

# Quarterly rpt on consolidated results for the financial period ended 30 Jun 2018

## MALAYSIAN BULK CARRIERS BERHAD

Financial Year End	31 Dec 2018
Quarter	2 Qtr
Quarterly report for the financial period ended	30 Jun 2018
The figures	have not been audited

### Attachments



MBC 300618 Q2FY18.pdf  
88.7 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2018

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	57,488	70,694	111,751	135,655
2	Profit/(loss) before tax	-151,124	-9,388	-165,163	-41,977
3	Profit/(loss) for the period	-151,313	-9,662	-165,521	-42,501
4	Profit/(loss) attributable to ordinary equity holders of the parent	-151,272	-10,754	-165,615	-43,960
5	Basic earnings/(loss) per share (Subunit)	-15.13	-1.08	-16.56	-4.40
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.3592		0.5258	

#### Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

#### Announcement Info

Company Name	MALAYSIAN BULK CARRIERS BERHAD
Stock Name	MAYBULK
Date Announced	23 Aug 2018
Category	Financial Results
Reference Number	FRA-20082018-00009

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 June 2018

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2018**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Jun-18 RM '000	PRECEDING YEAR QUARTER 30-Jun-17 RM '000	CURRENT YEAR TO DATE 30-Jun-18 RM '000	PRECEDING YEAR TO DATE 30-Jun-17 RM '000
Revenue	57,488	70,694	111,751	135,655
Voyage expenses	(7,112)	(18,890)	(16,401)	(41,070)
	<u>50,376</u>	<u>51,804</u>	<u>95,350</u>	<u>94,585</u>
Operating expenses	(46,049)	(53,361)	(93,845)	(104,994)
	<u>4,327</u>	<u>(1,557)</u>	<u>1,505</u>	<u>(10,409)</u>
Other operating income, net	1,434	6,810	1,916	9,173
Administrative expenses	(2,737)	(2,235)	(5,850)	(5,199)
	<u>3,024</u>	<u>3,018</u>	<u>(2,429)</u>	<u>(6,435)</u>
Finance costs	(4,274)	(5,084)	(8,327)	(10,075)
Share of results of an associate	(2,329)	(8,442)	(8,402)	(25,812)
Impairment loss on associate	(147,663)	0	(147,663)	0
Share of results of joint ventures	<u>118</u>	<u>1,120</u>	<u>1,658</u>	<u>345</u>
Loss before taxation	(151,124)	(9,388)	(165,163)	(41,977)
Income tax expense	(189)	(274)	(358)	(524)
Loss for the period	<u>(151,313)</u>	<u>(9,662)</u>	<u>(165,521)</u>	<u>(42,501)</u>
Attributable to:				
Equity holders of the parent	(151,272)	(10,754)	(165,615)	(43,960)
Non-controlling interests	(41)	1,092	94	1,459
	<u>(151,313)</u>	<u>(9,662)</u>	<u>(165,521)</u>	<u>(42,501)</u>
Loss per share (sen)				
- Basic	(15.13)	(1.08)	(16.56)	(4.40)

