

**QUARTERLY REPORT**

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

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Sep-18 RM '000	PRECEDING YEAR QUARTER 30-Sep-17 RM '000	CURRENT YEAR TO DATE 30-Sep-18 RM '000	PRECEDING YEAR TO DATE 30-Sep-17 RM '000
Revenue	58,179	65,408	169,930	201,063
Voyage expenses	(10,692)	(17,846)	(27,093)	(58,916)
	47,487	47,562	142,837	142,147
Operating expenses	(50,237)	(50,540)	(144,082)	(155,534)
	(2,750)	(2,978)	(1,245)	(13,387)
Net change in onerous contracts provision	23,738	0	23,738	0
	20,988	(2,978)	22,493	(13,387)
Other operating income, net	686	990	2,602	10,163
Administrative expenses	(1,315)	(2,478)	(7,165)	(7,677)
	20,359	(4,466)	17,930	(10,901)
Finance costs	(4,397)	(4,962)	(12,724)	(15,037)
Share of results of an associate	0	(8,795)	(8,402)	(34,607)
Impairment loss on associate	7,338	0	(140,325)	0
Share of results of joint ventures	(250)	850	1,408	1,195
Profit/(Loss) before taxation	23,050	(17,373)	(142,113)	(59,350)
Income tax expense	(5)	(220)	(363)	(744)
Profit/(Loss) for the period	<u>23,045</u>	<u>(17,593)</u>	<u>(142,476)</u>	<u>(60,094)</u>
Attributable to:				
Equity holders of the parent	23,017	(17,821)	(142,598)	(61,781)
Non-controlling interests	<u>28</u>	<u>228</u>	<u>122</u>	<u>1,687</u>
	<u>23,045</u>	<u>(17,593)</u>	<u>(142,476)</u>	<u>(60,094)</u>
Earnings/(Loss) per share (sen)				
- Basic	2.30	(1.78)	(14.26)	(6.18)

**QUARTERLY REPORT**

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

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Sep-18 RM '000	PRECEDING YEAR QUARTER 30-Sep-17 RM '000	CURRENT YEAR TO DATE 30-Sep-18 RM '000	PRECEDING YEAR TO DATE 30-Sep-17 RM '000
Profit/(Loss) for the period	23,045	(17,593)	(142,476)	(60,094)
Other comprehensive income/(loss):				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	4,693	5,201	(3,599)	(28,235)
Net change in cash flow hedge	2,664	2,290	2,334	2,582
Share of associate's other comprehensive income	-	364	6,821	(2,603)
Realisation of reserves on liquidation of subsidiaries	-	(12,986)	-	(12,986)
Total comprehensive income/(loss) for the period	<u>30,402</u>	<u>(22,724)</u>	<u>(136,920)</u>	<u>(101,336)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	30,337	(22,685)	(136,283)	(101,708)
Non-controlling interests	65	(39)	(637)	372
	<u>30,402</u>	<u>(22,724)</u>	<u>(136,920)</u>	<u>(101,336)</u>

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

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 30-Sep-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	576,817	471,671
Deposits	-	56,788
Associate	-	394,963
Joint ventures	44,539	75,974
	<u>621,356</u>	<u>999,396</u>
<b>Current Assets</b>		
Consumable stores	8,847	7,344
Receivables and other current assets	36,399	44,742
Short term deposits	33,930	19,894
Cash and bank balances	25,406	52,339
	<u>104,582</u>	<u>124,319</u>
Non-current assets classified as held for sale	247,388	83,224
	<u>351,970</u>	<u>207,543</u>
<b>TOTAL ASSETS</b>	<u><u>973,326</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	214,573	612,673
Reserves of non-current assets classified as held for sale	404,415	-
Accumulated losses	(568,283)	(425,685)
	<u>389,496</u>	<u>525,779</u>
Non-controlling interests	1,089	23,404
<b>Total equity</b>	<u><u>390,585</u></u>	<u><u>549,183</u></u>
<b>Non-current liabilities</b>		
Payables and other non-current liabilities	56,577	38,346
Borrowings	122,697	323,946
Derivative financial liabilities	-	55,549
Provision for onerous contracts	43,024	63,476
	<u>222,298</u>	<u>481,317</u>
<b>Current liabilities</b>		
Payables and other current liabilities	47,243	39,897
Borrowings	225,121	86,197
Derivative financial liabilities	59,334	19,842
Provision for taxation	12	389
Provision for onerous contracts	28,733	30,114
	<u>360,443</u>	<u>176,439</u>
<b>Total liabilities</b>	<u><u>582,741</u></u>	<u><u>657,756</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>973,326</u></u>	<u><u>1,206,939</u></u>

