

Boustead Heavy Industries Corporation Berhad (11106-V)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

| For the quarter ended 30 September 2014 | Note | Current Period | | Cumulative Period | |
|---|------------|-----------------|----------------|-------------------|----------------|
| | | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Continuing operations | | | | | |
| Revenue | A7 | 82,136 | 81,161 | 212,811 | 207,401 |
| Operating cost | | (70,185) | (63,804) | (184,079) | (174,747) |
| Profit from operations | B18 | 11,951 | 17,357 | 28,732 | 32,654 |
| Interest income | | 47 | 77 | 281 | 224 |
| Finance cost | | (4,359) | (4,787) | (12,483) | (14,445) |
| Share of results of joint ventures | | 5,408 | 2,873 | 11,924 | 9,465 |
| Share of results of associates | | (1,588) | 1,417 | (4,516) | 5,409 |
| Profit before taxation | A7 | 11,459 | 16,937 | 23,938 | 33,307 |
| Taxation | B19 | (1,073) | (1,006) | (1,604) | (2,091) |
| Profit for the period | | 10,386 | 15,931 | 22,334 | 31,216 |
| Attributable to: | | | | | |
| Shareholders of the Company | | 10,386 | 15,931 | 22,334 | 31,216 |
| Non-controlling interests | | - | - | - | - |
| Net profit for the period | | 10,386 | 15,931 | 22,334 | 31,216 |
| Earnings per share - sen | | | | | |
| Basic | B27 | 4.18 | 6.41 | 8.99 | 12.56 |

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 30 September 2014 | Current Period | | Cumulative Period | |
|--|----------------|----------------|-------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Continuing operations | | | | |
| Profit for the period | 10,386 | 15,931 | 22,334 | 31,216 |
| Foreign currency translation | - | - | - | - |
| Total comprehensive income for the period | 10,386 | 15,931 | 22,334 | 31,216 |
| Total comprehensive income attributable to: | | | | |
| Shareholders of the Company | 10,386 | 15,931 | 22,334 | 31,216 |
| Non-controlling interests | - | - | - | - |
| Net profit for the period | 10,386 | 15,931 | 22,334 | 31,216 |

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 30 September | As at 31 December |
|---|------|-----------------------|----------------------|
| | | 2014 RM'000 | 2013 RM'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 151,100 | 145,555 |
| Design rights | | 1,927 | 390 |
| Goodwill | | - | - |
| Deferred tax assets | | 18,891 | 18,891 |
| Joint ventures | | 102,784 | 91,115 |
| Associates | | 172,086 | 176,602 |
| | | <u>446,788</u> | <u>432,553</u> |
| Current assets | | | |
| Inventories | | 3,430 | 3,001 |
| Receivables | | 220,386 | 246,246 |
| Tax recoverable | | 9,562 | 9,227 |
| Cash and bank balances | | 49,361 | 42,149 |
| | | <u>282,739</u> | <u>300,623</u> |
| TOTAL ASSETS | | <u>729,527</u> | <u>733,176</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | | 248,458 | 248,458 |
| Reserves | | 56,583 | 34,249 |
| Shareholders' funds | | <u>305,041</u> | <u>282,707</u> |
| Non-controlling interests | | 36 | 36 |
| Total equity | | <u>305,077</u> | <u>282,743</u> |
| Non-current liabilities | | | |
| Long term borrowings | B21 | 12,291 | 15,942 |
| Deferred tax liabilities | | 76 | 76 |
| | | <u>12,367</u> | <u>16,018</u> |
| Current liabilities | | | |
| Borrowings | B21 | 352,727 | 343,273 |
| Trade and other payables | | 58,013 | 88,500 |
| Tax payables | | 1,343 | 2,642 |
| | | <u>412,083</u> | <u>434,415</u> |
| Total liabilities | | <u>424,450</u> | <u>450,433</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>729,527</u> | <u>733,176</u> |
| Net assets per share attributable to ordinary equity holders of the Company - RM | | <u>1.23</u> | <u>1.14</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 30 September 2014 | 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 |
| At 1 January 2014 | 248,458 | - | 34,249 | 282,707 | 36 | 282,743 |
| Total comprehensive income for the period | - | - | 22,334 | 22,334 | - | 22,334 |
| Balance at 30 September 2014 | 248,458 | - | 56,583 | 305,041 | 36 | 305,077 |
| At 1 January 2013 | 248,458 | - | 31,959 | 280,417 | 3,321 | 283,738 |
| Total comprehensive income for the period | - | - | 31,216 | 31,216 | - | 31,216 |
| Transactions with owners: | | | | | | |
| Dividends paid by a subsidiary to a non-controlling interest | - | - | - | - | (1,500) | (1,500) |
| Additional investment in subsidiary | - | - | (1,713) | (1,713) | (1,787) | (3,500) |
| Balance at 30 September 2013 | 248,458 | - | 61,462 | 309,920 | 34 | 309,954 |

