

## Quarterly rpt on consolidated results for the financial period ended 30/9/2014

MALAYSIAN BULK CARRIERS BERHAD

Financial Year End 31/12/2014  
 Quarter 3  
 Quarterly report for the financial period ended 30/09/2014  
 The figures have not been audited  
**Attachments**

[MBC 300914 Q3FY14.pdf](#)

81 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION

	30/09/2014		30/09/2014		30/09/2013	
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD		PRECEDING YEAR	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	PRECEDING YEAR CORRESPONDING PERIOD	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2014	30/09/2013	30/09/2014	30/09/2013	30/09/2013	30/09/2013
	\$S'000	\$S'000	\$S'000	\$S'000	\$S'000	\$S'000
<b>1 Revenue</b>	62,983	62,820	196,157	188,931		
<b>2 Profit/(loss) before tax</b>	-2,628	8,607	40,038	31,342		
<b>3 Profit/(loss) for the period</b>	-2,894	8,114	39,323	30,322		
<b>4 Profit/(loss) attributable to ordinary equity holders of the parent</b>	-2,969	8,542	33,935	30,651		
<b>5 Basic earnings/(loss) per share (Subunit)</b>	-0.30	0.85	3.39	3.07		
<b>6 Proposed/Declared dividend per share (Subunit)</b>	0.00	0.00	0.00	0.00		
<b>7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)</b>		1.8066		1.8587		

#### 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 26 Nov 2014  
 Category Financial Results  
 Reference No MB-141119-34849

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 September 2014

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Sep-14 RM '000	PRECEDING YEAR QUARTER 30-Sep-13 RM '000	CURRENT YEAR TO DATE 30-Sep-14 RM '000	PRECEDING YEAR TO DATE 30-Sep-13 RM '000
Revenue	62,983	62,820	196,157	188,931
Voyage expenses	<u>(28,532)</u>	<u>(21,216)</u>	<u>(65,215)</u>	<u>(73,121)</u>
Operating expenses	<u>34,451</u> <u>(52,049)</u>	<u>41,604</u> <u>(47,900)</u>	<u>130,942</u> <u>(153,153)</u>	<u>115,810</u> <u>(129,163)</u>
Other operating income/(loss), net	(17,598)	(6,296)	(22,211)	(13,353)
Administrative expenses	<u>8,217</u> <u>(1,965)</u>	<u>3,034</u> <u>(2,485)</u>	<u>25,565</u> <u>(7,476)</u>	<u>9,442</u> <u>(8,463)</u>
Profit from operations	(11,346)	(5,747)	(4,122)	(12,374)
Finance costs	(1,856)	(351)	(2,782)	(924)
Share of results of an associate	9,836	13,881	43,536	45,451
Share of results of joint ventures	<u>738</u>	<u>824</u>	<u>3,406</u>	<u>(811)</u>
Profit before taxation	(2,628)	8,607	40,038	31,342
Income tax expense	<u>(266)</u>	<u>(493)</u>	<u>(715)</u>	<u>(1,020)</u>
Profit for the period	<u>(2,894)</u>	<u>8,114</u>	<u>39,323</u>	<u>30,322</u>
Attributable to:				
Equity holders of the parent	(2,969)	8,542	33,935	30,651
Non-controlling interests	<u>75</u>	<u>(428)</u>	<u>5,388</u>	<u>(329)</u>
	<u>(2,894)</u>	<u>8,114</u>	<u>39,323</u>	<u>30,322</u>
Earnings per share attributable to equity holders of the parent (sen)				
- Basic	(0.30)	0.85	3.39	3.07

