



7.0 JMG 1

7.5 Notes to the financial statements (contd.)

(i) Financial risk management objectives and policies (contd.)

(ii) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting dates based on contractual undiscounted repayment obligations.

	2011			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	648,654	-	-	648,654
Loan	7,001,130	67,210,848	50,831,158	125,043,136
Total undiscounted financial liabilities	7,649,784	67,210,848	50,831,158	125,691,790

	2012			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	517,838	-	-	517,838
Loan	16,802,712	67,210,848	38,728,551	122,742,111
Total undiscounted financial liabilities	17,320,550	67,210,848	38,728,551	123,259,949

	2013			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
MFRS framework				
Financial liabilities:				
Trade and other payables	909,154	-	-	909,154
Loan	16,802,712	67,210,848	22,987,018	107,000,578
Total undiscounted financial liabilities	17,711,866	67,210,848	22,987,018	107,909,732



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7.5 Notes to the financial statements (contd.)

(l) Financial risk management objectives and policies (contd.)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's interest bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Company's exposure to interest rate risk arises primarily from its loan. Information regarding the interest rate of financial liabilities is disclosed in Note 7.5(i).

(m) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 July 2011, 31 July 2012 and 31 July 2013.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loan and trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	Note	FRS framework		MFRS framework
		2011	2012	2013
		RM	RM	RM
Loan	7.5(i)	99,765,000	95,631,574	86,107,382
Trade and other payables	7.5(h)	648,654	517,838	909,154
Less: Cash and bank balances	7.5(g)	(812,666)	(1,146,018)	(2,665,872)
Net debt		<u>99,600,988</u>	<u>95,003,394</u>	<u>84,350,664</u>
Equity attributable to owners of the Company		<u>11,922,249</u>	<u>12,019,054</u>	<u>12,420,107</u>
Capital and net debt		<u>111,523,237</u>	<u>107,022,448</u>	<u>96,770,771</u>
Gearing ratio		<u>89%</u>	<u>89%</u>	<u>87%</u>



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8.0 JMG 2

8.1 Statements of comprehensive income

The statements of comprehensive income for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	-----FRS framework-----		MFRS
		2011	2012	2013
		RM	RM	RM
Revenue	8.5(a)	5,080,303	19,521,045	19,654,733
Cost of sales		(5,238,773)	(8,354,173)	(8,437,035)
Gross (loss)/profit		(158,470)	11,166,872	11,217,698
Other item of income				
Interest income		17,609	17,554	20,435
Other items of expense				
Administrative expenses		(226,324)	(394,001)	(377,167)
Finance cost	8.5(b)	(3,410,762)	(6,953,130)	(6,392,310)
(Loss)/profit before tax	8.5(c)	(3,777,947)	3,837,295	4,468,656
Income tax expense	8.5(d)	-	(20,000)	(20,000)
(Loss)/profit net of tax, representing total comprehensive (loss)/income for the year		(3,777,947)	3,817,295	4,448,656



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8.2 Statements of financial position

The statements of financial position for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

		-----FRS framework-----		MFRS
	Note	2011	2012	2013
		RM	RM	RM
Non-current asset				
Vessel and equipment	8.5(e)	115,161,913	108,038,496	101,070,816
Current assets				
Trade receivable	8.5(f)	-	4,112,127	4,637,336
Prepayment		79,860	134,362	143,657
Cash and bank balances	8.5(g)	864,551	1,099,524	2,971,180
		<u>944,411</u>	<u>5,346,013</u>	<u>7,752,173</u>
Total assets		<u>116,106,324</u>	<u>113,384,509</u>	<u>108,822,989</u>
Equity and liabilities				
Current liabilities				
Trade and other payables	8.5(h)	2,435,735	10,000	525,804
Loan	8.5(i)	7,274,531	10,439,633	11,121,339
Income tax payable		-	20,000	20,000
		<u>9,710,266</u>	<u>10,469,633</u>	<u>11,667,143</u>
Net current liabilities		<u>(8,765,855)</u>	<u>(5,123,620)</u>	<u>(3,914,970)</u>
Non-current liability				
Loan	8.5(i)	92,490,469	85,191,992	74,984,306
Total liabilities		<u>102,200,735</u>	<u>95,661,625</u>	<u>86,651,449</u>
Net assets		<u>13,905,589</u>	<u>17,722,884</u>	<u>22,171,540</u>
Equity attributable to equity holders of the Company				
Share capital	8.5(j)	17,718,004	17,718,004	17,718,004
(Accumulated losses)/retained earnings		(3,812,415)	4,880	4,453,536
Total equity		<u>13,905,589</u>	<u>17,722,884</u>	<u>22,171,540</u>
Total equity and liabilities		<u>116,106,324</u>	<u>113,384,509</u>	<u>108,822,989</u>



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8.3 Statements of cash flows

The statements of cash flows for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

		-----FRS framework-----		MFRS
		2011	2012	2013
	Note	RM	RM	RM
Operating activities				
(Loss)/profit before tax		(3,777,947)	3,837,295	4,468,656
<u>Adjustments for:</u>				
Interest expense	8.5(b)	3,410,762	6,953,130	6,392,310
Depreciation of vessel and equipment	8.5(c)	3,561,709	7,123,417	7,130,189
Interest income		(17,609)	(17,554)	(20,435)
Total adjustments		6,954,862	14,058,993	13,502,064
Operating cash flows before changes in working capital		3,176,915	17,896,288	17,970,720
<u>Changes in working capital:</u>				
Trade receivable		-	(4,112,127)	(525,209)
Prepayment		(64,105)	(54,502)	(9,295)
Trade and other payables		1,016,885	(2,425,735)	515,804
Total changes in working capital		952,780	(6,592,364)	(18,700)
Cash flows from operating activities		4,129,695	11,303,924	17,952,020
Income tax paid		-	-	(20,000)
Net cash flows generated from operating activities		4,129,695	11,303,924	17,932,020
Investing activities				
Purchase of vessel and equipment		(20,398,028)	-	(162,509)
Interest received		17,609	17,554	20,435
Net cash flows (used in)/generated from investing activities		(20,380,419)	17,554	(142,074)
Financing activities				
Proceeds from drawdown of loan		14,964,750	-	-
Repayment of term loan		-	(4,133,375)	(9,525,980)
Interest paid		(3,410,762)	(6,953,130)	(6,392,310)
Proceeds from issuance of share capital		4,400,000	-	-
Net cash flows generated from/(used in) financing activities		15,953,988	(11,086,505)	(15,918,290)
Net (decrease)/increase in cash and cash equivalents		(296,736)	234,973	1,871,656
Cash and cash equivalents at beginning of financial year		1,161,287	864,551	1,099,524
Cash and cash equivalents at end of financial year	8.5(g)	864,551	1,099,524	2,971,180



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8.4 Statements of changes in equity

The statements of changes in equity for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	Total equity RM	Share capital RM	(Accumulated losses)/ retained earnings RM
<u>FRS framework</u>				
At 1 August 2010		11,683,536	11,718,004	(34,468)
Total comprehensive loss		(3,777,947)	-	(3,777,947)
Issuance of share capital	8.5(j)	6,000,000	6,000,000	-
At 31 July 2011 and 1 August 2011		13,905,589	17,718,004	(3,812,415)
Total comprehensive income		3,817,295	-	3,817,295
At 31 July 2012		17,722,884	17,718,004	4,880
<u>MFRS framework</u>				
At 1 August 2012		17,722,884	17,718,004	4,880
Total comprehensive income		4,448,656	-	4,448,656
At 31 July 2013		22,171,540	17,718,004	4,453,536



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8.5 Notes to the financial statements

(a) Revenue

	I-----FRS framework-----I		MFRS framework
	2011	2012	2013
	RM	RM	RM
Vessel charter hire income	5,080,303	19,521,045	19,654,733

The revenue represents vessel charter hire income receivable from its immediate holding company, Jasa Merin (Malaysia) Sdn Bhd.

(b) Finance cost

	I-----FRS framework-----I		MFRS framework
	2011	2012	2013
	RM	RM	RM
Interest expense on term loan	3,410,762	6,953,130	6,392,310

(c) (Loss)/profit before tax

(Loss)/profit before tax is stated after charging:

	I-----FRS framework-----I		MFRS framework
	2011	2012	2013
	RM	RM	RM
Auditors' remuneration	2,000	10,000	9,000
Depreciation of vessel and equipment (Note 8.5(e))	3,561,709	7,123,417	7,130,189

(d) Income tax expense

	I-----FRS framework-----I		MFRS framework
	2011	2012	2013
	RM	RM	RM
Current income tax:			
Labuan Business Activity Tax	-	20,000	20,000

The Company's tax is provided for at RM20,000 (2012: RM20,000) as elected under Section 7(1) of the Labuan Business Activity Act, 1990.

