015

(CONTINUED)

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sept 2015 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)	30 Sept 2015 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)
Profit/(Loss) for the period	(5,800)	413	(1,424)	6,667
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	38,722	1,286	53,282	(172)
Total Comprehensive Income for the period	<u>32,922</u>	<u>1,699</u>	<u>51,858</u>	<u>6,495</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>32,922</u>	<u>1,699</u>	<u>51,858</u>	<u>6,495</u>
	<u>32,922</u>	<u>1,699</u>	<u>51,858</u>	<u>6,495</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2015

	As at 30 Sept 2015 RM'000 (Unaudited)	As at 31 Dec 2014 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	688,661	654,818
Land use rights	11,959	12,393
Investment in an associate	6,317	6,237
Investment in a joint venture	8,266	1,178
Other receivables	7,097	16,068
	722,300	690,694
Current Assets		
Inventories	77,703	80,030
Trade and other receivables	57,429	46,686
Investment securities	263	258
Tax recoverable	1,388	1,886
Cash and cash equivalents	81,906	83,695
	218,689	212,555
Total Assets	940,989	903,249
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	116,091	117,515
Other components of equity	66,757	13,475
Total Equity	511,935	460,077
Non-Current Liabilities		
Loans and borrowings	181,820	190,862
Deferred tax liabilities	40,285	45,598
	222,105	236,460
Current Liabilities		
Loans and borrowings	165,357	158,564
Trade and other payables	41,385	46,616
Provision for taxation	207	1,532
	206,949	206,712
Total Liabilities	429,054	443,172
Total Equity and Liabilities	940,989	903,249
Net asset per share (sen)	102.39	92.02

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2015

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2014	250,000	79,087	114,257	7,299	450,643	450,643
Dividend	-	-	(5,000)	-	(5,000)	(5,000)
Total comprehensive income for the period	-	-	6,667	(172)	6,495	6,495
Balance as at 30 September 2014	250,000	79,087	115,924	7,127	452,138	452,138

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2015	250,000	79,087	117,515	13,475	460,077	460,077
Total comprehensive income for the period	-	-	(1,424)	53,282	51,858	51,858
Balance as at 30 September 2015	250,000	79,087	116,091	66,757	511,935	511,935

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2015

	Year-to-date Ended	
	30 Sept 2015 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit/(Loss) before tax	(6,429)	7,738
Adjustments for:		
Interest income	(1,792)	(2,180)
Interest expenses	10,369	11,269
Amortisation of land use rights	434	434
Bad debts written off	-	180
Deposit written off	8	42
Depreciation of property, plant and equipment	35,592	33,687
Loss/(Gain) on disposal of property, plant and equipment	46	(3,326)
Impairment loss on trade and other receivables	36	238
Impairment loss on property, plant and equipment	3,154	-
Inventories written down	3,002	1,345
Property, plant and equipment written off	-	767
Reversal of impairment loss on trade receivables	-	(180)
Share of result of an associate	(11)	(1,333)
Share of result of joint controlled entities	1,960	(425)
Reversal of unrealised foreign exchange gain	11,985	-
Unrealised loss/(gain) on foreign exchange	3,505	(4,776)
Loss on disposal of investment	594	-
Total adjustments	68,882	35,742
Operating profit before working capital changes	62,453	43,480
Changes in working capital		
Increase in inventories	(676)	(41,978)
(Increase)/Decrease in trade and other receivables	(5,907)	58,099
Decrease in trade and other payables	(20,609)	(11,380)
Net change in associate balances	4,099	7,810
Total changes in working capital	(23,093)	12,551
Cash flows from operations	39,360	56,031
Interest paid	(12,794)	(13,613)
Income tax refund	654	-
Income tax paid	(2,305)	(4,188)
Net Cash Flows From Operating Activities	24,915	38,230
Cash Flows From Investing Activities		
Acquisition of investment in a joint venture	(11,000)	(220)
Purchase of property, plant and equipment	(1,766)	(3,771)
Proceeds from disposal of property, plant and equipment	11,116	25,791
Proceeds from disposal of investment	1,500	-
Interest received	1,792	2,179
Net Cash Flows From Investing Activities	1,642	23,979