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 September 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Sep-14 RM '000	PRECEDING YEAR QUARTER 30-Sep-13 RM '000	CURRENT YEAR TO DATE 30-Sep-14 RM '000	PRECEDING YEAR TO DATE 30-Sep-13 RM '000
Profit for the period	(2,894)	8,114	39,323	30,322
Other comprehensive income/(loss):				
Currency translation differences	<u>(13,349)</u>	<u>87,325</u>	<u>(58,137)</u>	<u>119,061</u>
Total comprehensive income/(loss) for the period	<u><u>(16,243)</u></u>	<u><u>95,439</u></u>	<u><u>(18,814)</u></u>	<u><u>149,383</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(15,898)	93,270	(22,102)	146,211
Non-controlling interests	<u>(345)</u>	<u>2,169</u>	<u>3,288</u>	<u>3,172</u>
	<u><u>(16,243)</u></u>	<u><u>95,439</u></u>	<u><u>(18,814)</u></u>	<u><u>149,383</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 30-Sep-14 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-13 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	1,306	1,808
Property, plant and equipment	620,589	515,018
Associate	1,225,884	999,366
Joint ventures	203,140	205,860
	<u>2,050,919</u>	<u>1,722,052</u>
<b>Current Assets</b>		
Consumable stores	23,184	9,719
Derivative financial assets	6,279	442
Trade and other receivables	47,958	39,649
Investments	105,457	108,623
Short term deposits	9,907	30,574
Cash and bank balances	142,733	114,783
	<u>335,518</u>	<u>303,790</u>
<b>TOTAL ASSETS</b>	<u><u>2,386,437</u></u>	<u><u>2,025,842</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	250,000	250,000
Reserves	<u>1,556,639</u>	<u>1,608,741</u>
	1,806,639	1,858,741
Non-controlling interests	<u>58,235</u>	<u>54,947</u>
<b>Total equity</b>	<u>1,864,874</u>	<u>1,913,688</u>
<b>Non-current liabilities</b>		
Borrowings	259,269	32,242
Deferred tax liabilities	221	221
	<u>259,490</u>	<u>32,463</u>
<b>Current liabilities</b>		
Derivative financial liabilities	-	623
Trade and other payables	92,451	34,298
Borrowings	169,362	44,612
Provision for Taxation	260	158
	<u>262,073</u>	<u>79,691</u>
<b>Total liabilities</b>	<u>521,563</u>	<u>112,154</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>2,386,437</u></u>	<u><u>2,025,842</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Attributable to Equity Holders of the Parent						Non-controlling Interests	Total Equity	
	Non-distributable			Distributable					
	Share Capital RM '000	Share premium RM '000	Capital reserve RM '000	Capital redemption reserve RM '000	Exchange translation reserve RM '000	Retained profits RM '000			Total RM '000
<b>9 MONTHS ENDED 30 SEPTEMBER 2013</b>									
<b>At 1 January 2013</b>	250,000	48,791	13,209	40,000	(13,617)	1,377,834	1,716,217	53,400	1,769,617
Total comprehensive income for the period	-	-	-	-	115,560	30,651	146,211	3,172	149,383
Dividends paid	-	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Dividend paid to minority shareholder of a subsidiary	-	-	-	-	-	-	-	(2,256)	(2,256)
<b>At 30 September 2013</b>	250,000	48,791	13,209	40,000	101,943	1,378,485	1,832,428	54,316	1,886,744
<b>9 MONTHS ENDED 30 SEPTEMBER 2014</b>									
<b>At 1 January 2014</b>	250,000	48,791	13,209	40,000	114,375	1,392,366	1,858,741	54,947	1,913,688
Total comprehensive income for the period	-	-	-	-	(56,037)	33,935	(22,102)	3,288	(18,814)
Dividends paid	-	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Liquidation of subsidiaries	-	-	(6,132)	-	-	6,132	-	-	-
<b>At 30 September 2014</b>	250,000	48,791	7,077	40,000	58,338	1,402,433	1,806,639	58,235	1,864,874