There is no tax charge for the financial year ended 31 July 2011 as the Company was in loss position.



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8.5 Notes to the financial statements (contd.)

(e) Vessel and equipment

	Vessel RM	Vessel under construction RM	Computer system RM	Total RM
<u>FRS framework</u>				
At cost				
At 1 August 2010	-	98,325,594	-	98,325,594
Addition	-	20,398,028	-	20,398,028
Reclassification	118,723,622	(118,723,622)	-	-
At 31 July 2011, 1 August 2012 and 31 July 2012	118,723,622	-	-	118,723,622
Accumulated depreciation				
At 1 August 2010	-	-	-	-
Charge for the year (Note 8.5(c))	3,561,709	-	-	3,561,709
At 31 July 2011 and 1 August 2012	3,561,709	-	-	3,561,709
Charge for the year (Note 8.5(c))	7,123,417	-	-	7,123,417
At 31 July 2012	10,685,126	-	-	10,685,126
Net carrying amount				
At 31 July 2011	115,161,913	-	-	115,161,913
At 31 July 2012	108,038,496	-	-	108,038,496
<u>MFRS framework</u>				
At cost				
At 1 August 2012	118,723,622	-	-	118,723,622
Addition	-	-	162,509	162,509
At 31 July 2013	118,723,622	-	162,509	118,886,131
Accumulated depreciation				
At 1 August 2012	10,685,126	-	-	10,685,126
Charge for the year (Note 8.5(c))	7,123,418	-	6,771	7,130,189
At 31 July 2013	17,808,544	-	6,771	17,815,315
Net carrying amount				
At 31 July 2013	100,915,078	-	155,738	101,070,816



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8.5 Notes to the financial statements (contd.)

(e) Vessel and equipment (contd.)

The vessel is pledged for a term loan facility as disclosed in Note 8.5(i).

During the financial year ended 31 July 2011, the borrowing cost capitalised in relation to the vessel under construction amounted to RM3,234,842.

(f) Trade receivable

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Trade receivable			
Amount due from holding company	-	4,112,127	4,637,336
Total trade receivable	-	4,112,127	4,637,336
Add: Cash and bank balances (Note 8.5(g))	864,551	1,099,524	2,971,180
Total loan and receivable	864,551	5,211,651	7,608,516

The amount due from holding company has credit term of 30 (2012: 30; 2011: 30) days.

(g) Cash and bank balances

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Cash at bank	234,449	451,868	2,303,090
Fixed deposit with a licensed bank	630,102	647,656	668,090
Cash and bank balances (Note 8.5(f))	864,551	1,099,524	2,971,180

The weighted average interest rate of deposit at the reporting date was 3.05% (2012: 2.85%; 2011: 2.80%) per annum.

The average maturity of deposit at the end of the financial year was 365 (2012: 365; 2011: 365) days.



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8.5 Notes to the financial statements (contd.)

(h) Trade and other payables

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Trade payable			
Amount due to holding company	1,211,151	-	-
Other payables			
Amount due to vessel contractors	554,250	-	-
Amount due to holding company	668,334	-	-
Accruals	2,000	10,000	525,804
	<u>1,224,584</u>	<u>10,000</u>	<u>525,804</u>
	<u>2,435,735</u>	<u>10,000</u>	<u>525,804</u>
Total trade and other payables	2,435,735	10,000	525,804
Add: Loan (Note 8.5(i))	99,765,000	95,631,625	86,105,645
Total financial liabilities carried at amortised cost	<u>102,200,735</u>	<u>95,641,625</u>	<u>86,631,449</u>

The amount due to holding company is non-interest bearing and repayable on demand. This amount is unsecured and is to be settled in cash.

(i) Loan

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Current			
Secured:			
7.00% per annum fixed rate RM bank loan	7,274,531	10,439,633	11,121,339
Non-current			
Secured:			
7.00% per annum fixed rate RM bank loan	92,490,469	85,191,992	74,984,306
Total loan (Note 8.5(h))	<u>99,765,000</u>	<u>95,631,625</u>	<u>86,105,645</u>



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8.5 Notes to the financial statements (contd.)

(i) Loan (contd.)

The remaining maturities of the loan as at the reporting dates are as follows:

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Within one year	7,274,531	10,439,633	11,121,339
More than 1 year and less than 2 years	12,470,625	11,194,315	11,929,445
More than 2 years and less than 5 years	37,411,875	38,676,599	41,203,898
More than 5 years	42,607,969	35,321,078	21,850,963
	<u>99,765,000</u>	<u>95,631,625</u>	<u>86,105,645</u>

7.00% per annum fixed rate RM bank loan

This loan has been drawdown under an eight-year tenure. This facility is secured by the following:

- (a) Facilities agreement;
- (b) A fixed and floating charge by way of debenture on present and future assets of the Company inclusive of the vessel;
- (c) Assignment of all benefits, interests, rights and property of the vessel building contract;
- (d) First legal/mortgage charge over the vessel;
- (e) Assignment of insurance policy for the vessel in favour of the bank;
- (f) Irrevocable Letter of Notification from holding company and acknowledged by charterer to remit all contract proceeds in respect of the vessel leased to holding company's escrow account with the bank;
- (g) Assignment of charter proceeds in respect of the vessel leased to holding company; and
- (h) Corporate guarantee from the shareholders, namely Jasa Merin (Malaysia) Sdn Bhd and GMV-Jasa Sdn Bhd.



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8.5 Notes to the financial statements (contd.)

(j) Share capital

	----- Number of ordinary shares -----		
	-----FRS framework-----		MFRS framework
	2011	2012	2013
Issued and fully paid:			
At beginning of financial year	7,145,121	8,974,389	8,974,389
Issued during the year	1,829,268	-	-
At end of financial year	<u>8,974,389</u>	<u>8,974,389</u>	<u>8,974,389</u>

	----- Amount -----		
	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Issued and fully paid:			
At beginning of financial year	11,718,004	17,718,004	17,718,004
Issued during the year	6,000,000	-	-
At end of financial year	<u>17,718,004</u>	<u>17,718,004</u>	<u>17,718,004</u>

The shares of Labuan company shall have no par value or nominal value in accordance with Section 46(1) of the Labuan Companies Act, 1990.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

During the financial year ended 31 July 2011, the Company has increased its issued and fully paid share capital from RM11,718,004 to RM17,718,004 by issuing 1,829,268 units of ordinary shares via:

- (i) Capitalisation of amount due to holding company of RM1,600,000; and
- (ii) Cash contribution of RM4,400,000.



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8.5 Notes to the financial statements (contd.)

(k) Fair values of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Carrying amount RM	Fair value RM
Financial liability:		
Loan (non-current):		
7.00% per annum fixed rate RM bank loan (Note 8.5(i))		
<u>FRS framework</u>		
31 July 2011	92,490,469	92,084,983
31 July 2012	85,191,992	79,777,698
<u>MFRS framework</u>		
31 July 2013	74,984,306	69,280,632

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivable (current)	8.5(f)
Trade and other payables (current)	8.5(h)
Loan (current)	8.5(i)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amount of the current portion of the loan is reasonable approximation of fair value due to the insignificant impact of discounting.



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8.5 Notes to the financial statements (contd.)

(I) Financial risk management objectives and policies

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the reporting periods, the Company’s policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company’s exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk, or the risk of counterparts defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Company’s associations to business partners with high creditworthiness. Trade receivables are monitored on ongoing basis via Company management reporting procedures.

At the reporting dates, the Company’s maximum exposure to credit risk is only represented by the carrying amount of financial assets recognised in the statements of financial position.

At the reporting dates, all balances of trade receivable of the Company were due from the holding company.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements.



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8.5 Notes to the financial statements (contd.)

(i) Financial risk management objectives and policies (contd.)

(ii) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company’s liabilities at the reporting dates based on contractual undiscounted repayment obligations.