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2015

	Year-to-date Ended	
	30 Sept 2015 RM'000 (Unaudited)	30 Sept 2014 RM'000 (Unaudited)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	71	(842)
Net movement in cash at bank restricted in use	702	(37)
Net movements in trade financing	(20,300)	(1,420)
Proceeds from term loans	24,420	11,600
Proceeds from finance lease	107	-
Repayments of obligations under finance leases	(23)	(22)
Repayments of term loans	(58,183)	(61,269)
Dividends paid to shareholders	-	(5,000)
Net Cash Flows used in Financing Activities	(53,206)	(56,990)
Net (Decrease)/Increase in Cash and Cash Equivalents	(26,649)	5,219
Effect of changes in foreign exchange rates	6,352	164
Cash and Cash Equivalents at the beginning of financial year	52,776	33,660
Cash and Cash Equivalents at the end of financial period	32,479	39,043
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	81,906	85,423
Bank overdraft	(26,533)	(26,035)
	55,373	59,388
Less: Fixed deposits pledged and cash at bank restricted in use	(22,894)	(20,345)
	32,479	39,043

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A1. Basis of Preparation

The interim financial statements has been prepared on the historical cost basis, unless otherwise stated.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Boards ("MFRS") and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the 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 financial year ended 31 December 2014.

On 1 January 2015, the Group adopted the following new and amended MFRS and IC interpretations mandatory for annual financial period beginning on or after 1 January 2015.

- Amendments to MFRS 119: Defined Benefit Plan- Employee Contributions
- Annual Improvements to MFRSs 2010 - 2012 Cycle
- Annual Improvements to MFRSs 2011 - 2013 Cycle

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

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

MFRS effective for annual period beginning on or after 1 January 2016

- Annual Improvement to MFRSs 2012 - 2014 Cycle
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities - Applying the Consolidation Exception
- Amendments to MFRS 11: Accounting for Acquisition of Interest in Joint Operations
- Amendments to MFRS 101: Disclosure Initiatives
- Amendments to MFRS 127: Equity Method in Seperate Financial Statements.
- MFRS 14 Regulatory Deferral Accounts

MFRS effective for annual period beginning on or after 1 January 2018

- MFRS 9: Financial Instruments
- MFRS 15: Revenue from Contract with Customers

The adoption of above standards and amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company ("Sealink International Berhad") and its subsidiaries for the year ended 31 December 2014 were not qualified.

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A3. Seasonal or cyclical factors

The Group's performance is affected by the oil and gas industry. The demand for our vessels are closely associated with the cyclical fluctuations of the oil and gas industry.

A4. Items of unusual nature and amount

There was no item that affect assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence during the current quarter under review.

A5. Material changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter under review.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

A7. Dividends Paid

No dividend was paid in the current financial quarter under review.

A8. Segmental information

The results and other information of the Group as at 30 September 2015 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	20,487	95,596	-	-	116,083
Inter-segment sales	9,493	37,108	-	(46,601)	-
Total revenue	<u>29,980</u>	<u>132,704</u>	<u>-</u>	<u>(46,601)</u>	<u>116,083</u>
Segment profit/(loss) (Note A)	<u>(11,570)</u>	<u>6,465</u>	<u>1,446</u>	<u>(2,770)</u>	<u>(6,429)</u>

Note A

The following items are added to/(deducted from) segment profit to arrive at "Profit before tax from continuing operations" presented in the condensed consolidated income statements:

Segment loss	(3,659)
Profit from inter-segment sales	(1,425)
Share of result of an associate	11
Share of result of a joint venture entity	(1,960)
Finance costs	4,312
Unallocated corporate expenses	<u>(3,708)</u>
Loss before tax	<u>(6,429)</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A8. Segmental information (continued)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	228,931	932,906	155,250	(376,098)	940,989
Segment liabilities	146,263	453,277	164,951	(335,437)	429,054
Net assets	82,668	479,629	(9,701)	(40,661)	511,935
Other segmental information					
Depreciation	4,694	22,405	10,437	(1,944)	35,592
Amortisation of land use rights	79	318	37	-	434

A9. Capital commitments

Capital commitments are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Property, plant and equipment	-	126,969

A10. Material events subsequent to the end of period reported

There were no material event subsequent to the end of the interim period reported which has not been reflected under the current quarter.

A11. Changes in composition of the Group

On 11 September 2015, Era Surplus Sdn Bhd, a wholly owned subsidiary of the Company has entered into a Shareholder Agreement for the disposal of 600,000 ordinary shares for a cash consideration of RM600,000.00 (representing its shareholding interest of 30% in the capital of Seasten Sdn Bhd) and 900,000 redeemable preference shares for a cash consideration of RM900,000.00. The loss on disposal of the said subsidiary of RM594,000 is included in the profit for the quarter.