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

	CURRENT YEAR 30-Sep-14 RM '000	CUMULATIVE PRECEDING YEAR 30-Sep-13 RM '000
<b>Cash Flow From Operating Activities</b>		
Profit before taxation	40,038	31,342
Adjustments for:		
Depreciation and amortisation	21,299	20,569
Gain on disposal of property, plant and equipment	(16,159)	(3,882)
Unrealised foreign exchange (gain)/loss	(5,820)	(2,266)
Writeback of provision for doubtful debts	(337)	-
Interest income	(1,048)	(1,396)
Finance costs	2,782	924
Realisation of reserves on liquidation of subsidiaries	(443)	-
Loss arising from liquidation of a subsidiary	22	-
Share of results of an associate	(43,536)	(45,451)
Share of results of joint ventures	(3,406)	811
Operating (loss)/profit before working capital changes	<u>(6,608)</u>	<u>651</u>
Working capital changes:		
Consumable stores	(13,799)	(417)
Derivatives	(6,431)	(725)
Receivables	810	914
Payables	8,899	11,927
Cash generated from operating activities	<u>(17,129)</u>	<u>12,350</u>
Tax paid	(524)	(724)
Net cash (used in)/generated from operating activities	<u>(17,653)</u>	<u>11,626</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of intangible assets	(20)	-
Construction cost and purchase of vessels	(173,119)	(19,523)
Purchase of new equipment and capitalisation of dry docking	(1,497)	(6,011)
Purchase of other fixed assets	(72)	(60)
Dividend from an associate	-	4,573
Interest received	1,048	1,396
Proceeds from disposal of property, plant and equipment	45,831	7,743
Advance from disposal of investment	43,566	-
Investment in an associate	(218,421)	-
Advances from/(to) joint ventures	22	(199)
Net cash (used in)/generated from investing activities	<u>(302,662)</u>	<u>(12,081)</u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	568,126	-
Finance costs paid	(2,782)	(924)
Repayment of borrowings	(203,445)	(33,999)
Dividends paid to shareholders	(30,000)	(30,000)
Dividend paid to minority shareholder of a subsidiary	-	(2,256)
Net cash generated from/(used in) financing activities	<u>331,899</u>	<u>(67,179)</u>
<b>Net change in cash and cash equivalents</b>	11,584	(67,634)
<b>Effects of foreign exchange rate changes</b>	(4,301)	6,959
<b>Cash and cash equivalents at the beginning of the period</b>	<u>145,357</u>	<u>190,110</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>152,640</u></u>	<u><u>129,435</u></u>
Cash and cash equivalents comprise:		
Short term deposits	9,907	13,561
Cash and bank balances	142,733	115,874
	<u>152,640</u>	<u>129,435</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 2013.

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 2013 with the exception for MFRS 139, whereby unrealised gains on quoted investments are not recognised in the financial statements until year end. Unrealised losses on quoted investments are recognised immediately whilst unrealised gains will only be recognised at the year end.

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

The financial statements for the year ended 31 December 2013 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 2014.

**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 2014</b>						
Revenue						
Group	151,675	39,144	5,737	-	(399)	196,157
Inter-segment	-	-	(399)	-	399	-
External revenue	<u>151,675</u>	<u>39,144</u>	<u>5,338</u>	<u>-</u>	<u>-</u>	<u>196,157</u>
TCE earnings	<u>95,716</u>	<u>29,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,604</u>
Segment results	(10,964)	(12)	1,583	4,223	-	(5,170)
Interest income	703	-	10	335	-	1,048
Finance costs	(410)	(368)	(5)	(1,999)	-	(2,782)
Share of results of an associate	-	-	-	43,536	-	43,536
Share of results of joint ventures	3,406	-	-	-	-	3,406
Profit before tax	<u>(7,265)</u>	<u>(380)</u>	<u>1,588</u>	<u>46,095</u>	<u>-</u>	<u>40,038</u>
<b>9 months ended 30 September 2013</b>						
Revenue						
Group	138,406	45,391	5,597	-	(463)	188,931
Inter-segment	-	-	(463)	-	463	-
External revenue	<u>138,406</u>	<u>45,391</u>	<u>5,134</u>	<u>-</u>	<u>-</u>	<u>188,931</u>
TCE earnings	<u>82,889</u>	<u>27,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,676</u>
Segment results	(18,606)	113	1,748	2,975	-	(13,770)
Interest income	643	-	16	737	-	1,396
Finance costs	(493)	(421)	(10)	-	-	(924)
Share of results of an associate	-	-	-	45,451	-	45,451
Share of results of joint ventures	(811)	-	-	-	-	(811)
Profit before tax	<u>(19,267)</u>	<u>(308)</u>	<u>1,754</u>	<u>49,163</u>	<u>-</u>	<u>31,342</u>

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

The fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

**A10. SUBSEQUENT MATERIAL EVENTS**

There were no material events subsequent to the current quarter ended 30 September 2014 up to the date of this report.

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

A wholly owned subsidiary, New Johnson Holdings Limited, has incorporated a wholly-owned subsidiary, Manis Shipping Pte Ltd, on 9 July 2014.

**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**

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The Group's profit before tax increased 28% to RM40.038 million in the first 9 months of 2014, from RM31.342 million reported in the same period last year. Steady contribution from our associate POSH and gain on disposal of vessel helped bring about the improved results.