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 June 2018

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2018**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Jun-18 RM '000	PRECEDING YEAR QUARTER 30-Jun-17 RM '000	CURRENT YEAR TO DATE 30-Jun-18 RM '000	PRECEDING YEAR TO DATE 30-Jun-17 RM '000
Loss for the period	(151,313)	(9,662)	(165,521)	(42,501)
Other comprehensive income/(loss):				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	10,733	(25,975)	(8,292)	(33,436)
Net change in cash flow hedge	(5,241)	(2,116)	(330)	292
Share of associate's other comprehensive income	2,132	(3,194)	6,821	(2,967)
Total comprehensive income/(loss) for the period	<u>(143,689)</u>	<u>(40,947)</u>	<u>(167,322)</u>	<u>(78,612)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(143,671)	(41,219)	(166,620)	(79,023)
Non-controlling interests	<u>(18)</u>	<u>272</u>	<u>(702)</u>	<u>411</u>
	<u>(143,689)</u>	<u>(40,947)</u>	<u>(167,322)</u>	<u>(78,612)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 30-Jun-18 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-17 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	504,375	471,671
Deposits	18,188	56,788
Associate	-	394,963
Joint ventures	76,459	75,974
	<u>599,022</u>	<u>999,396</u>
<b>Current Assets</b>		
Consumable stores	2,701	7,344
Receivables and other current assets	36,762	44,742
Short term deposits	30,199	19,894
Cash and bank balances	52,362	52,339
	<u>122,024</u>	<u>124,319</u>
Non-current assets classified as held for sale	240,050	83,224
	<u>362,074</u>	<u>207,543</u>
<b>TOTAL ASSETS</b>	<u><u>961,096</u></u>	<u><u>1,206,939</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	338,791	338,791
Reserves	207,253	612,673
Reserves of non-current assets classified as held for sale	404,415	-
Accumulated losses	(591,300)	(425,685)
	<u>359,159</u>	<u>525,779</u>
Non-controlling interests	1,024	23,404
<b>Total equity</b>	<u><u>360,183</u></u>	<u><u>549,183</u></u>
<b>Non-current liabilities</b>		
Payables and other non-current liabilities	48,511	38,346
Borrowings	247,713	323,946
Derivative financial liabilities	33,800	55,549
Provision for onerous contracts	48,554	63,476
	<u>378,578</u>	<u>481,317</u>
<b>Current liabilities</b>		
Payables and other current liabilities	28,545	39,897
Borrowings	119,784	86,197
Derivative financial liabilities	30,050	19,842
Provision for taxation	260	389
Provision for onerous contracts	43,696	30,114
	<u>222,335</u>	<u>176,439</u>
<b>Total liabilities</b>	<u><u>600,913</u></u>	<u><u>657,756</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>961,096</u></u>	<u><u>1,206,939</u></u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018**

	Attributable to Equity Holders of the Parent								Non-controlling Interests	Total Equity	
	Non-distributable										
	Share Capital RM '000	Share premium RM '000	Capital reserve RM '000	Capital redemption reserve RM '000	Cash flow hedge reserve RM '000	Foreign currency translation reserve RM '000	Reserves of non-current assets classified as held for sale RM '000	Distributable retained profits/ (Accumulated losses) RM '000	Total RM '000	RM '000	RM '000
<b>6 MONTHS ENDED 30 JUNE 2017</b>											
At 1 January 2017	250,000	48,791	7,077	40,000	1,605	659,228	-	(297,808)	708,893	20,867	729,760
Total comprehensive income/(loss) for the period	-	-	-	-	(2,675)	(32,388)	-	(43,960)	(79,023)	411	(122,572)
Liquidation of subsidiaries	-	-	(7,077)	-	-	-	-	7,077	-	-	-
At 30 June 2017	250,000	48,791	-	40,000	(1,070)	626,840	-	(334,691)	629,870	21,278	607,188
<b>6 MONTHS ENDED 30 JUNE 2018</b>											
At 1 January 2018	338,791	-	-	-	6,647	606,026	-	(425,685)	525,779	23,404	549,183
Total comprehensive income/(loss) for the period	-	-	-	-	6,491	(7,496)	-	(165,615)	(166,620)	(702)	(167,322)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(21,678)	(21,678)
Reserves attributable to non-current assets classified as held for sale	-	-	-	-	(13,282)	(391,133)	404,415	-	-	-	-
At 30 June 2018	338,791	-	-	-	(144)	207,397	404,415	(591,300)	359,159	1,024	360,183

