

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 June 2017

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2017**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Jun-17 RM '000	PRECEDING YEAR QUARTER 30-Jun-16 RM '000	CURRENT YEAR TO DATE 30-Jun-17 RM '000	PRECEDING YEAR TO DATE 30-Jun-16 RM '000
Revenue	70,694	55,351	135,655	108,851
Voyage expenses	(18,890)	(12,746)	(41,070)	(29,404)
	<u>51,804</u>	<u>42,605</u>	<u>94,585</u>	<u>79,447</u>
Operating expenses	(53,361)	(55,520)	(104,994)	(117,203)
	<u>(1,557)</u>	<u>(12,915)</u>	<u>(10,409)</u>	<u>(37,756)</u>
Impairment loss on vessels	0	(110)	0	(110)
	<u>(1,557)</u>	<u>(13,025)</u>	<u>(10,409)</u>	<u>(37,866)</u>
Other operating income, net	6,193	(836)	7,836	(74)
Administrative expenses	(1,618)	(1,945)	(3,862)	(3,932)
	<u>3,018</u>	<u>(15,806)</u>	<u>(6,435)</u>	<u>(41,872)</u>
Finance costs	(5,084)	(3,839)	(10,075)	(7,941)
Share of results of an associate	(8,442)	(15,518)	(25,812)	(11,485)
Share of results of joint ventures	1,120	(4,986)	345	(3,555)
	<u>(9,388)</u>	<u>(40,149)</u>	<u>(41,977)</u>	<u>(64,853)</u>
Loss before taxation	(9,388)	(40,149)	(41,977)	(64,853)
Income tax expense	(274)	(377)	(524)	(627)
	<u>(9,662)</u>	<u>(40,526)</u>	<u>(42,501)</u>	<u>(65,480)</u>
Loss for the period	<u>(9,662)</u>	<u>(40,526)</u>	<u>(42,501)</u>	<u>(65,480)</u>
Attributable to:				
Equity holders of the parent	(10,754)	(40,331)	(43,960)	(64,413)
Non-controlling interests	1,092	(195)	1,459	(1,067)
	<u>(9,662)</u>	<u>(40,526)</u>	<u>(42,501)</u>	<u>(65,480)</u>
Loss per share (sen)				
- Basic	(1.08)	(4.03)	(4.40)	(6.44)

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 June 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 30 JUNE 2017**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Jun-17 RM '000	PRECEDING YEAR QUARTER 30-Jun-16 RM '000	CURRENT YEAR TO DATE 30-Jun-17 RM '000	PRECEDING YEAR TO DATE 30-Jun-16 RM '000
Loss for the period	(9,662)	(40,526)	(42,501)	(65,480)
Other comprehensive loss:				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	(25,975)	(10,915)	(33,436)	(84,928)
Net change in cash flow hedges:				
-Net unrealised profit	13,983	(8,816)	20,267	24,028
-Net realised profit reclassified to the income statement	(16,099)	(1,634)	(19,975)	(19,851)
Share of associate's other comprehensive income	<u>(3,194)</u>	<u>(1,417)</u>	<u>(2,967)</u>	<u>(1,417)</u>
Total comprehensive loss for the period	<u>(40,947)</u>	<u>(63,308)</u>	<u>(78,612)</u>	<u>(147,648)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(41,219)	(62,973)	(79,023)	(142,885)
Non-controlling interests	<u>272</u>	<u>(335)</u>	<u>411</u>	<u>(4,763)</u>
	<u>(40,947)</u>	<u>(63,308)</u>	<u>(78,612)</u>	<u>(147,648)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 30-Jun-17 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-16 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	-	6
Property, plant and equipment	479,587	512,704
Deposits	55,625	58,386
Associate	596,347	655,114
Joint ventures	144,326	151,177
	<u>1,275,885</u>	<u>1,377,387</u>
<b>Current Assets</b>		
Consumable stores	10,967	12,220
Receivables and other current assets	34,793	47,961
Short term deposits	28,353	500
Cash and bank balances	56,051	69,141
	<u>130,164</u>	<u>129,822</u>
Non-current assets classified as held for sale	-	71,907
	<u>130,164</u>	<u>201,729</u>
<b>TOTAL ASSETS</b>	<u><u>1,406,049</u></u>	<u><u>1,579,116</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	250,000	250,000
Reserves	379,870	458,893
	<u>629,870</u>	<u>708,893</u>
Non-controlling interests	21,278	20,867
<b>Total equity</b>	<u>651,148</u>	<u>729,760</u>
<b>Non-current liabilities</b>		
Payables and other non-current liabilities	28,856	19,086
Borrowings	408,167	438,526
Derivative financial liabilities	107,320	127,588
Provision for onerous contracts	28,689	57,726
	<u>573,032</u>	<u>642,926</u>
<b>Current liabilities</b>		
Payables and other current liabilities	35,998	42,824
Borrowings	63,752	105,343
Provision for taxation	481	186
Provision for onerous contracts	81,638	58,077
	<u>181,869</u>	<u>206,430</u>
<b>Total liabilities</b>	<u>754,901</u>	<u>849,356</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,406,049</u></u>	<u><u>1,579,116</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2017