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

	Attributable to Equity Holders of the Parent											
	Non-distributable							Reserves of non-current assets classified as held for sale	Distributable retained profits/ losses)	Total	Non-controlling Interests	Total Equity
	Share Capital	Share premium	Capital reserve	Capital redemption reserve	Cash flow hedge reserve	Foreign currency translation reserve	RM '000					
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>9 MONTHS ENDED 30 SEPTEMBER 2017</b>												
<b>At 1 January 2017</b>	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	-	-	-	-	(21)	(39,906)	-	(61,781)	(101,708)	372	(101,336)	
Transfer to no-par value regime	88,791	(48,791)	-	(40,000)	-	-	-	-	-	-	-	
Liquidation of subsidiaries	-	-	(7,077)	-	-	-	-	7,077	-	-	-	
<b>At 30 September 2017</b>	<b>338,791</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,584</b>	<b>619,322</b>	<b>-</b>	<b>(352,512)</b>	<b>607,185</b>	<b>21,239</b>	<b>628,424</b>	
<b>9 MONTHS ENDED 30 SEPTEMBER 2018</b>												
<b>At 1 January 2018</b>	338,791	-	-	-	6,647	606,026	-	(425,685)	525,779	23,404	549,183	
Total comprehensive income/(loss) for the period	-	-	-	-	9,155	(2,840)	-	(142,598)	(136,283)	(637)	(136,920)	
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	-	-	-	-	
<b>At 30 September 2018</b>	<b>338,791</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,520</b>	<b>212,053</b>	<b>404,415</b>	<b>(568,283)</b>	<b>389,496</b>	<b>1,089</b>	<b>390,585</b>	

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

	CUMULATIVE	
	CURRENT	PRECEDING
	YEAR	YEAR
	30-Sep-18	30-Sep-17
	RM '000	RM '000
<b>Cash Flow From Operating Activities</b>		
Loss before taxation	(142,113)	(59,350)
Adjustments for:		
Depreciation and amortisation	18,038	15,204
Loss on disposal of property, plant and equipment	-	(5,447)
Provision/(overprovision) for doubtful debts	836	(921)
Unrealised foreign exchange loss / (gain)	86	(140)
Net change in onerous contracts provision	(23,738)	-
Interest income	(1,325)	(708)
Finance costs	12,724	15,037
Share of results of an associate	8,402	34,607
Impairment loss on associate	140,325	-
Share of results of joint ventures	(1,408)	(1,195)
Operating profit/(loss) before working capital changes	<u>11,827</u>	<u>(2,913)</u>
Working capital changes:		
Consumable stores	(1,543)	(1,500)
Receivables and other current assets	8,068	15,641
Payables and other current liabilities	27,135	1,883
Derivatives	(18,541)	-
Cash generated from operating activities	<u>26,946</u>	<u>13,111</u>
Tax paid	(788)	(497)
Net cash generated from operating activities	<u>26,158</u>	<u>12,614</u>
<b>Cash Flows From Investing Activities</b>		
Construction cost and purchase of vessels	(49,361)	-
Purchase of new equipment and capitalisation of dry docking	(5,166)	(834)
Purchase of other assets	(27)	(41)
Dividends from joint ventures	33,902	-
Interest received	1,325	708
Proceeds from disposal of property, plant and equipment	83,997	74,852
Net cash generated from investing activities	<u>64,670</u>	<u>74,685</u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	18,998	46,735
Finance costs paid	(10,120)	(13,973)
Repayment of borrowings	(84,639)	(137,690)
Dividend paid to non-controlling interests	(21,678)	-
Net cash used in financing activities	<u>(97,439)</u>	<u>(104,928)</u>
<b>Net change in cash and cash equivalents</b>	(6,611)	(17,629)
<b>Effects of foreign exchange rate changes</b>	(6,286)	(5,453)
<b>Cash and cash equivalents at the beginning of the period</b>	<u>72,233</u>	<u>69,641</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>59,336</u>	<u>46,559</u>
Cash and cash equivalents comprise:		
Short term deposits	33,930	21,285
Cash and bank balances	25,406	25,274
	<u>59,336</u>	<u>46,559</u>