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018**

	CUMULATIVE	
	CURRENT	PRECEDING
	YEAR	YEAR
	30-Jun-18	30-Jun-17
	RM '000	RM '000
<b>Cash Flow From Operating Activities</b>		
Loss before taxation	(165,163)	(41,977)
Adjustments for:		
Depreciation and amortisation	11,726	10,144
Loss on disposal of property, plant and equipment	-	(5,447)
Provision/(overprovision) for doubtful debts	836	(921)
Unrealised foreign exchange gain	(5)	(170)
Interest income	(829)	(409)
Finance costs	8,327	10,075
Share of results of an associate	8,402	25,812
Impairment loss on associate	147,663	-
Share of results of joint ventures	(1,658)	(345)
Operating profit/(loss) before working capital changes	9,299	(3,238)
Working capital changes:		
Consumable stores	4,352	644
Receivables and other current assets	7,482	13,256
Payables and other current liabilities	(2,654)	3,966
Derivatives	(7,152)	-
Cash generated from operating activities	11,327	14,628
Tax paid	(526)	(315)
Net cash generated from operating activities	10,801	14,313
<b>Cash Flows From Investing Activities</b>		
Construction cost and purchase of vessels	(11,569)	-
Purchase of new equipment and capitalisation of dry docking	(1,643)	-
Purchase of other assets	(20)	(44)
Interest received	829	409
Proceeds from disposal of property, plant and equipment	83,998	74,852
Net cash generated from investing activities	71,595	75,217
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	-	46,735
Finance costs paid	(5,571)	(8,970)
Repayment of borrowings	(40,987)	(108,015)
Dividend paid to non-controlling interests	(21,678)	-
Net cash used in financing activities	(68,236)	(70,250)
<b>Net change in cash and cash equivalents</b>	14,160	19,280
<b>Effects of foreign exchange rate changes</b>	(3,832)	(4,517)
<b>Cash and cash equivalents at the beginning of the period</b>	72,233	69,641
<b>Cash and cash equivalents at the end of the period</b>	82,561	84,404
Cash and cash equivalents comprise:		
Short term deposits	30,199	28,353
Cash and bank balances	52,362	56,051
	82,561	84,404

**NOTES TO THE FINANCIAL REPORT**

**A1. BASIS OF PREPARATION**

The interim financial statements have been prepared under the historical cost basis, except for investment securities and derivative financial instruments which are stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017.

The significant accounting policies and methods of computation applied in this report are consistent with those adopted in the financial statements for the year ended 31 December 2017.

**A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The financial statements for the year ended 31 December 2017 were not qualified.

**A3. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**A4. NATURE AND AMOUNT OF UNUSUAL ITEMS**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter.

**A5. CHANGES IN ESTIMATES**

There were no changes to the estimates of amounts reported in prior financial years that may have a material effect in the current quarter.

**A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

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

**A7. DIVIDENDS PAID**

No dividends have been paid for the current quarter ended 30 June 2018.



**A8. SEGMENT REPORT**

	Shipping Bulkers RM '000	Shipping Tankers RM '000	Ship brokerage & management RM '000	Investment holding & others RM '000	Elimination RM '000	Group RM '000
<u>6 months ended 30 June 2018</u>						
Revenue						
Group	110,195	-	1,954	-	(398)	111,751
Inter-segment	-	-	(398)	-	398	-
External revenue	<u>110,195</u>	<u>-</u>	<u>1,556</u>	<u>-</u>	<u>-</u>	<u>111,751</u>
TCE earnings	<u>93,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,794</u>
Segment results	11,526	-	56	(2,278)	-	9,304
Depreciation and amortisation	(11,572)	-	(17)	(137)	-	(11,726)
Interest income	172	-	72	585	-	829
Finance costs	(4,999)	-	(3)	(3,325)	-	(8,327)
Provision for doubtful debts	(836)	-	-	-	-	(836)
Share of results of an associate	-	-	-	(8,402)	-	(8,402)
Impairment loss on associate	-	-	-	(147,663)	-	(147,663)
Share of results of joint ventures	1,658	-	-	-	-	1,658
(Loss)/profit before tax	<u>(4,051)</u>	<u>-</u>	<u>108</u>	<u>(161,220)</u>	<u>-</u>	<u>(165,163)</u>
<u>6 months ended 30 June 2017</u>						
Revenue						
Group	121,274	12,178	2,792	-	(589)	135,655
Inter-segment	-	-	(589)	-	589	-
External revenue	<u>121,274</u>	<u>12,178</u>	<u>2,203</u>	<u>-</u>	<u>-</u>	<u>135,655</u>
TCE earnings	<u>88,076</u>	<u>4,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,382</u>
Segment results	(2,870)	316	26	(540)	-	(3,068)
Depreciation and amortisation	(9,981)	-	(24)	(139)	-	(10,144)
Gain on disposal of property, plant and equipment	1,861	3,568	18	-	-	5,447
Interest income	157	-	41	211	-	409
Finance costs	(6,018)	-	(7)	(4,050)	-	(10,075)
Overprovision for doubtful debts	921	-	-	-	-	921
Share of results of an associate	-	-	-	(25,812)	-	(25,812)
Share of results of joint ventures	345	-	-	-	-	345
(Loss)/profit before tax	<u>(15,585)</u>	<u>3,884</u>	<u>54</u>	<u>(30,330)</u>	<u>-</u>	<u>(41,977)</u>