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

	Average TCE/day		Hire days	
	Jan-Sep 2014	Jan-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
	USD	USD	Days	Days
Dry bulk	8,920	8,968	3,317	3,031
Tanker	12,652	12,387	767	786
<b>Total fleet</b>	<b>9,621</b>	<b>9,672</b>	<b>4,084</b>	<b>3,817</b>

The performance of the respective segments in the first 9 months of 2014 as compared to the same period last year is as follows:-

**(1) Dry bulk segment**

Included in the dry bulk results is a one-off gain on disposal of vessel of RM16.152 million. On a like comparative basis (without the one-off gain), the bulk segment reported a loss of RM23.417 million compared against a loss of RM19.267 million in the same period last year, mainly due to the continuing weak dry bulk market. Overall average charter rates remained at about the similar levels as in the comparative period last year.

**(2) Tanker segment**

Notwithstanding an improvement in charter rates, the Tanker segment reported a higher loss due to increased operating costs and docking of vessels.

**(3) Ship brokerage and management**

Profit from this segment declined to RM1.588 million, from RM1.754 million in the same period last year mainly due to higher administrative cost.

**(4) Investment holding and others**

Contribution from our associate (POSH) was RM43.536 million, a RM1.915 million (or 4%) decline as compared to the same period last year.

Overall, profit attributable to shareholders increased by 11% (RM3.284 million) to RM33.935 million in the first 9 months of 2014, from RM30.651 million reported in the same period last year.

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

	Individual Quarter		
	Jul-Sep 14 RM'000	Apr-Jun 14 RM'000	Variance RM'000
Revenue	62,983	61,458	1,525
Voyage expenses	(28,532)	(16,180)	(12,352)
Operating expenses	34,451	45,278	(10,827)
	(52,049)	(50,111)	(1,938)
	(17,598)	(4,833)	(12,765)
Other operating income/(loss), net	8,217	18,174	(9,957)
Administrative expenses	(1,965)	(2,870)	905
Profit from operations	(11,346)	10,471	(21,817)
Finance costs	(1,856)	(644)	(1,212)
Share of results of an associate	9,836	8,152	1,684
Share of results of joint ventures	738	1,452	(714)
Profit before taxation	(2,628)	19,431	(22,059)
Income tax expense	(266)	(176)	(90)
Profit for the period	(2,894)	19,255	(22,149)
<u>Attributable to:</u>			
Equity holders of the parent	(2,969)	13,880	(16,849)
Non-controlling interests	75	5,375	(5,300)
	(2,894)	19,255	(22,149)

The weak dry bulk market continued into the third quarter with charter rates dropping to low levels, particularly the Post Panamax where rates fell below operating costs. Our fleet charter rates averaged USD7,747/day in the third quarter, a 23% drop from the average of USD10,042/day in the second quarter. Depressed charter rates combined with initial expenses on new deliveries caused the Group's operating loss to increase by RM12.765 million quarter on quarter.

Other operating profit of RM8.217 million in third quarter was derived mainly from foreign exchange gain. Finance costs increased by RM1.212 million due to new borrowings for further investment in associate (POSH) and vessel installments.

Contribution from associate (POSH) increased by RM1.684 million to RM9.836 million in the third quarter, compared to RM8.152 million in the preceding quarter.

All in, the Group reported an attributable loss of RM2.969 million in the third quarter, compared to an attributable profit of RM13.880 million in the second quarter.

**B3. PROSPECTS**

With global activity in the first half of 2014 slower than expected, the International Monetary Fund (IMF) downgraded its world GDP growth forecast to 3.3% for this year and 3.8% for 2015.

Dry bulk trade is projected to grow 4.2% in the full year 2014, slightly lower than the fleet growth (5.1%). The cumulative build up of tonnage continues to place pressure on the market in the short term. However, on a positive note, new building ordering activity has slowed from late 2013. Freight rates will continue to enjoy the occasional seasonal hikes although such improvements are unlikely to be sustainable. We expect dry bulk segments to remain soft in the coming months.