	----- 2011 -----			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	2,435,735	-	-	2,435,735
Loan	7,001,130	67,210,848	50,831,158	125,043,136
Total undiscounted financial liabilities	9,436,865	67,210,848	50,831,158	127,478,871
	----- 2012 -----			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	10,000	-	-	10,000
Loan	16,802,712	67,210,848	38,728,551	122,742,111
Total undiscounted financial liabilities	16,812,712	67,210,848	38,728,551	122,752,111
	----- 2013 -----			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
MFRS framework				
Financial liabilities:				
Trade and other payables	525,804	-	-	525,804
Loan	16,802,712	67,210,848	22,981,636	106,995,196
Total undiscounted financial liabilities	17,328,516	67,210,848	22,981,636	107,521,000



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8.5 Notes to the financial statements (contd.)

(l) Financial risk management objectives and policies (contd.)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's interest bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Company's exposure to interest rate risk arises primarily from its loan. Information regarding the interest rate of financial liabilities is disclosed in Note 8.5(i).

(m) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loan and trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	Note	I-----FRS framework-----I		MFRS
		2011	2012	framework
		RM	RM	2013
				RM
Loan	8.5(i)	99,765,000	95,631,625	86,105,645
Trade and other payables	8.5(h)	2,435,735	10,000	525,804
Less: Cash and bank balances	8.5(g)	(864,551)	(1,099,524)	(2,971,180)
Net debt		<u>101,336,184</u>	<u>94,542,101</u>	<u>83,660,269</u>
Equity attributable to owners of the Company		<u>13,905,589</u>	<u>17,722,884</u>	<u>22,171,540</u>
Capital and net debt		<u>115,241,773</u>	<u>112,264,985</u>	<u>105,831,809</u>
Gearing ratio		<u>88%</u>	<u>84%</u>	<u>79%</u>



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9.1 Statements of comprehensive income

The statements of comprehensive income for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	-----FRS framework-----		MFRS
		2011	2012	2013
		RM	RM	RM
Revenue	9.5(a)	-	17,073,296	21,040,425
Cost of sales		-	(8,834,720)	(8,947,705)
Gross profit		-	8,238,576	12,092,720
Other item of income				
Interest income		19,698	20,294	60,492
Other items of expense				
Administrative expenses		(45,249)	(726,302)	(380,543)
Finance cost	9.5(b)	-	(4,769,693)	(5,765,278)
(Loss)/profit before tax	9.5(c)	(25,551)	2,762,875	6,007,391
Income tax expense	9.5(d)	-	(20,000)	(20,000)
(Loss)/profit net of tax, representing total comprehensive (loss)/income for the year		(25,551)	2,742,875	5,987,391



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9.2 Statements of financial position

The statements of financial position for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	I-----FRS framework-----I		MFRS
		2011	2012	2013
		RM	RM	RM
Non-current asset				
Vessel and equipment	9.5(e)	105,058,278	117,663,365	110,358,622
Current assets				
Trade and other receivables	9.5(f)	-	7,191,031	11,732,381
Prepayment		-	145,971	167,314
Cash and bank balances	9.5(g)	1,712,800	6,414,376	13,745,391
		<u>1,712,800</u>	<u>13,751,378</u>	<u>25,645,086</u>
Total assets		<u>106,771,078</u>	<u>131,414,743</u>	<u>136,003,708</u>
Equity and liabilities				
Current liabilities				
Trade and other payables	9.5(h)	12,334,210	30,000	30,000
Loan	9.5(i)	-	705,551	7,935,900
		<u>12,334,210</u>	<u>735,551</u>	<u>7,965,900</u>
Net current (liabilities)/assets		<u>(10,621,410)</u>	<u>13,015,827</u>	<u>17,679,186</u>
Non-current liability				
Loan	9.5(i)	79,495,000	109,294,449	100,665,674
Total liabilities		<u>91,829,210</u>	<u>110,030,000</u>	<u>108,631,574</u>
Net assets		<u>14,941,868</u>	<u>21,384,743</u>	<u>27,372,134</u>
Equity attributable to equity holders of the Company				
Share capital	9.5(j)	15,000,000	18,700,000	18,700,000
(Accumulated losses)/retained earnings		(58,132)	2,684,743	8,672,134
Total equity		<u>14,941,868</u>	<u>21,384,743</u>	<u>27,372,134</u>
Total equity and liabilities		<u>106,771,078</u>	<u>131,414,743</u>	<u>136,003,708</u>



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9.3 Statements of cash flows

The statements of cash flows for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

		I-----FRS framework-----I		MFRS
	Note	2011	2012	2013
		RM	RM	RM
Operating activities				
(Loss)/profit before tax		(25,551)	2,762,875	6,007,391
<u>Adjustments for:</u>				
Interest expense	9.5(b)	-	4,769,693	5,765,278
Depreciation of vessel and equipment	9.5(c)	-	6,631,384	7,467,252
Interest income		(19,698)	(20,294)	(60,492)
Total adjustments		(19,698)	11,380,783	13,172,038
Operating cash flows before changes in working capital		(45,249)	14,143,658	19,179,429
<u>Changes in working capital:</u>				
Trade and other receivable		-	(7,191,031)	(4,541,350)
Prepayment		-	(145,971)	(21,343)
Trade and other payables		(28,323,368)	(12,324,210)	-
Total changes in working capital		(28,323,368)	(19,661,212)	(4,562,693)
Cash flows (used in)/generated from operating activities		(28,368,617)	(5,517,554)	14,616,736
Income tax paid		-	-	(20,000)
Net cash flows (used in)/generated from operating activities		(28,368,617)	(5,517,554)	14,596,736
Investing activities				
Purchase of vessel and equipment		(62,183,278)	(19,236,471)	(162,509)
Interest received		19,698	20,294	60,492
Net cash flows used in investing activities		(62,163,580)	(19,216,177)	(102,017)
Financing activities				
Proceeds from drawdown of loan		79,495,000	30,505,000	-
Repayment of term loan		-	-	(1,398,426)
Interest paid		-	(4,769,693)	(5,765,278)
Proceeds from issuance of share capital		12,749,997	3,700,000	-
Net cash flows generated from/(used in) financing activities		92,244,997	29,435,307	(7,163,704)
Net increase in cash and cash equivalents		1,712,800	4,701,576	7,331,015
Cash and cash equivalents at beginning of financial year		-	1,712,800	6,414,376
Cash and cash equivalents at end of financial year	9.5(g)	1,712,800	6,414,376	13,745,391



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9.4 Statements of changes in equity

The statements of cash flows for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	Total equity RM	Share capital RM	(Accumulated losses)/ retained earnings RM
<u>FRS framework</u>				
At 1 August 2010		(32,578)	3	(32,581)
Total comprehensive loss		(25,551)	-	(25,551)
Issuance of share capital	9.5(j)	14,999,997	14,999,997	-
At 31 July 2011 and 1 August 2011		14,941,868	15,000,000	(58,132)
Total comprehensive income		2,742,875	-	2,742,875
Issuance of share capital	9.5(j)	3,700,000	3,700,000	-
At 31 July 2012		<u>21,384,743</u>	<u>18,700,000</u>	<u>2,684,743</u>
<u>MFRS framework</u>				
At 1 August 2012		21,384,743	18,700,000	2,684,743
Total comprehensive income		5,987,391	-	5,987,391
At 31 July 2013		<u>27,372,134</u>	<u>18,700,000</u>	<u>8,672,134</u>



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9.5 Notes to the financial statements

(a) Revenue

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Vessel charter hire income	-	17,073,296	21,040,425

The revenue represents vessel charter hire income receivable from its immediate holding company, Jasa Merin (Malaysia) Sdn Bhd.

(b) Finance cost

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Interest expense on term loan	-	4,769,693	5,765,278

(c) (Loss)/profit before tax

(Loss)/profit before tax is stated after charging:

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Auditors' remuneration	2,000	10,000	9,000
Depreciation of vessel and equipment (Note 9.5(e))	-	6,631,384	7,467,252

(d) Income tax expense

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Current income tax:			
Labuan Business Activity Tax	-	20,000	20,000

The Company's tax is provided for based at RM20,000 (2012: RM20,000) as elected under Section 7(1) of the Labuan Business Activity Act, 1990.

There is no tax charge for the financial year ended 31 July 2011 as the Company was in loss position.



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9.5 Notes to the financial statements (contd.)