**A9. VALUATION OF SHIPS, PROPERTY AND EQUIPMENT**

The property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

**A10. SIGNIFICANT EVENT**

There were no material events subsequent to the current quarter ended 30 June 2018 up to the date of this report.

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A12. CONTINGENT LIABILITIES**

There were no contingent liabilities since the last annual balance sheet date to the date of this report.

**B1. REVIEW OF PERFORMANCE**

For the first half of FY2018, MBC narrowed the loss before tax to RM17.500 million (before impairment provision of RM147.663 million) from RM41.977 million for the comparative period last year. Following the approval of the shareholders to dispose the Group's shareholding in POSH (our associate), an impairment of RM147.663 million was provided. Consequently, the Group reports a loss before tax for the period of RM165.163 million.

The table below summarizes the average time charter equivalent (TCE) for MBC's dry bulk (including jointly owned) and tanker fleet.

	Average TCE/day		Hire days	
	Jan-Jun 2018	Jan-Jun 2017	Jan-Jun 2018	Jan-Jun 2017
	USD	USD	Days	Days
Dry bulk	9,946	7,366	2,640	3,341
Tanker	-	7,983	-	126
<b>Total fleet</b>	<b>9,946</b>	<b>7,389</b>	<b>2,640</b>	<b>3,467</b>

The performance of the key segments in 1H FY2018 as compared to 1H FY2017 is as follows:-

(1) Dry bulk segment

Dry bulk segment reported a lower loss of RM4.051 million in 1H FY2018, an improvement of 74% compared to a loss of RM15.585 million in 1H FY2017 mainly due to improved charter rates (1H FY2018: USD9,946/day versus 1H FY2017: USD7,366/day). This is achieved in spite of a reduced fleet size.

One(1) owned and three (3) jointly owned bulkers were sold in 1H FY2018.

(2) Tanker segment

The Group exited from tanker segment in June 2017.

(3) Investment holding and others

As mentioned above, the shareholders of MBC approved the disposal of all POSH shares at an Extraordinary General Meeting held on 11 May 2018. After accounting for our share of POSH results, the carrying amount of POSH was:

- i) written down to fair value less costs to sell (i.e estimated net proceeds from the disposal of POSH shares), resulting in an impairment loss of RM147.663 million; and
- ii) classified as "non-current assets held for sale".

Share of POSH results was a loss of RM8.402 million in 1H FY2018, compared to RM25.812 million loss in 1H FY2017.

There will be no further share of POSH results nor impairment on investment in POSH moving forward.

The Group's attributable loss was RM165.615 million in 1H FY2018 (1H FY2017: RM43.960 million).

**B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

	<b>Individual Quarter</b>		<b>Variance RM'000</b>
	<b>Q2 FY2018 RM'000</b>	<b>Q1 FY2018 RM'000</b>	
Revenue	57,488	54,263	3,225
Voyage expenses	(7,112)	(9,289)	2,177
	50,376	44,974	5,402
Operating expenses	(46,049)	(47,796)	1,747
<b>Operating profit/(loss)</b>	<b>4,327</b>	<b>(2,822)</b>	<b>7,149</b>
Other operating income/(loss), net	1,434	482	952
Administrative expenses	(2,737)	(3,113)	376
	3,024	(5,453)	8,477
Finance costs	(4,274)	(4,053)	(221)
Share of results of an associate	(2,329)	(6,073)	3,744
Impairment loss on associate	(147,663)	0	(147,663)
Share of results of joint ventures	118	1,540	(1,422)
Loss before taxation	(151,124)	(14,039)	(137,085)
Income tax expense	(189)	(169)	(20)
Loss for the period	(151,313)	(14,208)	(137,105)
<b>Attributable to:</b>			
Equity holders of the parent	(151,272)	(14,343)	(136,929)
Non-controlling interests	(41)	135	(176)
	(151,313)	(14,208)	(137,105)