	Attributable to Equity Holders of the Parent							Non-controlling Interests	Total Equity	
	Non-distributable						Distributable retained profits/ (Accumulated losses)			
	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				Total RM '000
								RM '000	RM '000	
<b>6 MONTHS ENDED 30 JUNE 2016</b>										
<b>At 1 January 2016</b>	250,000	48,791	7,077	40,000	(4,776)	645,054	193,498	1,179,644	51,381	1,231,025
Total comprehensive income/(loss) for the period	-	-	-	-	2,760	(81,232)	(64,413)	(142,885)	(4,763)	(147,648)
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	(16,985)	(16,985)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(6,282)	(6,282)
<b>At 30 June 2016</b>	<b>250,000</b>	<b>48,791</b>	<b>7,077</b>	<b>40,000</b>	<b>(2,016)</b>	<b>563,822</b>	<b>129,085</b>	<b>1,036,759</b>	<b>23,351</b>	<b>1,060,110</b>
<b>6 MONTHS ENDED 30 JUNE 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	-	-	-	-	(2,675)	(32,388)	(43,960)	(79,023)	411	(78,612)
Liquidation of subsidiaries	-	-	(7,077)	-	-	-	7,077	-	-	-
<b>At 30 June 2017</b>	<b>250,000</b>	<b>48,791</b>	<b>-</b>	<b>40,000</b>	<b>(1,070)</b>	<b>626,840</b>	<b>(334,691)</b>	<b>629,870</b>	<b>21,278</b>	<b>651,148</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2017**

	CUMULATIVE	
	CURRENT YEAR 30-Jun-17 RM '000	PRECEDING YEAR 30-Jun-16 RM '000
<b>Cash Flow From Operating Activities</b>		
Loss before taxation	(41,977)	(64,853)
Adjustments for:		
Depreciation and amortisation	10,144	14,912
(Gain)/loss on disposal of property, plant and equipment	(5,447)	1,237
Overprovision for doubtful debts	(921)	-
Unrealised foreign exchange (gain)/loss	(170)	15
Interest income	(409)	(635)
Finance costs	10,075	7,941
Impairment loss on vessels	-	110
Share of results of an associate	25,812	11,485
Share of results of joint ventures	(345)	3,555
Operating loss before working capital changes	<u>(3,238)</u>	<u>(26,233)</u>
Working capital changes:		
Consumable stores	644	995
Receivables and other current assets	13,256	1,425
Payables and other current liabilities	<u>3,966</u>	<u>4,975</u>
Cash used in operating activities	14,628	(18,838)
Tax paid	<u>(315)</u>	<u>(553)</u>
Net cash generated from/(used in) operating activities	<u>14,313</u>	<u>(19,391)</u>
<b>Cash Flows From Investing Activities</b>		
Construction cost and purchase of vessels	-	(67,883)
Purchase of new equipment and capitalisation of dry docking	-	(100)
Purchase of other assets	(44)	(647)
Deposit paid for vessels	-	(14,441)
Dividend from an associate	-	5,589
Dividends from joint ventures	-	10,265
Interest received	409	635
Proceeds from disposal of property, plant and equipment	74,852	75,822
Net cash generated from/(used in) investing activities	<u>75,217</u>	<u>9,240</u>
<b>Cash Flows From Financing Activities</b>		
Drawdown of borrowings	46,735	-
Finance costs paid	(8,970)	(7,665)
Repayment of borrowings	(108,015)	(38,228)
Dividends paid to shareholders	-	-
Capital repayment to non-controlling interests	-	(16,985)
Dividend paid to non-controlling interests	-	(6,282)
Net cash used in financing activities	<u>(70,250)</u>	<u>(69,160)</u>
<b>Net change in cash and cash equivalents</b>	19,280	(79,311)
<b>Effects of foreign exchange rate changes</b>	(4,517)	(6,752)
<b>Cash and cash equivalents at the beginning of the period</b>	<u>69,641</u>	<u>140,496</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>84,404</u>	<u>54,433</u>
Cash and cash equivalents comprise:		
Short term deposits	28,353	980
Cash and bank balances	<u>56,051</u>	<u>53,453</u>
	<u>84,404</u>	<u>54,433</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 2016.

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 2016.

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

The financial statements for the year ended 31 December 2016 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 2017.