(e) Vessel and equipment

	Vessel RM	Vessel under construction RM	Computer system RM	Total RM
FRS framework				
At cost				
At 1 August 2010	-	42,875,000	-	42,875,000
Addition	-	62,183,278	-	62,183,278
At 31 July 2011 and 1 August 2011	-	105,058,278	-	105,058,278
Addition	-	19,236,471	-	19,236,471
Reclassification	124,294,749	(124,294,749)	-	-
At 31 July 2012	124,294,749	-	-	124,294,749
Accumulated depreciation				
At 1 August 2010, 31 July 2011 and 1 August 2011	-	-	-	-
Charge for the year (Note 9.5(c))	6,631,384	-	-	6,631,384
At 31 July 2012	6,631,384	-	-	6,631,384
Net carrying amount				
At 31 July 2011	-	105,058,278	-	105,058,278
At 31 July 2012	117,663,365	-	-	117,663,365
MFRS framework				
At cost				
At 1 August 2012	124,294,749	-	-	124,294,749
Addition	-	-	162,509	162,509
At 31 July 2013	124,294,749	-	162,509	124,457,258
Accumulated depreciation				
At 1 August 2012	6,631,384	-	-	6,631,384
Charge for the year (Note 9.5(c))	7,460,481	-	6,771	7,467,252
At 31 July 2013	14,091,865	-	6,771	14,098,636
Net carrying amount				
At 31 July 2013	110,202,884	-	155,738	110,358,622



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9.5 Notes to the financial statements (contd.)

(e) Vessel and equipment (contd.)

The vessel is pledged for a term loan facility as disclosed in Note 9.5(i).

During the financial year ended 31 July 2013, the borrowing cost capitalised in relation to the vessel under construction amounted to RM Nil (2012: RM523,357; 2011: RM774,008).

(f) Trade and other receivables

	I-----FRS framework-----I		MFRS
	2011	2012	2013
	RM	RM	RM
Trade receivable			
Amount due from holding company	-	7,191,031	11,705,307
Other receivable			
Sundry receivables	-	-	27,074
Total trade and other receivable	-	7,191,031	11,732,381
Add: Cash and bank balances (Note 9.5(g))	1,712,800	6,414,376	13,745,391
Total loans and receivables	1,712,800	13,605,407	25,477,772

The amount due from holding company has credit term of 30 (2012: 30; 2011: Nil) days.

(g) Cash and bank balances

	I-----FRS framework-----I		MFRS
	2011	2012	2013
	RM	RM	RM
Cash at bank	1,039,814	722,535	4,045,574
Fixed deposit with a licensed bank	672,986	5,691,841	9,699,817
Cash and bank balances (Note 9.5(f))	1,712,800	6,414,376	13,745,391

During the financial year ended 31 July 2011, fixed deposit with a licensed bank amounting RM672,986 is pledged to the bank for banking facility granted to the Company.

The weighted average interest rate of deposit at the reporting date was 3.01% (2012: 2.85%; 2011: 2.85%) per annum.

The average maturity of deposit at the end of the financial year was 152 (2012: 365; 2011: 365) days.



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9.5 Notes to the financial statements (contd.)

(h) Trade and other payables

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Trade payable			
Amount due to holding company	45,146	-	-
Other payables			
Amount due to vessel contractors	12,261,520	-	-
Amount due to holding company	22,940	-	-
Amount due to a related company	2,604	-	-
Accruals	2,000	30,000	30,000
	<u>12,289,064</u>	<u>30,000</u>	<u>30,000</u>
	<u>12,334,210</u>	<u>30,000</u>	<u>30,000</u>
Total trade and other payables	12,334,210	30,000	30,000
Add: Loan (Note 9.5(i))	79,495,000	110,000,000	108,601,574
Less: Income tax payable	-	(20,000)	(20,000)
Total financial liabilities carried at amortised cost	<u>91,829,210</u>	<u>110,010,000</u>	<u>108,611,574</u>

The amount due to holding company and a related company are non-interest bearing and repayable on demand. These amounts are unsecured and are to be settled in cash.

(i) Loan

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Current			
Secured:			
5.25% per annum fixed rate RM bank loan	-	705,551	7,935,900
Non-current			
Secured:			
5.25% per annum fixed rate RM bank loan	79,495,000	109,294,449	100,665,674
Total loan (Note 9.5(h))	<u>79,495,000</u>	<u>110,000,000</u>	<u>108,601,574</u>



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9.5 Notes to the financial statements (contd.)

(i) Loan (contd.)

The remaining maturities of the loan as at the reporting dates are as follows:

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Within one year	-	705,551	7,935,900
More than 1 year and less than 2 years	1,010,495	8,628,775	9,092,846
More than 2 years and less than 5 years	19,812,304	28,771,927	30,318,479
More than 5 years	58,672,201	71,893,747	61,254,349
	<u>79,495,000</u>	<u>110,000,000</u>	<u>108,601,574</u>

5.25% per annum fixed rate RM bank loan

This loan has been drawdown under a twelve-year tenure. This facility is secured by the following:

- (a) Facilities agreement;
- (b) Asset sale and/or purchase agreement;
- (c) A first preferred mortgage on the vessel;
- (d) A fixed and floating charge by way of debenture on present and future assets of the Company inclusive of the vessel;
- (e) Deed of assignment of Shipbuilding contract between Jasa Merin (Malaysia) Sdn Bhd and Muhibbah Marine Engineering Sdn Bhd;
- (f) Assignment of charter proceeds in respect of the vessel leased to holding company;
- (g) Assignment of Takaful and/or conventional insurance policy for the vessel in favour of the bank; and
- (h) A proportionate corporate guarantee from Jasa Merin (Malaysia) Sdn Bhd.

(j) Share capital

	----- Number of ordinary shares -----		
	-----FRS framework-----		MFRS
	2011	2012	2013
Issued and fully paid:			
At beginning of financial year	1	4,653,202	5,827,806
Issued during the year	4,653,201	1,174,604	-
At end of financial year	<u>4,653,202</u>	<u>5,827,806</u>	<u>5,827,806</u>



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9.5 Notes to the financial statements (contd.)

(j) Share capital (contd.)

	Amount		
	FRS framework		MFRS framework
	2011	2012	2013
	RM	RM	RM
Issued and fully paid:			
At beginning of financial year	3	15,000,000	18,700,000
Issued during the year	14,999,997	3,700,000	-
At end of financial year	<u>15,000,000</u>	<u>18,700,000</u>	<u>18,700,000</u>

The shares of Labuan company shall have no par value or nominal value in accordance with Section 46(1) of the Labuan Companies Act, 1990.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

During the financial year ended 31 July 2012, the Company has increased it issued and paid-up share capital from RM15,000,000 to RM18,700,000 (2011: RM3 to RM15,000,000) by issuing 1,174,604 (2011: 4,653,201) ordinary shares via:

- (i) Capitalisation of amount due to its holding company of RM Nil (2011: RM 2,250,000); and
- (ii) Cash consideration of RM3,700,000 (2011: RM12,749,997).

(k) Fair values of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Carrying amount	Fair value
	RM	RM
Financial liabilities:		
Loan (non-current):		
5.25% per annum fixed rate RM bank loan (Note 9.5(i))		
FRS framework		
31 July 2011	<u>79,495,000</u>	<u>74,404,952</u>
31 July 2012	<u>109,294,449</u>	<u>100,717,664</u>
MFRS framework		
31 July 2013	<u>100,665,674</u>	<u>93,202,524</u>



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9.5 Notes to the financial statements (contd.)

(k) Fair values of financial instruments (contd.)

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivable (current)	9.5(f)
Trade and other payables (current)	9.5(h)
Loan (current)	9.5(i)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amount of the current portion of the loan is reasonable approximation of fair value due to the insignificant impact of discounting.

(l) Financial risk management objectives and policies

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the reporting periods, the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk, or the risk of counterparts defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on ongoing basis via Company management reporting procedures.

As at the reporting dates, the Company's maximum exposure to credit risk is only represented by the carrying amount of financial assets recognised in the statements of financial position.

As at the reporting dates, all balances of trade receivable of the Company were due from the holding company.



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9.5 Notes to the financial statements (contd.)

(I) Financial risk management objectives and policies (contd.)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting dates based on contractual undiscounted repayment obligations.