A12. Contingent liabilities

The following is the additional contingent liabilities since the last annual balance sheet date:

	Year-to-date 30 Sept 2015 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to jointly controlled entity	8,278

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Sept 2015 RM	Current Year-to-date 30 Sept 2015 RM
(i) Transactions with companies in which certain Directors of the Company have substantial interest :		
Ming Kiong Agencies (Singapore) Pte Ltd - Rental of office at Far East shopping centre, Singapore	34,940	109,334
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3,000	9,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	27,500	78,750
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	157,500
Rajah & Tann - Provision of legal services	-	223,652
Khoo & Co, Advocates and Solicitors - Provision of legal services	1,390	6,940
Crowe Horwath - Provision of consultancy services	-	38,000
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	4,500
	<u>120,830</u>	<u>627,676</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favorable than those transacted with unrelated parties.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

(a) Current quarter compared with corresponding quarter of the previous financial year (3Q 2015 Vs. 3Q 2014)

The Group's performance for the current quarter under review compared to 3Q 2014 is as follow:

<u>Revenue</u>	<u>Shipbuilding</u> RM'000	<u>Ship charter</u> RM'000	<u>Consolidated</u> <u>Total</u> RM'000
Revenue (3Q 2015)	17,621	28,574	46,195
Revenue (3Q 2014)	1,390	29,940	31,330
Variance	<u>16,231</u>	<u>(1,366)</u>	<u>14,865</u>
<i>Variance (%)</i>	<i>1168%</i>	<i>-5%</i>	<i>47%</i>

The Group's revenue for the current quarter stood at RM46.2 million, slight increase of RM14.87 million or 47% compared to 3Q 2014 of RM31.33 million mainly due to sale of one offshore support vessel.

Shipbuilding Division

Shipbuilding division recorded revenue of RM17.62 million mainly due to sale of one offshore support vessel recognised in Quarter 3 2015.

Ship Charter Division

Revenue of ship charter division decreased 5% compared to 3Q 2014. The unfavourable variance was due to more vessels on short term contracts were off-hired during the quarter under review.

Although revenue for the current quarter increased by RM14.87 million or 47%, the group suffered loss before tax of RM11.18 million for the current quarter compared to profit before tax of RM211,000 in 3Q 2014. The loss is after the reversal of doubtful debt of RM2.2 million provided in 1Q 2015 due to payment has been received from the client . The adverse result of current quarter was mainly due to impairment charge on inventories and assets amounted to RM5.86 million. The results further impacted by the share of losses in joint venture companies. For the current quarter the group also taken up forex loss of RM918,000. However year to date, the group still has a net forex gain of RM1.87 million. Whereas in 3Q 2014, the adverse result was set off by forex gain and gain on disposal of vessels from the fleet.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

(b) YTD 2015 compared with YTD 2014

The Group's performance for 9 months of 2015 compared with corresponding period in 2014 is as follows:-

<u>Revenue</u>	Shipbuilding RM'000	Ship charter RM'000	Consolidated Total RM'000
Revenue (YTD 2015)	20,487	95,596	116,083
Revenue (YTD 2014)	5,118	94,112	99,230
Variance	<u>15,369</u>	<u>1,484</u>	<u>16,853</u>
Variance (%)	300%	2%	17%

The Group's revenue for the current financial period achieved at RM116.08 million compared to RM99.23 million in the corresponding financial period last year mainly attributed to higher revenue from vessel sale.

The Group recorded loss before tax of RM6.43 million in the current financial period against profit of RM7.74 million in the corresponding period of preceding year due to drop in utilisation and charter rate of some of the vessels and share of losses in joint venture companies. In addition to that, the drop was further exacerbated by the impairment charge of RM5.86 million in total on inventories and assets taken up in the current financial period. On the other hand, preceding year profit was attributed to higher profit margin, share of profit from associate and joint venture company and gain on disposal of vessels from the fleet.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	Current Quarter ended 30 Sept 2015 RM'000	Preceding Quarter ended 30 June 2015 RM'000	Variance RM'000	%
Revenue	46,195	35,806	10,389	29%
(Loss)/Profit before tax	<u>(11,186)</u>	<u>1,623</u>	(12,809)	-789%

Consolidated group revenue for the current quarter increased by RM10.39 million or 29% compared to preceding quarter mainly attributed to sale of one offshore support vessel.

Despite increased revenue, the group suffered loss before tax of RM11.19 million compared to profit before tax of RM1.62 million in preceding quarter mainly due to reduced profit margin, loss on foreign exchange, share of losses in joint venture companies and impairment charge on inventories and assets taken up in the current quarter.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B3. Commentary on prospects

The oil and gas industry slowed down since 2014 and is expected to remain rangebound around USD40-60 per barrel for the foreseeable future. The surplus of marine offshore support vessels will remain as long as the offshore operations has not increased.