**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 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>
<u>6 months ended 30 June 2016</u>						
Revenue						
Group	71,544	33,821	4,348	-	(862)	108,851
Inter-segment	-	-	(862)	-	862	-
External revenue	<u>71,544</u>	<u>33,821</u>	<u>3,486</u>	<u>-</u>	<u>-</u>	<u>108,851</u>
TCE earnings	<u>45,521</u>	<u>30,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,961</u>
Segment results	(43,618)	16,936	1,104	(670)	-	(26,248)
Depreciation and amortisation	(9,522)	(4,810)	(247)	(333)	-	(14,912)
Loss on disposal of property, plant and equipment	(4,478)	3,241	-	-	-	(1,237)
Impairment loss on vessels	-	(110)	-	-	-	(110)
Interest income	245	-	13	377	-	635
Finance costs	(4,221)	(310)	(6)	(3,404)	-	(7,941)
Share of results of an associate	-	-	-	(11,485)	-	(11,485)
Share of results of joint ventures	(3,555)	-	-	-	-	(3,555)
(Loss)/profit before tax	<u>(65,149)</u>	<u>14,947</u>	<u>864</u>	<u>(15,515)</u>	<u>-</u>	<u>(64,853)</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 EVENTS**

There were no material events subsequent to the current quarter ended 30 June 2017 up to the date of this report.

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

- i) The Company has incorporated a wholly-owned subsidiary, MBC Capital Management Sdn. Bhd. on 26 April 2017.
- ii) Two dormant wholly owned subsidiaries of the Company had been dissolved under members' voluntary liquidation on 28 June 2017.

**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 lower loss before tax of RM41.977 million in 1H FY2017, compared to RM64.853 million loss in 1H FY2016. The results from dry bulk segment has improved by 76%, but this has been adversely impacted by the increased loss from our associate.

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 2017	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2016
	USD	USD	Days	Days
Dry bulk	7,372	4,535	3,339	3,506
Tanker	7,983	14,961	126	487
<b>Total fleet</b>	<b>7,394</b>	<b>5,805</b>	<b>3,465</b>	<b>3,993</b>

The performance of the key segments in 1H FY2017 as compared to the same period last year is as follows:-

(1) Dry bulk segment

Dry bulk segment's loss before tax decreased by 76% to RM15.585 million in 1H FY2017 (1H FY2016: RM65.149 million) mainly due to improved charter rates.

The Group disposed an 11-year old handysize bulker and registered a gain of RM1.861 million in 1H FY2017.

(2) Tanker segment

Tanker segment's profit before tax decreased by 74% to RM3.884 million in 1H FY2017 (1H FY2016: RM14.947 million) due to drop in charter rates and reduced hire days as a result of the disposal of one tanker in 1H FY2017 and two tankers in 2016.

The Group disposed its last tanker and registered a gain of RM3.568 million in 1H FY2017.

(3) Investment holding and others

The associate, PACC Offshore Services Holdings Ltd (POSH) reported an increased attributable loss of USD27.486 million in 1H FY2017 (1H FY2016: USD13.076 million) mainly due to lower charter rates and utilisation across their major business segments.

The Group's share of POSH results was a loss of RM25.812 million in 1H FY2017, compared to RM11.485 million loss in 1H FY2016.

The Group's attributable loss decreased by 32% to RM43.960 million in 1H FY2017 (1H FY2016: RM64.413 million).

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

	Individual Quarter		Variance RM '000
	Apr-Jun 17 RM '000	Jan-Mar 17 RM '000	
Revenue	70,694	64,961	5,733
Voyage expenses	(18,890)	(22,180)	3,290
	<u>51,804</u>	<u>42,781</u>	<u>9,023</u>
Operating expenses	(53,361)	(51,633)	(1,728)
<b>Operating loss</b>	<b>(1,557)</b>	<b>(8,852)</b>	<b>7,295</b>
Other operating income/(loss), net	6,193	1,643	4,550
Administrative expenses	(1,618)	(2,244)	626
	<u>3,018</u>	<u>(9,453)</u>	<u>12,471</u>
Finance costs	(5,084)	(4,991)	(93)
Share of results of an associate	(8,442)	(17,370)	8,928
Share of results of joint ventures	<u>1,120</u>	<u>(775)</u>	<u>1,895</u>
(Loss)/profit before taxation	(9,388)	(32,589)	23,201
Income tax expense	(274)	(250)	(24)
(Loss)/profit for the period	<u>(9,662)</u>	<u>(32,839)</u>	<u>23,177</u>
<u>Attributable to:</u>			
Equity holders of the parent	(10,754)	(33,206)	22,452
Non-controlling interests	<u>1,092</u>	<u>367</u>	<u>725</u>
	<u>(9,662)</u>	<u>(32,839)</u>	<u>23,177</u>

The Group's operating loss decreased by 82% to RM1.557 million in Q2 FY2017 (Q1 2017: RM8.852 million) mainly due to improved charter rates from dry bulk segment (Q2 2017: USD8,317 versus Q1 2017: USD6,421).