	2011			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	12,334,210	-	-	12,334,210
Loan	5,238,487	49,682,825	48,388,569	103,309,881
Total undiscounted financial liabilities	17,572,697	49,682,825	48,388,569	115,644,091
	2012			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	10,000	-	-	10,000
Loan	7,195,310	56,650,020	83,801,317	147,646,647
Total undiscounted financial liabilities	7,205,310	56,650,020	83,801,317	147,656,647
	2013			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
MFRS framework				
Financial liabilities:				
Trade and other payables	10,000	-	-	10,000
Loan	14,162,505	56,650,020	69,638,812	140,451,337
Total undiscounted financial liabilities	14,172,505	56,650,020	69,638,812	140,461,337



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9.5 Notes to the financial statements (contd.)

(I) Financial risk management objectives and policies (contd.)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's interest bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Company's exposure to interest rate risk arises primarily from its loan. Information regarding the interest rate of financial liabilities is disclosed in Note 9.5(i).

(m) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loan and trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	Note	I-----FRS framework-----I		MFRS framework
		2011	2012	2013
		RM	RM	RM
Loan	9.5(i)	79,495,000	110,000,000	108,601,574
Trade and other payables	9.5(h)	12,334,210	30,000	30,000
Less: Cash and bank balances	9.5(g)	(1,712,800)	(6,414,376)	(13,745,391)
Net debt		<u>90,116,410</u>	<u>103,615,624</u>	<u>94,886,183</u>
Equity attributable to owners of the Company		<u>14,941,868</u>	<u>21,384,743</u>	<u>27,372,134</u>
Capital and net debt		<u>105,058,278</u>	<u>125,000,367</u>	<u>122,258,317</u>
Gearing ratio		<u>86%</u>	<u>83%</u>	<u>78%</u>



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10.0 JMG 4

10.1 Statements of comprehensive income

The statements of comprehensive income for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	-----FRS framework-----		MFRS
		2011 RM	2012 RM	framework 2013 RM
Revenue	10.5(a)	-	12,403,623	17,652,215
Cost of sales		-	(7,795,230)	(8,766,724)
Gross profit		-	4,608,393	8,885,491
Other item of income				
Interest income		19,784	20,294	45,548
Other items of expense				
Administrative expenses		(31,784)	(700,496)	(380,051)
Finance cost	10.5(b)	-	(4,338,712)	(5,765,258)
(Loss)/profit before tax	10.5(c)	(12,000)	(410,521)	2,785,730
Income tax expense	10.5(d)	-	-	(20,000)
(Loss)/profit net of tax, representing total comprehensive (loss)/income for the year		(12,000)	(410,521)	2,765,730



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10.0 JMG 4

10.2 Statements of financial position

The statements of financial position for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	-----FRS framework-----		MFRS
		2011	2012	2013
		RM	RM	RM
Non-current asset				
Vessel and equipment	10.5(e)	105,058,278	118,802,108	111,542,279
Current assets				
Trade and other receivables	10.5(f)	-	4,593,307	7,936,152
Prepayment		-	137,898	167,314
Cash and bank balances	10.5(g)	1,712,886	4,721,591	9,996,463
		<u>1,712,886</u>	<u>9,452,796</u>	<u>18,099,929</u>
Total assets		<u>106,771,164</u>	<u>128,254,904</u>	<u>129,642,208</u>
Equity and liabilities				
Current liabilities				
Trade and other payables	10.5(h)	12,320,739	10,000	10,000
Loan	10.5(i)	-	705,551	7,935,900
Income tax payable		-	-	20,000
		<u>12,320,739</u>	<u>715,551</u>	<u>7,965,900</u>
Net current (liabilities)/assets		<u>(10,607,853)</u>	<u>8,737,245</u>	<u>10,134,029</u>
Non-current liability				
Loan	10.5(i)	79,495,000	109,294,449	100,665,674
Total liabilities		<u>91,815,739</u>	<u>110,010,000</u>	<u>108,631,574</u>
Net assets		<u>14,955,425</u>	<u>18,244,904</u>	<u>21,010,634</u>
Equity attributable to equity holders of the Company				
Share capital	10.5(j)	15,000,000	18,700,000	18,700,000
(Accumulated losses)/retained earnings		(44,575)	(455,096)	2,310,634
Total equity		<u>14,955,425</u>	<u>18,244,904</u>	<u>21,010,634</u>
Total equity and liabilities		<u>106,771,164</u>	<u>128,254,904</u>	<u>129,642,208</u>



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10.0 JMG 4

10.3 Statements of cash flows

The statements of cash flows for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	FRS framework		MFRS framework
		2011 RM	2012 RM	2013 RM
Operating activities				
(Loss)/profit before tax		(12,000)	(410,521)	2,785,730
<u>Adjustments for:</u>				
Interest expense	10.5(b)	-	4,338,712	5,765,258
Depreciation of vessel and equipment	10.5(c)	-	5,924,515	7,490,368
Interest income		(19,784)	(20,294)	(45,548)
Total adjustments		(19,784)	10,242,933	13,210,078
Operating cash flows before changes in working capital		(31,784)	9,832,412	15,995,808
<u>Changes in working capital:</u>				
Trade and other receivables		-	(4,593,307)	(3,342,845)
Prepayment		-	(137,898)	(29,416)
Trade and other payables		(28,336,833)	(12,310,739)	-
Total changes in working capital		(28,336,833)	(17,041,944)	(3,372,261)
Net cash flows (used in)/generated from operating activities		(28,368,617)	(7,209,532)	12,623,547
Investing activities				
Purchase of vessel and equipment		(62,183,278)	(19,668,345)	(230,539)
Interest received		19,784	20,294	45,548
Net cash flows used in investing activities		(62,163,494)	(19,648,051)	(184,991)
Financing activities				
Proceeds from drawdown of term loan		79,495,000	30,505,000	-
Repayment of term loan		-	-	(1,398,426)
Interest paid		-	(4,338,712)	(5,765,258)
Proceeds from issuance of share capital		12,749,997	3,700,000	-
Net cash flows generated from/(used in) financing activities		92,244,997	29,866,288	(7,163,684)
Net increase in cash and cash equivalents		1,712,886	3,008,705	5,274,872
Cash and cash equivalents at beginning of financial year		-	1,712,886	4,721,591
Cash and cash equivalents at end of financial year	10.5(g)	1,712,886	4,721,591	9,996,463



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10.4 Statements of changes in equity

The statements of changes in equity for the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013 are as follows:

	Note	Total equity RM	Share capital RM	(Accumulated losses)/ retained earnings RM
<u>FRS framework</u>				
At 1 August 2010		(32,572)	3	(32,575)
Total comprehensive loss		(12,000)	-	(12,000)
Issuance of ordinary shares	10.5(j)	14,999,997	14,999,997	-
At 31 July 2011 and 1 August 2011		14,955,425	15,000,000	(44,575)
Total comprehensive loss		(410,521)	-	(410,521)
Issuance of ordinary shares	10.5(j)	3,700,000	3,700,000	-
At 31 July 2012		18,244,904	18,700,000	(455,096)
<u>MFRS framework</u>				
At 1 August 2012		18,244,904	18,700,000	(455,096)
Total comprehensive income		2,765,730	-	2,765,730
At 31 July 2013		21,010,634	18,700,000	2,310,634



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10.5 Notes to the financial statements

(a) Revenue

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Vessel charter hire income	-	12,403,623	17,652,215

The revenue represents vessel charter hire income receivable from its immediate holding company, Jasa Merin (Malaysia) Sdn Bhd.

(b) Finance cost

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Interest expense on term loan	-	4,338,712	5,765,258

(c) (Loss)/profit before tax

(Loss)/profit before tax is stated after charging:

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Auditors’ remuneration	2,000	10,000	9,000
Interest income	19,698	20,294	60,492
Depreciation of vessel and equipment (Note 10.5(e))	-	5,924,515	7,490,368

(d) Income tax expense

	-----FRS framework-----		MFRS framework
	2011	2012	2013
	RM	RM	RM
Current income tax:			
Labuan Business Activity Tax	-	-	20,000

The Company’s tax for financial year ended 31 July 2013 is provided for based at RM20,000 as elected under Section 7(1) of the Labuan Business Activity Act, 1990.

There is no tax charge for the financial years ended 31 July 2011 and 31 July 2012 as the Company was in loss position.



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10.5 Notes to the financial statements (contd.)

