

QUARTERLY REPORT

This is a quarterly report on consolidated results for the year ended 31 December 2017

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-17 RM '000	PRECEDING YEAR QUARTER 31-Dec-16 RM '000	CURRENT YEAR TO DATE 31-Dec-17 RM '000	PRECEDING YEAR TO DATE 31-Dec-16 RM '000
Revenue	71,519	64,156	272,582	225,505
Voyage expenses	(15,922)	(18,079)	(74,838)	(59,782)
	55,597	46,077	197,744	165,723
Operating expenses	(52,071)	(47,385)	(207,605)	(217,790)
	3,526	(1,308)	(9,861)	(52,067)
Net change in onerous contracts provision	10,936	0	10,936	0
Impairment loss on vessels	0	(50,347)	0	(50,457)
Reversal of impairment loss on vessels	108,548	0	108,548	0
	123,010	(51,655)	109,623	(102,524)
Other operating income, net	5,283	1,486	15,446	2,772
Administrative expenses	(2,387)	(3,457)	(10,064)	(11,911)
	125,906	(53,626)	115,005	(111,663)
Finance costs	(4,535)	(4,316)	(19,572)	(16,104)
Share of results of an associate	(177,331)	(302,399)	(211,938)	(325,070)
Impairment loss on associate	0	(39,304)	0	(39,304)
Share of results of joint ventures	(13,682)	(540)	(12,487)	(4,157)
	(69,642)	(400,185)	(128,992)	(496,298)
Loss before taxation	(69,642)	(400,185)	(128,992)	(496,298)
Income tax expense	(362)	(237)	(1,106)	(822)
	(70,004)	(400,422)	(130,098)	(497,120)
Loss for the year	(70,004)	(400,422)	(130,098)	(497,120)
Attributable to:				
Equity holders of the parent	(73,173)	(396,086)	(134,954)	(491,306)
Non-controlling interests	3,169	(4,336)	4,856	(5,814)
	(70,004)	(400,422)	(130,098)	(497,120)
Loss per share (sen)				
- Basic	(7.32)	(39.61)	(13.50)	(49.13)