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 30 September | As at 30 September |
|--|-----------------------|-----------------------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Operating Activities | | |
| Receipts from customers | 137,126 | 259,201 |
| Cash paid to suppliers and employees | (106,141) | (230,661) |
| Cash generated from operations | 30,985 | 28,540 |
| Tax paid less refund | (3,238) | (1,529) |
| Net cash generated from operating activities | 27,747 | 27,011 |
| Investing Activities | | |
| Capital expenditure | (14,665) | (3,459) |
| Dividends received | 255 | 8,460 |
| Additional investment in a subsidiary | - | (3,500) |
| Proceed from disposal of property, plant and equipment | 8 | - |
| Others | 281 | 224 |
| Net cash (used in) / generated from investing activities | (14,121) | 1,725 |
| Financing Activities | | |
| Net drawdown / (repayment) of borrowings | 5,215 | (12,960) |
| Dividends paid by a subsidiary to a non-controlling interest | - | (1,500) |
| Interest paid | (12,174) | (13,651) |
| Net cash used in financing activities | (6,959) | (28,111) |
| Net increase in cash and cash equivalents | 6,667 | 625 |
| Effect of foreign exchange rate changes | 545 | 225 |
| Cash and cash equivalents at beginning of period | 42,149 | 21,352 |
| Cash and Cash Equivalents at End of Period | 49,361 | 22,202 |
| Analysis of Cash and Cash Equivalents | | |
| Deposits, cash and bank balances | 49,361 | 22,202 |
| Overdraft | - | - |
| Cash and Cash Equivalents at End of Period | 49,361 | 22,202 |

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 30 September 2014

Part A Explanatory Notes Pursuant to MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements, for the financial period ended 30 September 2014, 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 2013. 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 2013 except as follows:

| MFRS and Amendments to MFRSs | | Effective for annual periods beginning on or after |
|---|--|---|
| Amendments to MFRS 132 | Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to MFRS 10, MFRS 12 and MFRS 127 | Investment Entities | 1 January 2014 |
| Amendments to MFRS 136 | Recoverable Amount Disclosures for Non-Financial Assets | 1 January 2014 |
| Amendments to MFRS 139 | Novation of Derivatives and Continuation of Hedge Accounting | 1 January 2014 |
| IC Interpretation 21 | Levies | 1 January 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 |
|-------------------------------------|--|---|
| Amendments to MFRS 119 | Defined Benefit Plans: Employee Contributions | 1 July 2014 |
| Annual improvements | MFRSs 2010-2012 Cycle | 1 July 2014 |
| Annual improvements | MFRSs 2011-2013 Cycle | 1 July 2014 |
| Amendments to MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| MFRS 14 | Regulatory Deferral Accounts | 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 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 | IFRS 9 issued by IASB in November 2009 | To be Announced |
| MFRS 9 Financial Instruments | IFRS 9 issued by IASB in October 2010 | To be Announced |
| MFRS 9 Financial Instruments | Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139 | To be Announced |

MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an impact on the classification and measurements of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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 30 September 2014.

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 30 September 2014.

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 |
|---------------------------------------|--------------------------------|-------------------------|----------------------|-----------------------|-----------------|
| 2014 | | | | | |
| Revenue | | | | | |
| External revenue | 184,371 | - | 28,440 | - | 212,811 |
| Results | | | | | |
| Segmental results – external | 34,912 | - | (6,180) | - | 28,732 |
| Interest income | 281 | - | - | - | 281 |
| Finance cost | (12,483) | - | - | - | (12,483) |
| Share of results in joint ventures | 8,410 | 3,514 | - | - | 11,924 |
| Share of results in associates | (4,516) | - | - | - | (4,516) |
| Profit / (Loss) before taxation | 26,604 | 3,514 | (6,180) | - | 23,938 |
| Taxation | | | | | (1,604) |
| Profit for the period | | | | | 22,334 |
| 2013 | | | | | |
| Revenue | | | | | |
| External revenue | 181,828 | - | 25,573 | - | 207,401 |
| Results | | | | | |
| Segmental results – external | 37,768 | - | (5,114) | - | 32,654 |
| Interest income | 224 | - | - | - | 224 |
| Finance cost | (14,445) | - | - | - | (14,445) |
| Share of results in joint ventures | 5,634 | 3,831 | - | - | 9,465 |
| Share of results in associates | 5,409 | - | - | - | 5,409 |
| Profit / (Loss) before taxation | 34,590 | 3,831 | (5,114) | - | 33,307 |
| Taxation | | | | | (2,091) |
| Profit for the period | | | | | 31,216 |

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

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

A12. Changes in Contingent Liabilities

There has been no contingent liability arising since the financial year end.