(e) Vessel and equipment

	Vessel RM	Vessel under construction RM	Drydocking expenditure RM	Computer system RM	Total RM
FRS framework					
At cost					
At 1 August 2010	-	42,875,000	-	-	42,875,000
Addition	-	62,183,278	-	-	62,183,278
At 31 July 2011	-	105,058,278	-	-	105,058,278
Addition	-	19,668,345	-	-	19,668,345
Reclassification	124,726,623	(124,726,623)	-	-	-
At 31 July 2012	124,726,623	-	-	-	124,726,623
Accumulated depreciation					
At 1 August 2010, 31 July 2011 and 1 August 2011	-	-	-	-	-
Charge for the year (Note 10.5(c))	5,924,515	-	-	-	5,924,515
At 31 July 2012	5,924,515	-	-	-	5,924,515
Net carrying amount					
At 31 July 2011	-	105,058,278	-	-	105,058,278
At 31 July 2012	118,802,108	-	-	-	118,802,108
MFRS framework					
At cost					
At 1 August 2012	124,726,623	-	-	-	124,726,623
Additions	-	-	68,030	162,509	230,539
At 31 July 2013	124,726,623	-	68,030	162,509	124,957,162
Accumulated depreciation					
At 1 August 2012	5,924,515	-	-	-	5,924,515
Charge for the year (Note 10.5(c))	7,483,597	-	-	6,771	7,490,368
At 31 July 2013	13,408,112	-	-	6,771	13,414,883
Net carrying amount					
At 31 July 2013	111,318,511	-	68,030	155,738	111,542,279



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10.5 Notes to the financial statements (contd.)

(e) Vessel and equipment (contd.)

The vessel is pledged for a term loan facility as disclosed in Note 10.5(i).

During the financial year ended 31 July 2013, the borrowing cost capitalised in relation to the vessel under construction amounted to RM Nil (2012: RM523,357; 2011: RM774,008).

(f) Trade and other receivables

	I-----FRS framework-----I		MFRS
	2011	2012	2013
	RM	RM	RM
Trade receivable			
Amount due from holding company	-	4,593,307	7,913,845
Other receivable			
Sundry receivable	-	-	22,307
Total trade and other receivables	-	4,593,307	7,936,152
Add: Cash and bank balances (Note 10.5(g))	1,712,886	4,721,591	9,996,463
Total loans and receivables	<u>1,712,886</u>	<u>9,314,898</u>	<u>17,932,615</u>

The amount due from holding company has credit term of 30 (2012: 30; 2011: Nil) days.

(g) Cash and bank balances

	I-----FRS framework-----I		MFRS
	2011	2012	2013
	RM	RM	RM
Cash at bank	1,039,900	1,029,750	2,296,646
Fixed deposit with a licensed bank	672,986	3,691,841	7,699,817
Cash and bank balances (Note 10.5(f))	<u>1,712,886</u>	<u>4,721,591</u>	<u>9,996,463</u>

For the financial year ended 31 July 2011, fixed deposit with a licensed bank amounting to RM672,986 is pledged to the bank for banking facility granted to the Company.

The weighted average interest rate of deposit at the reporting date, was 3.02% (2012: 2.85%; 2011: 2.85%) per annum.

The average maturity of deposit at the end of the financial year was 152 (2012: 365; 2011: 365) days.



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10.5 Notes to the financial statements (contd.)

(h) Trade and other payables

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Trade payable			
Amount due to holding company	31,681	-	-
Other payables			
Amount due to vessel contractors	12,261,520	-	-
Amount due to holding company	22,940	-	-
Amount due to a related company	2,598	-	-
Accruals	2,000	10,000	10,000
	<u>12,289,058</u>	<u>10,000</u>	<u>10,000</u>
Total trade and other payables	<u>12,320,739</u>	<u>10,000</u>	<u>10,000</u>
Total trade and other payables	12,320,739	10,000	10,000
Add: Loan (Note 10.5(i))	79,495,000	110,000,000	108,601,574
Total financial liabilities carried at amortised cost	<u>91,815,739</u>	<u>110,010,000</u>	<u>108,611,574</u>

The amount due to holding company and a related company are non-interest bearing and repayable on demand. These amounts are unsecured and are to be settled in cash.

(i) Loan

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Current			
Secured:			
5.25% per annum fixed rate RM bank loan	-	705,551	7,935,900
Non-current			
Secured:			
5.25% per annum fixed rate RM bank loan	79,495,000	109,294,449	100,665,674
Total loan (Note 10.5(h))	<u>79,495,000</u>	<u>110,000,000</u>	<u>108,601,574</u>



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10.0 JMG 4

10.5 Notes to the financial statements (contd.)

(i) Loan (contd.)

The remaining maturities of the loan as at the reporting dates are as follows:

	-----FRS framework-----		MFRS
	2011	2012	2013
	RM	RM	RM
Within one year	-	705,551	7,935,900
More than 1 year and less than 2 years	1,010,495	8,628,775	9,092,846
More than 2 years and less than 5 years	19,812,304	28,771,927	30,318,479
More than 5 years	58,672,201	71,893,747	61,254,349
	<u>79,495,000</u>	<u>110,000,000</u>	<u>108,601,574</u>

5.25% per annum fixed rate RM bank loan

This loan has been drawdown under a twelve-year tenure. This facility is secured by the following:

- (a) Facilities agreement;
- (b) Asset sale and/or purchase agreement;
- (c) A first preferred mortgage on the vessel;
- (d) A fixed and floating charge by way of debenture on present and future assets of the Company inclusive of the vessel;
- (e) Deed of assignment of shipbuilding contract between Jasa Merin (Malaysia) Sdn Bhd and Muhibbah Marine Engineering Sdn Bhd;
- (f) Assignment of charter proceeds in respect of the vessel leased to holding company;
- (g) Assignment of Takaful and/or conventional insurance policy on the vessel; and
- (h) A proportionate corporate guarantee from Jasa Merin (Malaysia) Sdn Bhd.



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10.0 JMG 4

10.5 Notes to the financial statements (contd.)

(j) Share capital

	----- Number of ordinary shares -----		
	-----FRS framework-----		MFRS framework 2013
	2011	2012	
Issued and fully paid:			
At beginning of financial year	1	4,653,202	5,827,806
Issued during the year	4,653,201	1,174,604	-
At end of financial year	<u>4,653,202</u>	<u>5,827,806</u>	<u>5,827,806</u>

	----- Amount -----		
	-----FRS framework-----		MFRS framework 2013
	2011 RM	2012 RM	2013 RM
Issued and fully paid:			
At beginning of financial year	3	15,000,000	18,700,000
Issued during the year	14,999,997	3,700,000	-
At end of financial year	<u>15,000,000</u>	<u>18,700,000</u>	<u>18,700,000</u>

The shares of Labuan company shall have no par value or nominal value in accordance with Section 46(1) of the Labuan Companies Act, 1990.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

During the financial year ended 31 July 2012, the Company has increased its issued and fully paid share capital from RM15,000,000 to RM18,700,000 (2011: RM3 to RM15,000,000) by issuing 1,174,604 (2011: 4,653,201) units of ordinary shares via:

- (i) Capitalisation of amount due to holding company of RM Nil (2011: RM2,250,000); and
- (ii) Cash contribution of RM3,700,000 (2011: RM12,749,997).



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10.0 JMG 4

10.5 Notes to the financial statements (contd.)

(k) Fair values of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Carrying amount RM	Fair value RM
Financial liability:		
Loan (non-current):		
5.25% per annum fixed rate RM bank loan (Note 10.5(i))		
<u>FRS framework</u>		
31 July 2011	79,495,000	74,404,952
31 July 2012	109,294,449	100,717,664
<u>MFRS framework</u>		
31 July 2013	100,665,674	93,202,524

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	10.5(f)
Trade and other payables (current)	10.5(h)
Loan (current)	10.5(i)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amount of the current portion of the loan is reasonable approximation of fair value due to the insignificant impact of discounting.



10.0 JMG 4

10.5 Notes to the financial statements (contd.)

(I) Financial risk management objectives and policies

The Company is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the reporting periods, the Company’s policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company’s exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk, or the risk of counterparts defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Company’s associations to business partners with high creditworthiness. Trade receivables are monitored on ongoing basis via Company management reporting procedures.

At the reporting dates, the Company’s maximum exposure to credit risk is only represented by the carrying amount of financial assets recognised in the statements of financial position.

At the reporting dates, all balances of trade receivable of the Company were due from the holding company.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements.



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10.5 Notes to the financial statements (contd.)