QUARTERLY REPORT

This is a quarterly report on consolidated results for the year ended 31 December 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR 31 DECEMBER 2017**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-17 RM '000	PRECEDING YEAR QUARTER 31-Dec-16 RM '000	CURRENT YEAR TO DATE 31-Dec-17 RM '000	PRECEDING YEAR TO DATE 31-Dec-16 RM '000
Loss for the year	(70,004)	(400,422)	(130,098)	(497,120)
Other comprehensive loss:				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	(14,300)	75,411	(42,535)	12,741
Net change in cash flow hedges:				
-Net unrealised profit	15,409	(32,864)	52,197	(17,396)
-Net realised profit reclassified to the income statement	(14,509)	38,791	(48,715)	18,876
Share of associate's other comprehensive income	4,163	6,544	1,560	4,901
Realisation of reserves on liquidation of subsidiaries	-	-	(12,986)	-
Total comprehensive loss for the year	<u>(79,241)</u>	<u>(312,540)</u>	<u>(180,577)</u>	<u>(477,998)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(81,406)	(310,475)	(183,114)	(470,751)
Non-controlling interests	<u>2,165</u>	<u>(2,065)</u>	<u>2,537</u>	<u>(7,247)</u>
	<u>(79,241)</u>	<u>(312,540)</u>	<u>(180,577)</u>	<u>(477,998)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 31-Dec-17 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-16 RM '000
ASSETS		
Non-current assets		
Intangible assets	-	6
Property, plant and equipment	471,671	512,704
Deposits	56,788	58,386
Associate	394,963	655,114
Joint ventures	117,450	151,177
	<u>1,040,872</u>	<u>1,377,387</u>
Current Assets		
Consumable stores	7,344	12,220
Receivables and other current assets	44,742	47,961
Short term deposits	19,894	500
Cash and bank balances	52,339	69,141
	<u>124,319</u>	<u>129,822</u>
Non-current assets classified as held for sale	83,224	71,907
	<u>207,543</u>	<u>201,729</u>
TOTAL ASSETS	<u><u>1,248,415</u></u>	<u><u>1,579,116</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	338,791	250,000
Reserves	<u>186,988</u>	<u>458,893</u>
	525,779	708,893
Non-controlling interests	23,404	20,867
Total equity	<u><u>549,183</u></u>	<u><u>729,760</u></u>
Non-current liabilities		
Payables and other non-current liabilities	38,346	19,086
Borrowings	323,946	438,526
Derivative financial liabilities	55,549	115,436
Provision for onerous contracts	63,476	57,726
	<u>481,317</u>	<u>630,774</u>
Current liabilities		
Payables and other current liabilities	81,373	42,824
Borrowings	86,197	105,343
Derivative financial liabilities	19,842	12,152
Provision for taxation	389	186
Provision for onerous contracts	30,114	58,077
	<u>217,915</u>	<u>218,582</u>
Total liabilities	<u><u>699,232</u></u>	<u><u>849,356</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,248,415</u></u>	<u><u>1,579,116</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Attributable to Equity Holders of the Parent							Non-controlling Interests	Total Equity	
	Non-distributable						Distributable retained profits/ (Accumulated losses)			
	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	Total	RM '000	RM '000	
12 MONTHS ENDED 31 DECEMBER 2016										
At 1 January 2016	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 year	-	-	-	-	6,381	14,174	(491,306)	(470,751)	(7,247)	(477,998)
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	(16,985)	(16,985)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(6,282)	(6,282)
At 31 December 2016	250,000	48,791	7,077	40,000	1,605	659,228	(297,808)	708,893	20,867	729,760
12 MONTHS ENDED 31 DECEMBER 2017										
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 year	-	-	-	-	5,042	(53,202)	(134,954)	(183,114)	2,537	(180,577)
Transfer to no-par value regime	88,791	(48,791)	-	(40,000)	-	-	-	-	-	-
Liquidation of subsidiaries	-	-	(7,077)	-	-	-	7,077	-	-	-
At 31 December 2017	338,791	-	-	-	6,647	606,026	(425,685)	525,779	23,404	549,183