**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 September 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
<b>9 months ended 30 September 2018</b>						
Revenue						
Group	167,583	-	2,950	-	(603)	169,930
Inter-segment	-	-	(603)	-	603	-
External revenue	<u>167,583</u>	<u>-</u>	<u>2,347</u>	<u>-</u>	<u>-</u>	<u>169,930</u>
TCE earnings	<u>140,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,490</u>
Segment results	14,431	-	100	(2,790)	-	11,741
Depreciation and amortisation	(17,812)	-	(25)	(201)	-	(18,038)
Net change in onerous contracts provision	23,738	-	-	-	-	23,738
Interest income	189	-	108	1,028	-	1,325
Finance costs	(7,677)	-	(6)	(5,041)	-	(12,724)
Provision for doubtful debts	(836)	-	-	-	-	(836)
Share of results of an associate	-	-	-	(8,402)	-	(8,402)
Impairment loss on associate	-	-	-	(140,325)	-	(140,325)
Share of results of joint ventures	1,408	-	-	-	-	1,408
(Loss)/profit before tax	<u>13,441</u>	<u>-</u>	<u>177</u>	<u>(155,731)</u>	<u>-</u>	<u>(142,113)</u>
<b>9 months ended 30 September 2017</b>						
Revenue						
Group	185,680	12,188	4,000	-	(805)	201,063
Inter-segment	-	-	(805)	-	805	-
External revenue	<u>185,680</u>	<u>12,188</u>	<u>3,195</u>	<u>-</u>	<u>-</u>	<u>201,063</u>
TCE earnings	<u>134,674</u>	<u>4,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,952</u>
Segment results	(1,994)	99	220	(1,098)	-	(2,773)
Depreciation and amortisation	(14,964)	-	(34)	(206)	-	(15,204)
Gain on disposal of property, plant and equipment	1,861	3,568	18	-	-	5,447
Interest income	272	-	77	359	-	708
Finance costs	(9,028)	-	(8)	(6,001)	-	(15,037)
Overprovision for doubtful debts	921	-	-	-	-	921
Share of results of an associate	-	-	-	(34,607)	-	(34,607)
Share of results of joint ventures	1,195	-	-	-	-	1,195
(Loss)/profit before tax	<u>(21,737)</u>	<u>3,667</u>	<u>273</u>	<u>(41,553)</u>	<u>-</u>	<u>(59,350)</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 September 2018 up to the date of this report.

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

A wholly owned subsidiary of the Company, New Johnson Holdings Limited, has incorporated one (1) wholly-owned subsidiary, Kuku Shipping Pte Ltd on 8 August 2018.

**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**

MBC Group reported a loss of RM142.113 million in 9M FY2018, compared with RM59.350 million loss in 9M FY2017 mainly due to impairment loss on investment in associate, PACC Offshore Services Holdings Ltd ("POSH") (RM140.325 million) following the approval from MBC shareholders on the Proposed Disposal of POSH shares at an Extraordinary General Meeting. On alike comparison (i.e excluding impairment and onerous contracts), the Group's loss was RM25.526 million in 9M FY2018, a decrease of 57% from RM59.350 million loss in 9M FY2017.

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

	Average TCE/day		Hire days	
	Jan-Sep 2018	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2017
	USD	USD	Days	Days
Dry bulk	10,009	7,715	3,840	4,962
Tanker	-	7,910	-	126
<b>Total fleet</b>	<b>10,009</b>	<b>7,720</b>	<b>3,840</b>	<b>5,088</b>

The performance of the key segments in 9M FY2018 as compared to 9M FY2017 is as follows:-

## (1) Dry bulk segment

Dry bulk segment reported a profit of RM13.441 million in 9M FY2018, compared to a loss of RM21.737 million in 9M FY2017 mainly due to a positive net change in onerous contracts provision of RM23.738 million. Excluding onerous contracts, dry bulk segment's loss was RM10.297 million in 9M FY2018, a 53% improvement compared with a loss of RM21.737 million in 9M FY2017 mainly due to improved charter rates (9M FY2018: USD10,009/day versus 9M FY2017: USD7,715/day). This is achieved in spite of a reduced fleet size.

One(1) owned and three (3) jointly owned bulkers were sold in 9M FY2018.

## (2) Tanker segment

The Group exited from tanker segment in June 2017.

## (3) Investment holding and others

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 RM140.325 million; and
- ii) classified as "non-current assets held for sale".

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

Share of POSH results was a loss of RM8.402 million in 9M FY2018, compared to RM34.607 million loss in 9M FY2017.

The Group's attributable loss was RM142.598 million in 9M FY2018 (9M FY2017: RM61.781 million).



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

	<b>Individual Quarter</b>		
	Q3 FY2018 RM'000	Q2 FY2018 RM'000	Variance RM'000
Revenue	58,179	57,488	691
Voyage expenses	<u>(10,692)</u>	<u>(7,112)</u>	<u>(3,580)</u>
Operating expenses	47,487	50,376	(2,889)
	<u>(50,237)</u>	<u>(46,049)</u>	<u>(4,188)</u>
<b>Operating profit/(loss)</b>	<b>(2,750)</b>	<b>4,327</b>	<b>(7,077)</b>
Net change in onerous contracts provision	<u>23,738</u>	<u>-</u>	<u>23,738</u>
	20,988	4,327	16,661
Other operating income/(loss), net	686	1,434	(748)
Administrative expenses	<u>(1,315)</u>	<u>(2,737)</u>	<u>1,422</u>
	20,359	3,024	17,335
Finance costs	(4,397)	(4,274)	(123)
Share of results of an associate	-	(2,329)	2,329
Impairment loss on associate	7,338	(147,663)	155,001
Share of results of joint ventures	<u>(250)</u>	<u>118</u>	<u>(368)</u>
Profit/(Loss) before taxation	23,050	(151,124)	174,174
Income tax expense	<u>(5)</u>	<u>(189)</u>	<u>184</u>
Profit/(Loss) for the period	<u>23,045</u>	<u>(151,313)</u>	<u>174,358</u>
<b>Attributable to:</b>			
Equity holders of the parent	23,017	(151,272)	174,289
Non-controlling interests	<u>28</u>	<u>(41)</u>	<u>69</u>
	<u>23,045</u>	<u>(151,313)</u>	<u>174,358</u>