We are continuing our internal cost cutting measures and will maintain the utilisation of our fleet. The long-term prospects are still intact as the demand for fossil fuel are still required in the long-term.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Profit/(Loss) before tax

Included in the profit before tax are the following item:

	Year-to-date Ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Other income	(1,470)	(3,822)
Interest income	(1,792)	(2,180)
Interest expense	10,369	11,269
Bad debts written off	-	180
Deposit written off	8	42
Depreciation of property, plant and equipment	35,592	33,687
Amortisation of land use rights	434	434
Impairment loss on trade and other receivables	36	238
Impairment loss on property, plant and equipment	3,154	-
Property, plant and equipment written off	-	767
Inventories written down	3,002	1,345
Reversal of impairment loss on trade receivables	-	(180)
(Gain) / loss on disposal of property, plant and equipment	46	(3,326)
Net foreign exchange (gain)/Loss	(1,871)	(589)

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B6. Taxation

	Current Quarter 30 Sept 2015 RM'000	Current Year-to-date 30 Sept 2015 RM'000
Malaysian income tax	(682)	924
Deferred tax reversal	<u>(4,704)</u>	<u>(5,929)</u>
Total tax credit	<u>(5,386)</u>	<u>(5,005)</u>

The effective tax rate for the Group for the financial period was higher than statutory tax rate due to reversal of deferred tax relating to temporary differences as well as the different income tax rate applicable to subsidiaries of the Group in other jurisdictions.

B7. Profit from sale of unquoted investments and/or properties

There were no disposal of unquoted investment and properties for the current quarter and financial year to date.

B8. Quoted securities

There was no purchase or disposal of quoted securities for the current quarter and financial year to date.

B9. Status of corporate proposal

There is no corporate proposal announced but not completed as at end of the financial period under review.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B10. Group borrowings and debt securities

Total Group's borrowings as at 30 September 2015 were as follows:

1. <u>Total Borrowings</u>	Secured RM'000
Short-term borrowings	165,357
Long-term borrowings	181,820
	<u>347,177</u>
2. <u>Borrowings denominated in US Dollars</u>	Secured USD'000
Short-term borrowings	10,126
Long-term borrowings	27,875
	<u>38,001</u>

B11. Derivative Financial Instruments

There are no outstanding derivatives as at the reporting period.

B12. Material litigation

On 7 December 2012, one of the subsidiaries of the Group initiated arbitration before the Kuala Lumpur Regional Centre for Arbitration (KLRC) against Boustead Penang Shipyard Sdn Bhd (BPS) under a shipbuilding contract dated 3 April 2008 to build two units of 7,000 DWT oil carriers/chemical carriers.

The subsidiary filed its statement of claim against BPS on 8 May 2013 for interest, damages, costs and expenses incurred by the company for breaches of the contract by BPS. BPS has filed a statement of defence and counterclaim on 7 June 2013. The arbitration is ongoing as parties exchange requests for disclosure.

The Group has made adequate provisions for potential impairment and allowance for doubtful debts pending the settlement of the dispute.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 30 September 2015.

B14. Earnings per Share

	3 months ended		9 months ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Profit attributable to Owners of the Parent (RM'000)	<u>(5,800)</u>	<u>413</u>	<u>(1,424)</u>	<u>6,667</u>
Weighted average number of shares in issue ('000)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Basic earnings per share (sen)	<u>(1.16)</u>	<u>0.08</u>	<u>(0.28)</u>	<u>1.33</u>
Diluted earnings per share (sen)	<u>(1.16)</u>	<u>0.08</u>	<u>(0.28)</u>	<u>1.33</u>

Basic earnings per share of the Company is calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no new shares issued during the reporting period.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 30 September 2015 and 31 December 2014 are analysed as follows:

	As at 30 Sept 2015 RM'000	As at 31 Dec 2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	409,422	389,084
- Unrealised	(47,106)	(35,401)
	<u>362,316</u>	<u>353,683</u>
Consolidation adjustments	(246,225)	(236,168)
Total Group retained profits as per consolidated accounts	<u><u>116,091</u></u>	<u><u>117,515</u></u>

B16. Authorisation For Issue

The interim report for the third quarter ended 30 September 2015 was authorised for issue by the Board resolution of the directors dated 26th November 2015

By Order Of The Board

**Yeo Puay Huang (f)
Company Secretary
26-November-2015**