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	CUMULATIVE	
	CURRENT YEAR 31-Dec-17 RM '000	PRECEDING YEAR 31-Dec-16 RM '000
Cash Flow From Operating Activities		
Loss before taxation	(128,992)	(496,298)
Adjustments for:		
Depreciation and amortisation	19,975	29,000
(Gain)/loss on disposal of property, plant and equipment	(5,447)	1,258
(Overprovision)/provision for doubtful debts	(51)	921
Unrealised foreign exchange (gain)/loss	(298)	187
Net change in onerous contracts provision	(10,936)	-
Interest income	(943)	(1,066)
Finance costs	19,572	16,104
Reversal of impairment loss on vessels	(108,548)	-
Impairment loss on vessels	-	50,457
Share of results of an associate	211,938	325,070
Impairment loss on associate	-	39,304
Share of results of joint ventures	12,487	4,157
Operating loss before working capital changes	<u>8,757</u>	<u>(30,906)</u>
Working capital changes:		
Consumable stores	3,895	(3,510)
Receivables and other current assets	1,586	(3,144)
Payables and other current liabilities	65,476	18,620
Derivatives	(9,802)	-
Cash (used in)/generated from operating activities	<u>69,912</u>	<u>(18,940)</u>
Tax paid	<u>(1,030)</u>	<u>(1,027)</u>
Net cash generated from/(used in) operating activities	<u>68,882</u>	<u>(19,967)</u>
Cash Flows From Investing Activities		
Construction cost and purchase of vessels	-	(67,934)
Purchase of new equipment and capitalisation of dry docking	(2,488)	(100)
Purchase of other assets	(203)	(824)
Deposit paid for vessels	(4,265)	(14,440)
Dividend from an associate	-	5,589
Dividends from joint ventures	7,390	10,265
Interest received	943	1,066
Proceeds from disposal of property, plant and equipment	74,852	122,222
Net cash generated from/(used in) investing activities	<u>76,229</u>	<u>55,844</u>
Cash Flows From Financing Activities		
Drawdown of borrowings	46,735	92,571
Finance costs paid	(18,414)	(15,009)
Repayment of borrowings	(162,282)	(160,746)
Capital repayment to non-controlling interests	-	(16,985)
Dividend paid to non-controlling interests	-	(6,282)
Net cash used in financing activities	<u>(133,961)</u>	<u>(106,451)</u>
Net change in cash and cash equivalents	<u>11,150</u>	<u>(70,574)</u>
Effects of foreign exchange rate changes	<u>(8,558)</u>	<u>(281)</u>
Cash and cash equivalents at the beginning of the year	<u>69,641</u>	<u>140,496</u>
Cash and cash equivalents at the end of the year	<u>72,233</u>	<u>69,641</u>
Cash and cash equivalents comprise:		
Short term deposits	19,894	500
Cash and bank balances	<u>52,339</u>	<u>69,141</u>
	<u>72,233</u>	<u>69,641</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 31 December 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>12 months ended 31 December 2017</u>						
Revenue						
Group	256,041	12,191	5,367	-	(1,017)	272,582
Inter-segment	-	-	(1,017)	-	1,017	-
External revenue	<u>256,041</u>	<u>12,191</u>	<u>4,350</u>	<u>-</u>	<u>-</u>	<u>272,582</u>
TCE earnings	<u>189,102</u>	<u>4,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,394</u>
Segment results	4,796	(21)	834	3,446	-	9,055
Depreciation and amortisation	(19,655)	-	(43)	(277)	-	(19,975)
Gain on disposal of property, plant and equipment	1,861	3,568	18	-	-	5,447
Reversal of impairment loss on vessels	108,548	-	-	-	-	108,548
Net change in onerous contracts provision	10,936	-	-	-	-	10,936
Interest income	335	-	107	501	-	943
Finance costs	(11,722)	-	(8)	(7,842)	-	(19,572)
Overprovision for doubtful debts	51	-	-	-	-	51
Share of results of an associate	-	-	-	(211,938)	-	(211,938)
Share of results of joint ventures	(12,487)	-	-	-	-	(12,487)
(Loss)/profit before tax	<u>82,663</u>	<u>3,547</u>	<u>908</u>	<u>(216,110)</u>	<u>-</u>	<u>(128,992)</u>
<u>12 months ended 31 December 2016</u>						
Revenue						
Group	168,227	50,696	7,871	-	(1,289)	225,505
Inter-segment	-	-	(1,289)	-	1,289	-
External revenue	<u>168,227</u>	<u>50,696</u>	<u>6,582</u>	<u>-</u>	<u>-</u>	<u>225,505</u>
TCE earnings	<u>116,239</u>	<u>42,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,141</u>
Segment results	(55,037)	23,894	1,360	(1,310)	-	(31,093)
Depreciation and amortisation	(20,202)	(7,793)	(434)	(571)	-	(29,000)
Loss on disposal of property, plant and equipment	(4,478)	3,220	-	-	-	(1,258)
Impairment loss on vessels	(14,887)	(35,570)	-	-	-	(50,457)
Interest income	367	-	34	665	-	1,066
Finance costs	(8,412)	(593)	(11)	(7,088)	-	(16,104)
Provision for doubtful debts	(921)	-	-	-	-	(921)
Share of results of an associate	-	-	-	(325,070)	-	(325,070)
Impairment loss on associate	-	-	-	(39,304)	-	(39,304)
Share of results of joint ventures	(4,157)	-	-	-	-	(4,157)
(Loss)/profit before tax	<u>(107,727)</u>	<u>(16,842)</u>	<u>949</u>	<u>(372,678)</u>	<u>-</u>	<u>(496,298)</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

On 28 November 2017, a subsidiary signed a Memorandum of Agreement to dispose of a vessel to a third party for a net consideration of approximately USD20.6 million.