There are however fresh developments that may help support the dry bulk market:

- Chinese iron ore imports have increased by 17% year on year in the first 8 months of 2014 driven by low cost seaborne iron ore supply from Brazil and Australia. Major Brazilian and Australian iron ore producers continue increasing production and this will keep iron ore prices at low levels in the medium term and will make imports into China more attractive as her domestic production cost is in excess of such prices.
- The Indian Supreme Court recently cancelled numerous mining licences previously issued due to allegations of irregularities. The decision could aggravate a coal shortage in the country and lead to greater coal imports in the future benefitting therefore the dry bulk shipping market.
- The sharp fall in oil prices is shifting wealth from producing to consuming countries. The greatest beneficiaries among the large economies would include China, the Euro zone and Japan. Despite the increased use of shale gas in the US, US consumers will also benefit from the drop in oil and petrol prices. Savings for the consumers will likely lead to more spending which should be good for the global economy and in due course – shipping.

Whilst POSH may also be facing its own industry challenges, the fact that they have now secured equity and operational control over all its Mexican operations and assets is positive. It will enable POSH to actively deploy vessels which were previously off hired due to fraud investigations on Oceanografía, S.A. de C.V. The redeployment of such vessels will contribute towards better vessel utilization and earnings.

Therefore whilst the difficulties and challenges facing the shipping industry remain, the Board is of the view that the positive contribution from POSH will underpin the Group's profitability in 2014.

**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	317	766
-prior year	(51)	(51)
	<u>266</u>	<u>715</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. RETAINED PROFITS**

	Group	
	As at 30-Sep-14 RM'000	As at 31-Dec-13 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,128,439	1,182,473
- Unrealised	22,518	18,801
Less: Effects of adoption of MFRS 1*	<u>(103,414)</u>	<u>(103,414)</u>
	1,047,543	1,097,860
Total share of retained profits from an associate:		
- Realised	205,534	160,822
- Unrealised	(59)	1,117
Less: Effects of adoption of MFRS 1*	<u>(115,434)</u>	<u>(115,434)</u>
	90,041	46,505
Total share of retained profits from joint ventures		
- Realised	95,618	92,189
- Unrealised	(2)	21
Less: Effects of adoption of MFRS 1*	<u>(11,469)</u>	<u>(11,469)</u>
	84,147	80,741
Add: Consolidation adjustments	180,702	167,260
Total Group retained profits as per consolidated accounts	<u>1,402,433</u>	<u>1,392,366</u>

\* At the date of transition to MFRS, the Group's cumulative currency translation differences were adjusted to retained earnings.

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

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

	Current quarter RM'000	Current financial year-to-date RM'000
Interest income	326	1,048
Finance costs	(1,856)	(2,782)
Depreciation and amortisation	(7,299)	(21,299)
Unrealised exchange gain/(loss)	<u>5,639</u>	<u>5,820</u>

**B8. STATUS OF CORPORATE PROPOSALS**

There were no other outstanding corporate proposals submitted by the Group as at 30 September 2014.

**B9. BORROWINGS**

The Group borrowings as at 30 September 2014 are as follows:

Currency	Current RM '000	Non-current RM '000
USD	169,362	259,269

**B10. MATERIAL LITIGATION**

Save for disclosure already made in earlier announcements, there are no new material litigation and/or significant developments in the ongoing cases under litigation.

**B11. DIVIDENDS**

The Directors do not recommend any dividend for the current financial quarter ended 30 September 2014.

**B12. EARNINGS PER SHARE**

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

	CURRENT YEAR QUARTER 30-Sep-14	PRECEDING YEAR QUARTER 30-Sep-13	CURRENT YEAR TO DATE 30-Sep-14	PRECEDING YEAR TO DATE 30-Sep-13
Profit attributable to ordinary equity holders of the parent (RM'000)	(2,969)	8,542	33,935	30,651
Number of ordinary shares in issue('000)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings per share attributable to equity holders of the parent (sen)	<u>(0.30)</u>	<u>0.85</u>	<u>3.39</u>	<u>3.07</u>

**B13. COMMITMENTS**

Commitments as at 30 September 2014 are as follows:

	RM'000
(i) Capital commitments	197,153
(ii) Non-cancellable charter-in commitments	
Due within 1 year	82,336
Due later than 1 year and not later than 5 years	334,043
Due later than 5 years	161,000
	<u>774,532</u>
Share of joint ventures' commitments:-	
(i) Capital commitment	38,088
(ii) Non-cancellable charter-in commitment	6,996
	<u>45,084</u>
	<u>819,616</u>