The Group's operating results improved by RM7.149 million, turning into a profit of RM4.327 million in Q2 FY2018, from a loss of RM2.822 million in Q1 FY2018. The improvement was mainly due to higher charter rates (Q2 FY2018: USD10,356/day versus Q1 FY2018: USD9,556/day).

Administrative expenses decreased 12% to RM2.737 million in Q2 FY2018 (Q1 2018: RM3.113 million) mainly due to over provision of expenses in earlier quarters. Finance costs increased by 5% to RM4.274 million in Q2 FY2018 (Q1 FY2018: RM4.053 million) mainly due to higher interest rates.

The Group's share of POSH results was a loss of RM2.329 million in Q2 FY2018 against RM6.073 million in Q1 FY2018.

The carrying amount of POSH was subsequently written down to fair value less costs to sell, resulting in an impairment loss of RM147.663 million.

Share of joint ventures' results decreased by RM1.422 million to RM0.118 million in Q2 FY2018 (Q1 FY2018: RM1.540 million) mainly due to the write-off of spares remaining onboard the vessels which had been sold.

The Group's attributable loss was RM151.272 million in Q2 FY2018 (Q1 FY2018: RM14.343 million).

**B3. PROSPECTS**

The Baltic Dry Index averaged 1,217 in 1H 2018 (compared to 975 in 1H 2017). Global seaborne trade has grown, but we expect continued volatility for rest of 2018. In 1H 2018, there were fewer scrapping as compared to same period last year. Increasing cost of new builds and higher steel prices have dampened new building orders.

The Board is cautiously optimistic on the dry bulk markets for the balance of the year.

**B4. VARIANCE OF PROFIT FORECAST AND PROFIT GUARANTEE**

There were no profit forecast or profit guarantee for the period under review.

**B5. TAXATION**

	Current quarter RM'000	Current financial year-to-date RM'000
Income tax charge		
-current period	189	358
	<u>189</u>	<u>358</u>

The shipping income of the Group that is derived from the operations of sea-going Malaysian registered ships and Singapore registered ships is tax exempt under Section 54A of the Malaysian Income Tax Act, 1967 and Section 13A of the Singapore Income Tax Act respectively. The taxation charge for the Group is attributable to tax in respect of non-tax exempt activities of the Group.

**B6. FINANCIAL INSTRUMENT**

## a) Derivatives

The Group uses cross currency swap to manage the variability of future cash flows attributable to exchange rate and interest rate fluctuation on its borrowings in Ringgit Malaysia. The hedged cash flows are expected to occur and affect profit or loss in the next 2 years. Gains and losses arising from the effective portion of the hedges are deferred in equity until the variability on the cash flow affects profit or loss, at which time the gains or losses are transferred to profit or loss.

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial year ended 31 December 2017.

As at 30 June 2018, the notional amount, fair value and maturity tenor of the cross currency swap contract are as follows:

	Notional Amount RM'000	Fair Value Assets /(Liabilities) RM'000
Cross currency swap		
- less than 1 year	113,800	(30,050)
- 1 year to 3 years	128,000	(33,800)
	<u>241,800</u>	<u>(63,850)</u>

## b) Fair Value Changes of Financial Liabilities

The Group does not have any financial liabilities which are measured at fair value through profit or loss except for derivative financial instruments.