A13. Capital Commitments

The Group has the following commitments as at 30 September 2014:

| | Approved but not contracted for RM'000 | Approved and contracted for RM'000 | Total RM'000 |
|-------------------------------|---|---|-------------------------|
| Property, plant and equipment | 14,181 | 16,751 | 30,932 |

B14. Analysis of Performance (YTD September 2014 vs. YTD September 2013)

For the current period under review, BHIC Group's total revenue rose 3% to RM212.8 million from RM207.4 million reported in the same corresponding period last year. The increase in revenue was mainly contributed by the chartering segment due to higher average charter rate obtained in the current period. Apart from the chartering segment, the heavy engineering segment also contributed positively to the revenue with the progress of Belum Satellite (BE-SA) Topsides Facilities for Murphy's Sarawak SK309/311 Gas Development project.

The Group's profit after tax totalling RM22.3 million for the financial period ended 30 September 2014 was however, lower than the corresponding period last year's net profit of RM31.2 million. The lower profit after tax recorded in the current period was mainly due to negative share of result in associates, primarily as a result of cost overruns on certain ship repair projects and fewer navy vessels entering the yard for repair works.

Despite recording higher charter rates in the current period, the chartering segment continued to report a loss mainly due to the high level of operating costs and periodic dry docking expenses incurred on its chemical tankers.

The Joint Venture Companies ("JV Cos") contributed a higher share of profit for the period as compared with the corresponding period. The JV Cos involved in the heavy engineering segment posted a higher share of profits primarily due to a new helicopter maintenance contract secured from the Government of Malaysia in 2014.

B15. Material Changes in Quarterly Results Compared with the Results of the Immediate Preceding Quarter (Q3 2014 vs. Q2 2014)

For the third quarter of 2014, BHIC Group reported profit before taxation of RM11.5 million as compared with RM11.7 million in the preceding quarter. The slight decrease in profit before tax was mainly due to lower share of profit from JV Cos and higher losses reported from the chartering segment.

The current period share of profit in JV Cos of RM5.4 million showed a marginal decrease from RM6.4 million profit in the preceding quarter. The decrease was attributed to slow progress from the Littoral Combat Ship ("LCS") project which subsequently affects one joint venture company, Contraves Advanced Devices Sdn Bhd's performance under the heavy engineering segment. The increased negative share of result in the associates was due to cost overruns on certain ship repair projects and fewer navy vessels entering the yard for repair works.

B16. Commentary on Prospects

For the upcoming period, the heavy engineering segment will continue to drive the BHIC Group's performance through defence related maintenance, repair and overhaul (MRO) activities as well as positive progress within the Belum Satellite (BE-SA) Topsides Facilities for Murphy's Sarawak SK309/311 Gas Development project.

Further to the contract announced on 13 August 2010, the BHIC Group has announced the finalisation of formal contract for the in-service support of two Malaysian submarines between its joint venture company namely, Boustead DCNS Naval Corporation Sdn Bhd and the Government of Malaysia at a total contract value of EUR193.0 million and RM532.0 million on 3 September 2014.

With the signing of the formal contract for the LCS project on 17 July 2014 between the BHIC's associate company, Boustead Naval Shipyard Sdn Bhd and the Government of Malaysia, the progress of work would be accelerated and is expected to contribute positively to BHIC Group's performance going forward.

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 2014 RM'000 | Cumulative Period 2014 RM'000 |
|---|---|--|
| Other income | (42) | (715) |
| Depreciation of property, plant and equipment | 2,509 | 7,659 |
| Gain on disposal of property, plant and equipment | - | (8) |
| Net (gain)/loss on foreign currency exchange | (145) | 1,185 |

B19. Taxation

| | Current Period 2014 RM'000 | Cumulative Period 2014 RM'000 |
|--|---|--|
| Malaysian taxation based on profit for the period: | | |
| - Current | 1,188 | 1,723 |
| Less: Overprovision in prior year | (115) | (119) |
| | <u>1,073</u> | <u>1,604</u> |