(i) Financial risk management objectives and policies (contd.)

(ii) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company’s liabilities at the reporting dates based on contractual undiscounted repayment obligations.

	----- 2011 -----			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	12,320,739	-	-	12,320,739
Loan	5,238,487	49,682,825	48,388,569	103,309,881
Total undiscounted financial liabilities	17,559,226	49,682,825	48,388,569	115,630,620
	----- 2012 -----			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FRS framework				
Financial liabilities:				
Trade and other payables	10,000	-	-	10,000
Loan	7,195,310	56,650,020	83,801,317	147,646,647
Total undiscounted financial liabilities	7,205,310	56,650,020	83,801,317	147,656,647
	----- 2013 -----			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
MFRS framework				
Financial liabilities:				
Trade and other payables	10,000	-	-	10,000
Loan	14,162,505	56,650,020	69,638,812	140,451,337
Total undiscounted financial liabilities	14,172,505	56,650,020	69,638,812	140,461,337



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10.0 JMG 4

10.5 Notes to the financial statements (contd.)

(l) Financial risk management objectives and policies (contd.)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company’s financial instruments will fluctuate because of changes in market interest rates. The Company’s interest bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Company’s exposure to interest rate risk arises primarily from its loan. Information regarding the interest rate of financial liabilities is disclosed in Note 10.5(i).

(m) Capital management

The primary objective of the Company’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 July 2011, 31 July 2012 and 31 July 2013.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loan and trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	Note	-----FRS framework-----		MFRS
		2011	2012	2013
		RM	RM	RM
Loan	10.5(i)	79,495,000	110,000,000	108,601,574
Trade and other payables	10.5(h)	12,320,739	10,000	10,000
Less: Cash and bank balances	10.5(g)	(1,712,886)	(4,721,591)	(9,996,463)
Net debt		<u>90,102,853</u>	<u>105,288,409</u>	<u>98,615,111</u>
Equity attributable to owners of the Company		<u>14,955,425</u>	<u>18,244,904</u>	<u>21,010,634</u>
Capital and net debt		<u>105,058,278</u>	<u>123,533,313</u>	<u>119,625,745</u>
Gearing ratio		<u>86%</u>	<u>85%</u>	<u>82%</u>



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11.0 Event subsequent to reporting date

There were no material events which have arisen subsequent to 31 July 2013, which requires disclosure in this report.

Yours faithfully



Ernst & Young
AF: 0039
Chartered Accountants



Ismed Darwis Bahatlar
No. 2921/04/14(J)
Chartered Accountant

JM GLOBAL 1 (LABUAN) PLC (Co. LL06540)

Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Labuan F.T. , Malaysia

Tel: 087-427745

Fax: 087-428845

Date: 27 NOVEMBER 2013

To: The Shareholders of SILK Holdings Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of JM Global 1 (Labuan) Plc ("**Board**") ("**JMG 1**"), I wish to report that, after making due enquiries in relation to JMG 1 during the period between 31 July 2013, being the date on which the latest audited financial statements have been made up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Circular to Shareholders:-

- (a) the business of JMG 1 has, in the opinion of the Board, been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of JMG 1 which have adversely affected the trading or the value of the assets of JMG 1;
- (c) the current assets of JMG 1 appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by JMG 1;
- (e) since the last audited financial statements of JMG 1, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which the Board are aware of; and
- (f) to the best of the knowledge of the Board, there have been no material changes in the published reserves or any unusual factors affecting the profits of JMG 1 since the last audited financial statements of JMG 1.

Yours faithfully,
For and on behalf of the Board
JM GLOBAL 1 (LABUAN) PLC



ABDUL RAHMAN BIN ALI
Director

JM GLOBAL 2 (LABUAN) PLC (Co. LL06541)
Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Labuan F.T. , Malaysia
Tel: 087-427745 Fax: 087-428845

Date: 27 NOVEMBER 2013

To: The Shareholders of SILK Holdings Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of JM Global 2 (Labuan) Plc ("**Board**") ("**JMG 2**"), I wish to report that, after making due enquiries in relation to JMG 2 during the period between 31 July 2013, being the date on which the latest audited financial statements have been made up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Circular to Shareholders:-

- (a) the business of JMG 2 has, in the opinion of the Board, been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of JMG 2 which have adversely affected the trading or the value of the assets of JMG 2;
- (c) the current assets of JMG 2 appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by JMG 2;
- (e) since the last audited financial statements of JMG 2, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which the Board are aware of; and
- (f) to the best of the knowledge of the Board, there have been no material changes in the published reserves or any unusual factors affecting the profits of JMG 2 since the last audited financial statements of JMG 2.

Yours faithfully,
For and on behalf of the Board
JM GLOBAL 2 (LABUAN) PLC



ABDUL RAHMAN BIN ALI
Director

JM GLOBAL 3 (LABUAN) PLC (Co. LL06542)

Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Labuan F.T. , Malaysia

Tel: 087-427745

Fax: 087-428845

Date: 27 NOVEMBER 2013

To: The Shareholders of SILK Holdings Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of JM Global 3 (Labuan) Plc ("**Board**") ("**JMG 3**"), I wish to report that, after making due enquiries in relation to JMG 3 during the period between 31 July 2013, being the date on which the latest audited financial statements have been made up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Circular to Shareholders:-

- (a) the business of JMG 3 has, in the opinion of the Board, been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of JMG 3 which have adversely affected the trading or the value of the assets of JMG 3;
- (c) the current assets of JMG 3 appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by JMG 3;
- (e) since the last audited financial statements of JMG 3, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which the Board are aware of; and
- (f) to the best of the knowledge of the Board, there have been no material changes in the published reserves or any unusual factors affecting the profits of JMG 3 since the last audited financial statements of JMG 3.

Yours faithfully,
For and on behalf of the Board
JM GLOBAL 3 (LABUAN) PLC



ABDUL RAHMAN BIN ALI
Director

JM GLOBAL 4 (LABUAN) PLC (Co. LL06549)
Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Labuan F.T. , Malaysia
Tel: 087-427745 Fax: 087-428845

Date: 27 NOVEMBER 2013

To: The Shareholders of SILK Holdings Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of JM Global 4 (Labuan) Plc ("**Board**") ("**JMG 4**"), I wish to report that, after making due enquiries in relation to JMG 4 during the period between 31 July 2013, being the date on which the latest audited financial statements have been made up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Circular to Shareholders:-

- (a) the business of JMG 4 has, in the opinion of the Board, been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of JMG 4 which have adversely affected the trading or the value of the assets of JMG 4;
- (c) the current assets of JMG 4 appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by JMG 4;
- (e) since the last audited financial statements of JMG 4, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which the Board are aware of; and
- (f) to the best of the knowledge of the Board, there have been no material changes in the published reserves or any unusual factors affecting the profits of JMG 4 since the last audited financial statements of JMG 4.

Yours faithfully,
For and on behalf of the Board
JM GLOBAL 4 (LABUAN) PLC



ABDUL RAHMAN BIN ALI
Director

APPENDIX V – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

All information pertaining to GMV-Jasa was extracted from publicly available information. Therefore, the sole responsibility of the Board is restricted to ensure that such information has been accurately and correctly extracted and reproduced from these sources.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

2.1 Adviser

AFFIN Investment, the Adviser to the Company for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

AFFIN Investment has also confirmed that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Adviser for the Proposed Acquisition.

However, it is to be noted that ABB, a wholly-owned subsidiary of AFFIN Holdings Berhad, which in turn is the sole shareholder of AFFIN Investment has provided financing to SHB Group.

Notwithstanding the above, AFFIN Investment is of the view that no conflict of interest exists or is likely to exist in relation to AFFIN Investment's role as adviser to SHB for the Proposed Acquisition based on the following reasons:

- (a) Based on ABB's gross loans, advances and financing for the audited FYE 31 December 2012, the aforesaid ABB's financing to SHB Group represents less than 2.5% of the total gross loans, advances and financing of ABB as at 31 December 2012;
- (b) ABB does not interfere and is not involved in the management and/or operational affairs in relation to corporate assignments undertaken by the Corporate Finance Department of AFFIN Investment. The management of AFFIN Investment is not subjected to the directions of ABB in undertaking any of its corporate assignments;
- (c) AFFIN Investment, as a licensed investment bank, believes in the maintenance of highest standard of professional responsibility and will ensure that it discharges its professional duty accordingly as the adviser to SHB in relation to the Proposed Acquisition; and
- (d) Aside from the professional advisory fees to be earned by AFFIN Investment as adviser to SHB for the Proposed Acquisition, there is no other direct or indirect interest to be derived from AFFIN Investment's appointment.