**B7. NOTES TO CONDENSED CONSOLIDATED INCOME STATEMENT**

	Current quarter RM'000	Current financial year-to-date RM'000
Interest income	485	829
Finance costs	(4,274)	(8,327)
Depreciation and amortisation	(5,865)	(11,726)
Provision for doubtful debts	-	(836)
Unrealised exchange gain	<u>1</u>	<u>5</u>

**B8. STATUS OF CORPORATE PROPOSALS**

On 2 April 2018, on behalf of the Board, RHB Investment Bank Berhad ("RHBIB") announced that the Company proposed to dispose of its deemed interest in 386,385,645 ordinary shares in the capital of PACC Offshore Services Holdings Ltd ("POSH"), representing approximately 21.23% of the total issued shares in POSH, which are currently held by a wholly owned subsidiary of the Company known as Lightwell Shipping Inc, to all shareholders of the Company who are registered as members and whose names appear in the Record of Depository of the Company as at an entitlement date to be determined and announced later. The Proposed Disposal is to be carried out by way of a renounceable restricted offer for sale on a pro-rata basis of 386 POSH shares for every 1,000 existing ordinary shares in the Company.

On 11 May 2018, the shareholders of the Company approved the Proposed Disposal at an Extraordinary General Meeting held on the even date.

On 23 May 2018, the Company submitted an application to Bursa Securities for an extension of time in respect of Paragraph 6.28 of the Listing Requirements pursuant to the restricted offer for sale ("ROS"), and Bursa Securities had vide its letter dated 4 June 2018, resolved:

(a) to grant the Company an extension of time of more than 8 market days for Central Depository (Pte) Limited ("CDP") of Singapore to effect the crediting of the Offer Shares pursuant to the ROS to the respective depository accounts of the entitled shareholders until the successful transfer of the Offer Shares by CDP; and

(b) for the Company to despatch the notices of crediting of the Offer Shares to the entitled shareholders within 2 market days upon the successful transfer of the Offer Shares by CDP.

On 13 August 2018, RHBIB had, on behalf of the Board, announced that the Offer Price has been fixed at RM0.65 per Offer Share. On the same date, RHBIB had also, on behalf of the Board, announced the Entitlement Date and other relevant dates pertaining to the ROS.

**B9. BORROWINGS**

The Group borrowings as at 30 June 2018 are as follows:

	Currency	Current RM '000	Non-current RM '000
Secured	USD	6,452	119,747
Unsecured	RM	113,332	127,966
		<u>119,784</u>	<u>247,713</u>

**B10. MATERIAL LITIGATION**

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group.

**B11. DIVIDENDS**

The Directors do not recommend any dividend for the current quarter ended 30 June 2018.

**B12. EARNINGS PER SHARE**

The basic earnings per share of the Group is calculated by dividing the loss attributable to equity holders of the parent by the number of ordinary shares in issue.

	CURRENT YEAR QUARTER 30-Jun-18	PRECEDING YEAR QUARTER 30-Jun-17	CURRENT YEAR TO DATE 30-Jun-18	PRECEDING YEAR TO DATE 30-Jun-17
Loss attributable to equity holders of the parent (RM'000)	(151,272)	(10,754)	(165,615)	(43,960)
Number of ordinary shares in issue('000)	1,000,000	1,000,000	1,000,000	1,000,000
Loss per share attributable to equity holders of the parent (sen)	<u>(15.13)</u>	<u>(1.08)</u>	<u>(16.56)</u>	<u>(4.40)</u>

**B13. COMMITMENTS**

Commitments as at 30 June 2018 are as follows:

	RM'000
(i) Capital commitments	<u>290,659</u>
(ii) Vessel operating lease commitments - as lessee	
Due within 1 year	104,272
Due later than 1 year and not later than 5 years	<u>219,637</u>
	<u>323,909</u>
(iii) Vessel operating lease commitments - as lessor	
Due within 1 year	
- the Group	28,608
- Share of joint ventures' commitments	8,489
Due later than 1 year and not later than 5 years	
- Share of joint ventures' commitments	<u>3,005</u>
	<u>40,102</u>
(iv) Contract of Affreightment (COA)	
Due within 1 year	21,239
Due later than 1 year and not later than 5 years	85,013
Due later than 5 years	<u>173,635</u>
	<u>279,887</u>

The amounts comprise of estimated freight receivable under a 15-year COA with TNB Fuel Services Sdn Bhd (a subsidiary of Tenaga Nasional Berhad).