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 30 September 2014 are as follows:

| | 30.09.2014 | 31.12.2013 |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| Long term borrowings: | | |
| Unsecured | | |
| - Term loans | 7,239 | 3,447 |
| Secured | | |
| - Term loans | 5,024 | 12,421 |
| - Hire purchase and finance lease liabilities | 28 | 74 |
| | <u>12,291</u> | <u>15,942</u> |
| Short term borrowings | | |
| Unsecured | | |
| - Term loans | 4,136 | 6,392 |
| - Revolving credits | 300,000 | 290,000 |
| - Banker's acceptance | 1,363 | - |
| Secured | | |
| - Term loans | 9,715 | 9,378 |
| - Revolving credits | 37,370 | 37,445 |
| - Hire purchase and finance lease liabilities | 143 | 58 |
| | <u>352,727</u> | <u>343,273</u> |

Included above is a secured revolving credit of RM37.4 million (US Dollar: 11.4 million) and a secured term loan of RM13.4 million (US Dollar: 4.1 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 30 September 2014.

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 30 September 2014.

B24. Realised and Unrealised Unappropriated Profits

| | As at 30 September 2014 RM'000 | As at 31 December 2013 RM'000 |
|---|---|--|
| Total retained profits of Company and its subsidiaries: | | |
| - Realised | (303,776) | (313,917) |
| - Unrealised | 20,506 | 15,722 |
| Total share of retained profits from joint ventures: | | |
| - Realised | 76,189 | 65,065 |
| - Unrealised | 254 | (547) |
| Total share of retained profits from associates: | | |
| - Realised | 117,246 | 127,566 |
| - Unrealised | - | - |
| | <hr/> | <hr/> |
| | (89,581) | (106,111) |
| Consolidated adjustments | 146,164 | 140,360 |
| Total Group retained profits as per consolidated financial statements | <hr/> 56,583 | <hr/> 34,249 |

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 2013, 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>Hearing of the appeal which was fixed on 31 October 2014 has now been adjourned by the Court in order to allow regularization of the Records of Appeal.</p> <p>BN Shipyard’s application for leave to amend the Record of Appeal has been fixed by the Court for Hearing to 4 December 2014.</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> |

| Company | Claimant Company | Amount RM'000 | Status |
|--|--|---------------|---|
| | | | 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 Judgement and the filing of the Supplementary Affidavit containing the Grounds of Judgement. |
| Boustead Penang Shipyard Sdn Bhd ("BP Shipyard") | Sealink Shipyard Sdn Bhd ("Plaintiff") | 18,565 | <p>BP Shipyard was served with a Statement of Claim dated 6 June 2013. Sealink is claiming for damages totaling RM18,565,374.12, plus interest, costs and other reliefs that the Court deems just and fit arising from an alleged breach of two contracts, both dated 3 September 2008, by BP Shipyard, with regard to the work done and/or goods supplied for the construction of the accommodation work barges for Hull No. 131 (first contract) and Hull No. 132 (second contract).</p> <p>BP Shipyard had on 12th August 2013 filed its Amended Defence and Amended Counterclaim. The total amount of BP Shipyard's counterclaim against Sealink is RM17,305,907.27. Subsequently, Sealink filed its Reply and Defence to BP Shipyard's Amended Counterclaim on 12th February 2014.</p> <p>Sealink filed an application for a Summary Judgement against BP Shipyard on 12th July 2013 and served the same to BP Shipyard on 15th July 2013. BP Shipyard has filed its Affidavit in Reply on 28th February 2014. During the Case Management before the Judge on 16 May 2014, Sealink withdrew its application for a Summary Judgment against BP Shipyard. The negotiation for settlement between the parties did not materialise. As such, this case will proceed with Trial.</p> <p>The Court has fixed the Case Management of this matter on 1 December 2014 and the trial is fixed on 13 to 17 April 2015.</p> |

B26. Dividend Payable

The Board does not recommend any dividend for the financial period ended 30 September 2014 (previous year corresponding quarter ended 30 September 2013: Nil).

B27. Earnings per Share

| | 2014 | Current Period 2013 | 2014 | Cumulative Period 2013 |
|--|-------------|------------------------------------|-------------|---------------------------------------|
| Net profit for the period – RM'000 | 10,386 | 15,931 | 22,334 | 31,216 |
| Number of ordinary shares in issue – '000 | 248,458 | 248,458 | 248,458 | 248,458 |
| Basic earnings per share – sen | 4.18 | 6.41 | 8.99 | 12.56 |

By Order of the Board**LILYROHAYU BINTI AB. HAMID @ KASSIM (MAICSA 7044674)****SUZANA BINTI SANUDIN (LS 008028)**

Secretaries

Kuala Lumpur

Date: 5 November 2014