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

MBC Group's loss before tax decreased by 74% to RM128.992 million in 2017, from RM496.298 million loss in 2016 mainly due to write-back of vessel impairments, improved charter rates from dry bulk segment, and reduced loss from 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-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	USD	USD	Days	Days
Dry bulk	8,193	5,388	6,591	7,011
Tanker	7,926	14,651	126	697
Total fleet	8,188	6,225	6,717	7,708

The performance of the key segments in 2017 as compared to 2016 is as follows:-

(1) Dry bulk segment

On an operating level, dry bulk segment reported a loss of RM23.254 million in 2017, an improvement of 74% compared to a loss of RM89.008 million in 2016 mainly due to improved charter rates (2017: USD8,193/day versus 2016: USD5,388/day). However, due to the write back of vessel impairment and onerous contracts provision, dry bulk segment reported a profit before tax of RM82.663 million in 2017, from a loss of RM107.727 million in 2016.

The Group disposed of a bulker in June 2017 for a gain of RM1.861 million. In addition, the Group and a joint venture have contracted to sell another 3 vessels.

(2) Tanker segment

The Group disposed of its last tanker (M.T Alam Bakti) and exited from tanker segment in June 2017. The RM3.547 million profit from tanker segment in 2017 mainly comprised of gain on disposal of vessel.

(3) Investment holding and others

The associate, PACC Offshore Services Holdings Ltd (POSH) reported a lower loss of USD230.261 million in 2017 (2016: USD371.584 million) mainly due to lower impairment. Excluding impairment, after-tax loss of POSH was USD64.881 million in 2017, compared to a loss of USD61.456 million.

Share of associate results was a loss of RM211.938 million in 2017, compared to RM325.070 million loss in 2016.

The Group's attributable loss decreased by 73% to RM134.954 million in 2017 (2016: RM491.306 million).

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Individual Quarter		Variance RM'000
	Q4 FY2017 RM'000	Q3 FY2017 RM'000	
Revenue	71,519	65,408	6,111
Voyage expenses	(15,922)	(17,846)	1,924
	55,597	47,562	8,035
Operating expenses	(52,071)	(50,540)	(1,531)
Operating profit/(loss)	3,526	(2,978)	6,504
Net change in onerous contracts provision	10,936	0	10,936
Impairment loss on vessels	0	0	0
Reversal of Impairment loss on vessels	108,548	0	108,548
	123,010	(2,978)	125,988
Other operating income/(loss), net	5,283	990	4,293
Administrative expenses	(2,387)	(2,478)	91
	125,906	(4,466)	130,372
Finance costs	(4,535)	(4,962)	427
Share of results of an associate	(177,331)	(8,795)	(168,536)
Share of results of joint ventures	(13,682)	850	(14,532)
Loss before taxation	(69,642)	(17,373)	(52,269)
Income tax expense	(362)	(220)	(142)
Loss for the period	(70,004)	(17,593)	(52,411)
<u>Attributable to:</u>			
Equity holders of the parent	(73,173)	(17,821)	(55,352)
Non-controlling interests	3,169	228	2,941
	(70,004)	(17,593)	(52,411)

The Group reported an operating profit of RM3.526 million in Q4 FY2017, from an operating loss of RM2.978 million in Q3 FY2017 mainly due to improved charter rates.

Due to improved dry bulk market, the Group wrote back vessel impairment of RM108.548 million and onerous contracts provision of RM10.936 million in Q4 FY2017.