Included in Q2 FY2017's other operating income is a gain of RM5.429 million from disposal of 2 vessels.

Administrative expenses decreased by RM0.626 million due to lower shared services cost while higher interest rates increased finance cost by RM0.093 million.

The associate, POSH, recorded a net loss of USD9.134 million in Q2 2017, compared to a loss of USD18.402 million in Q1 FY2017 mainly due to improved contribution from their joint venture, POSH Terasea (Q2 2017: profit of USD4.6 million versus Q1 2017: loss of USD4.4 million) as the JV executed and completed several major towage and positioning projects in Q2 2017. The Group's share of results from POSH was a loss of RM8.442 million in Q2 2017, a decrease of 51% compared to a loss of RM17.370 million in Q1 2017.

Share of joint ventures' results was a profit of RM1.120 million in Q2 FY2017, compared to a loss of RM0.775 million in Q1 FY2017 due to improved charter rates.

The Group's attributable loss decreased by 68% to RM10.754 million in Q2 FY2017 (Q1 FY2017: RM33.206 million).

**B3. PROSPECTS**

The Baltic dry index averaged 1,006 points in Q2 2017. China continues to import a record amount of iron ore and if the current level of buying is sustained into the second half of the year, China's iron ore imports will exceed last year's record of 1.024 billion metric tons and will help mitigate the reduced Indian coal imports.

The IMO recently announced that they would delay the deadline for the implementation of ballast water management system ("BWTS deadline") on existing ships until the first statutory docking survey after 2019 against the original deadline of September 2017. With the delay in the BWTS deadline, owners may decide to defer the scrapping of older vessels and continue trading which is not positive for the freight market.

The outlook for the oil and gas sector continues to remain depressed and the timing of recovery is uncertain. This will continue to have a negative impact on the financial performance of our associate, POSH as well as MBC.

The Board is encouraged by the improving dry bulk market but remains concerned over the depressed offshore services segment and its adverse impact on the overall MBC's performance.

**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 year	275	530
-prior year	(1)	(6)
	<u>274</u>	<u>524</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-Jun-17 RM'000	As at 30-Jun-16 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(1,499,578)	(365,090)
- Unrealised	(110,156)	(105,584)
Less: Effects of adoption of MFRS 1*	(103,414)	(103,414)
	<u>(1,713,148)</u>	<u>(574,088)</u>
Total share of accumulated losses from an associate:		
- Realised	(279,028)	60,504
- Unrealised	(573)	(707)
Less: Effects of adoption of MFRS 1*	(115,434)	(115,434)
	<u>(395,035)</u>	<u>(55,637)</u>
Total share of accumulated losses from joint ventures		
- Realised	(28,007)	(27,758)
- Unrealised	(11)	(3)
Less: Effects of adoption of MFRS 1*	(11,469)	(11,469)
	<u>(39,487)</u>	<u>(39,230)</u>
Add: Consolidation adjustments	1,812,979	798,040
Total Group (accumulated losses)/retained profits as per consolidated accounts	<u>(334,691)</u>	<u>129,085</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	226	409
Finance costs	(5,084)	(10,075)
Depreciation and amortisation	(5,067)	(10,144)
Loss on disposal of property, plant and equipment	5,447	5,447
Overprovision for doubtful debts	-	921
Unrealised exchange gain	43	170

**B8. STATUS OF CORPORATE PROPOSALS**

There were no other outstanding corporate proposals submitted by the Group as at 30 June 2017.

**B9. BORROWINGS**

The Group borrowings as at 30 June 2017 are as follows:

	Currency	Current RM '000	Non-current RM '000
Secured	USD	7,496	166,856
Unsecured	RM	56,256	241,311
		63,752	408,167

**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 2017.

**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-17	PRECEDING YEAR QUARTER 30-Jun-16	CURRENT YEAR TO DATE 30-Jun-17	PRECEDING YEAR TO DATE 30-Jun-16
Loss attributable to equity holders of the parent (RM'000)	(10,754)	(40,331)	(43,960)	(64,413)
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)	(1.08)	(4.03)	(4.40)	(6.44)

**B13. COMMITMENTS**

Commitments as at 30 June 2017 are as follows:

	RM'000
(i) Capital commitments	323,896
(ii) Vessel operating lease commitments - as lessee	
Due within 1 year	111,657
Due later than 1 year and not later than 5 years	321,363
Due later than 5 years	25,487
	458,507
(iii) Vessel operating lease commitments - as lessor	
Due within 1 year	
- Share of joint ventures' commitments	2,235
(iv) Contract of Affreightment (COA)	
Due within 1 year	22,743
Due later than 1 year and not later than 5 years	91,035
Due later than 5 years	208,675
	322,453

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