The Group's operating results declined by RM7.077 million, turning into a loss of RM2.750 million in Q3 FY2018, from a profit of RM4.327 million in Q2 FY2018. This is mainly due to more scheduled dockings of vessels, resulting in lower hire days (60 days) and increased docking costs.

In Q3 FY2018, the Group utilized onerous contracts provision of RM23.738 million which was made in FY2015 relating to the 9M FY2018 charter commitments.

Other operating income decreased by RM0.748 million to RM0.686 million in Q3 FY2018 (Q2 FY2018: RM1.434 million) mainly due to lower shared services cost recovered.

Administrative expenses were lower by RM1.422 million (Q3 FY2018: RM1.315 million versus Q2 FY2018: RM2.737 million) mainly due to a reversal of over provision of expenses. Finance costs increased marginally to RM4.397 million in Q3 FY2018 (Q2 FY2018: RM4.274 million) mainly due to higher interest rates.

The Group ceased sharing POSH results since May 2018. Hence there was no share of POSH results nor impairment on investment in POSH in Q3 FY2018.

Share of joint ventures' results decreased by RM0.368 million to a loss of RM0.250 million in Q3 FY2018 (Q2 FY2018: a profit of RM0.118 million) mainly due to loss of hire days for scheduled docking of vessel and docking cost.

The Group's attributable profit was RM23.017 million in Q3 FY2018, compared to an attributable loss of RM151.272 million in Q2 FY2018.

**B3. PROSPECTS**

In October 2018, the Group completed the divestment of POSH shares through the Restricted Offer for Sale with proceeds of RM251 million. This has significantly improved the Group's liquidity and enabled the Group to better position itself in an improving dry bulk shipping market.

Global growth is expected to remain stable and ship supply continues to shrink owing to a low order book for next 18 months. Dry bulk freight has improved over the last 9 months and is expected to stay favourable in the near term which will benefit the Group.

**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	5	363
	<u>5</u>	<u>363</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 1 year. 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 September 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	199,125	(59,334)
- 1 year to 3 years	-	-
	<u>199,125</u>	<u>(59,334)</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	496	1,325
Finance costs	(4,397)	(12,724)
Depreciation and amortisation	(6,312)	(18,038)
Provision for doubtful debts	-	(836)
Net change in onerous contract provision	23,738	23,738
Unrealised exchange loss	(91)	(86)

**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.

On 25 October 2018, RHBIB on behalf of the Board, announced that the Restricted Offer For Sale has been completed.

On 26 October 2018, the Company received total gross proceeds of RM251.1 million.

**B9. BORROWINGS**

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

	Currency	Current RM '000	Non-current RM '000
Secured	USD	6,948	122,697
Unsecured	RM	218,173	-
		<u>225,121</u>	<u>122,697</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 September 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-Sep-18	PRECEDING YEAR QUARTER 30-Sep-17	CURRENT YEAR TO DATE 30-Sep-18	PRECEDING YEAR TO DATE 30-Sep-17
Profit/(Loss) attributable to equity holders of the parent (RM'000)	23,017	(17,821)	(142,598)	(61,781)
Number of ordinary shares in issue('000)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings/(Loss) per share attributable to equity holders of the parent (sen)	<u>2.30</u>	<u>(1.78)</u>	<u>(14.26)</u>	<u>(6.18)</u>

**B13. COMMITMENTS**

Commitments as at 30 September 2018 are as follows:

	RM'000
(i) Capital commitments	<u>262,106</u>
(ii) Vessel operating lease commitments - as lessee	
Due within 1 year	107,940
Due later than 1 year and not later than 5 years	<u>200,157</u>
	<u>308,097</u>
(iii) Vessel operating lease commitments - as lessor	
Due within 1 year	
- the Group	3,737
- Share of joint ventures' commitments	9,130
Due later than 1 year and not later than 5 years	
- Share of joint ventures' commitments	<u>3,712</u>
	<u>16,579</u>
(iv) Contract of Affreightment (COA)	
Due within 1 year	21,986
Due later than 1 year and not later than 5 years	88,004
Due later than 5 years	<u>174,201</u>
	<u>284,191</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).