APPENDIX V – FURTHER INFORMATION (cont'd)

2.2 Reporting Accountants

EY, being the Reporting Accountants for the Proposed Acquisition, has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name, Reporting Accountants' letter on the Proforma Consolidated Statement of Financial Position of SHB as at 31 July 2013, Accountants' Report on the SOCs and all references thereto in the form and context in which they appear in this Circular.

EY is not aware of any circumstance that exists or is likely to exist to give rise to any conflict of interest in its role as the Reporting Accountants for the Proposed Acquisition.

(2) MATERIAL LITIGATION

As at the LPD, the boards of directors of the SOCs have confirmed that there is no material litigation, claims or arbitration involving the SOCs, and the boards of directors of the SOCs are not aware of any proceedings, pending or threatened involving the SOCs or of any facts likely to give rise to any proceedings involving the same.

(3) MATERIAL CONTRACTS

As at the LPD, the boards of directors of the SOCs has confirmed that there is no material contracts (not being contracts entered into in the ordinary course of business) that have been entered by the SOCs within two (2) years preceding the date of this Circular.

(4) MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, the Board is not aware of any material commitments and contingent liabilities incurred or known to be incurred by SHB that has not been provided for which upon becoming enforceable, may have a material impact on the financial results/position of the SHB Group as at 31 July 2013, being the latest audited consolidated financial statements of SHB:

	FYE 31 July 2013 RM'000
Material Commitments:	
Approved and contracted for:	
Vessels and equipment	150,687
Approved but not contracted for:	
Vessels and equipment	112,658
Highway lane expansion	18,000
Highway repairs and other concession assets	9,500
Contingent Liabilities:	
Performance bond for expressway maintenance cost	1,500

APPENDIX V – FURTHER INFORMATION (cont'd)

(5) DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of SHB at D2-3-2, Solaris Dutamas 1, Jalan Dutamas 1, 50480 Kuala Lumpur, during normal office hours on Mondays to Fridays (except public holidays) for a period commencing from the date of this Circular up to the date of the EGM:-

- (i) the Memorandum and Articles of Association of SHB and the SOCs;
- (ii) the JVA and the Notice;
- (iii) the audited consolidated financial statement of SHB and the SOCs for the past three (3) financial years up to FYE 31 July 2013;
- (iv) the Reporting Accountants' letter on the Proforma Consolidated Statement of Financial Position of SHB as at 31 July 2013 dated 26 November 2013;
- (v) the Accountants' Report dated 26 November 2013;
- (vi) the Directors' Report on JMG 1, JMG 2, JMG 3 and JMG 4 dated 27 November 2013 respectively; and
- (vii) the letters of consent referred to in Section 2 of this Appendix.

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SILK HOLDINGS BERHAD

(Company No: 405897-V)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of SILK Holdings Berhad ("**SHB**" or the "**Company**") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 13 December 2013 at 11.00 a.m. or at any adjournment thereof or immediately after the conclusion of the Sixteenth Annual General Meeting which will be held at the same venue and on the same day at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing the following resolution with or without modification:-

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY JASA MERIN (MALAYSIA) SDN BHD, A 70%-OWNED SUBSIDIARY OF AQL AMAN SDN BHD WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF SILK HOLDINGS BERHAD, OF THE REMAINING 49% EQUITY INTEREST HELD BY GMV-JASA SDN BHD IN JM GLOBAL 1 (LABUAN) PLC, JM GLOBAL 2 (LABUAN) PLC, JM GLOBAL 3 (LABUAN) PLC AND JM GLOBAL 4 (LABUAN) PLC FOR A PURCHASE CONSIDERATION TO BE DETERMINED LATER AND TO BE SATISFIED ENTIRELY IN CASH ("PROPOSED ACQUISITION")

"**THAT**, subject to all approvals being obtained from the relevant regulatory authorities and parties (if required) and the conditions precedent for the Proposed Acquisition being fulfilled, approval be and is hereby given for Jasa Merin (Malaysia) Sdn Bhd, a 70%-owned subsidiary of AQL Aman Sdn Bhd, which in turn is a wholly-owned subsidiary of SHB, to acquire from GMV-Jasa Sdn Bhd the remaining 49% equity interests in JM Global 1 (Labuan) Plc, JM Global 2 (Labuan) Plc, JM Global 3 (Labuan) Plc and JM Global 4 (Labuan) Plc for a total purchase consideration to be determined as at the completion date in accordance with clause 15.3 of the joint venture agreement between Jasa Merin (Malaysia) Sdn Bhd and GMV-Jasa Sdn Bhd dated 27 February 2008 as described in Section 2.3 of the Circular to the shareholders of the Company dated 28 November 2013, to be settled and satisfied in cash;

AND THAT in order to implement, complete and give full effect to the Proposed Acquisition, approval be and is hereby given for the Board of Directors to do or to procure to be done all such acts, deeds and things and to execute, sign and deliver, for and on behalf of the Company, all such documents and to enter into any arrangements, agreements and/or undertakings with any party or parties as may deem fit, necessary, expedient and/or appropriate to implement, finalise and/or give full effect to and complete the Proposed Acquisition, with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be agreed to/required by any relevant regulatory authorities or as a consequent of any such requirements or as the Board of Directors shall in its absolute discretion deems fit, necessary, expedient and/or appropriate in connection with the Proposed Acquisition and in the best interest of the Company.

By Order of the Board

KWAN WAI KEIN (MAICSA 7055765)

SOTHIRAJEN a/l S. PARANJOTHI (LS 0005734)

Company Secretaries

Kuala Lumpur

28 November 2013

NOTES:

- (i) A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
- (iii) If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
- (iv) The instrument appointing a proxy must be deposited at the Registered office of the Company at D2-3-2, Solaris Dutamas, 1 Jalan Dutamas 1, 50480 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to (03) 6207-9933. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

FORM OF PROXY

SILK HOLDINGS BERHAD (405897-V)

Extraordinary General Meeting

(Incorporated in Malaysia)
 Registered Office :
 D2-3-2, Solaris Dutamas
 1, Jalan Dutamas 1
 50480 Kuala Lumpur, Malaysia
 Tel : 03-6207-8080
 Fax : 03-6207-9933

Number of share(s) held	
CDS Account No.	

PROXY "A"

I/We *NRIC No./Passport No./Company No.....
 Tel./HP No of
 being a member of SILK HOLDINGS BERHAD and entitled to vote hereby appoint
 *NRIC No./Passport No
 Tel./HP No of
 or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 13 December 2013, at 10.00 a.m. or at any adjournment thereof or immediately after the conclusion of the 16th Annual General Meeting of the Company which will be held at the same venue on the same date at 10.00 a.m. or at any adjournment thereof.

WHERE THE MEMBER DESIRES TO APPOINT A 2ND PROXY, THIS SECTION MUST ALSO BE COMPLETED, OTHERWISE IT SHOULD BE DELETED
PROXY "B"

I/We *NRIC No./Passport No./Company No.....
 Tel./HP No of
 being a member of SILK HOLDINGS BERHAD and entitled to vote hereby appoint
 *NRIC No./Passport No
 Tel./HP No of
 or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 13 December 2013, at 11.00 a.m. or at any adjournment thereof or immediately after the conclusion of the 16th Annual General Meeting of the Company which will be held at the same venue on the same date at 10.00 a.m. or at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows :

1st Proxy "A" - % (to be completed)
 2nd Proxy "B" - % (to be completed)
 Total: 100 %

In case of a vote taken by a show of hands, *1st Proxy "A" / *2nd Proxy "B" shall vote on my/our behalf.

* Delete if inapplicable

My/our proxy/proxies shall vote as follows :

(Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion)

No.	RESOLUTION	1ST PROXY "A"		2ND PROXY "B"	
		FOR	AGAINST	FOR	AGAINST
1	Proposed Acquisition				

Dated this day of 2013

Signature of Member.....

NOTES:

1. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
3. If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at D2-3-2, Solaris Dutamas, 1 Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to 03-6207-9933. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.



Fold this flap for sealing

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AFFIX
STAMP

The Company Secretary
SILK HOLDINGS BERHAD (405897-V)
D2-3-2, Solaris Dutamas
1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

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