Other operating income of RM5.283 million in Q4 FY2017 mainly comprised of recovery of shared services cost of RM4.475 million.

Administrative expenses decreased marginally to RM2.387 million in Q4 FY2017 (Q3 2017: RM2.478 million). Finance costs decreased by 9% to RM4.535 million in Q4 FY2017 (Q3 FY2017: RM4.962 million) mainly due to loan repayments.

The associate, POSH, recorded a net loss of USD192.943 million in Q4 FY2017, compared to a loss of USD9.782 million in Q3 FY2017 mainly due to impairment of USD165.380 million. Excluding impairment, POSH reported a loss of USD27.563 million in Q4 FY2017, compared to USD9.782 million in Q3 FY2017 mainly due to negative contribution from its joint ventures (Q4 FY2017: a loss of USD9.652 million versus Q3 FY2017: a profit of USD11.803 million). The Group's share of POSH results was a loss of RM177.331 million in Q4 FY2017, compared to a loss of RM8.795 million in Q3 FY2017.

Share of joint ventures' results was a loss of RM13.682 million in Q4 FY2017, compared to a profit of RM0.850 million in Q3 FY2017 mainly due to vessel impairment.

The Group's attributable loss was RM73.173 million in Q4 FY2017 (Q3 FY2017: RM17.821 million).

B3. PROSPECTS

The Baltic Dry Index (BDI) averaged 1509 for Q4 2017 and for the full year 2017, the index averaged 1145. Global seaborne trade growth lifted the dry bulk markets across all sectors with China as the main driver for commodity demand. China's economic growth and industrial production together with other emerging economies will continue to drive demand for dry bulk raw commodities.

IMF's January 2018 economic update highlights global growth forecast to improve from 3.7% in 2017 to 3.9% for 2018 and 2019.

The combination of a slowing fleet growth (where the annual dry bulk new building deliveries is at a 9 year low) and improving global economic outlook bodes well for all dry bulk sectors as indicated by the surge in Q4 2017 BDI.

On the offshore services sector, whilst there is some positive sentiment in the market, with oil prices averaging above US\$50 per barrel in 2017, offshore oil production activities remain subdued. Day rates remain under pressure, mainly due to an oversupply of vessels.

The Board is encouraged by the improving dry bulk market but remains concerned over the depressed offshore services sector 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	362	1,159
-prior year	-	(53)
	<u>362</u>	<u>1,106</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 2016.

As at 31 December 2017, 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	71,125	(19,842)
- 1 year to 3 years	<u>199,125</u>	<u>(55,549)</u>
	<u>270,250</u>	<u>(75,391)</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	235	943
Finance costs	(4,535)	(19,572)
Depreciation and amortisation	(4,771)	(19,975)
Reversal of impairment loss on vessels	108,548	108,548
Gain on disposal of property, plant and equipment	-	5,447
Overprovision for doubtful debts	(870)	51
Net change in onerous contract provision	10,936	10,936
Unrealised exchange gain	<u>158</u>	<u>298</u>

B8. STATUS OF CORPORATE PROPOSALS

There were no other outstanding corporate proposals submitted by the Group as at 31 December 2017.

B9. BORROWINGS

The Group borrowings as at 31 December are as follows:

	<u>Currency</u>	<u>Current RM '000</u>	<u>Non-current RM '000</u>
Secured	USD	15,648	125,033
Unsecured	RM	<u>70,549</u>	<u>198,913</u>
		<u>86,197</u>	<u>323,946</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 31 December 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 31-Dec-17	PRECEDING YEAR QUARTER 31-Dec-16	CURRENT YEAR TO DATE 31-Dec-17	PRECEDING YEAR TO DATE 31-Dec-16
Loss attributable to equity holders of the parent (RM'000)	(73,173)	(396,086)	(134,954)	(491,306)
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>(7.32)</u>	<u>(39.61)</u>	<u>(13.50)</u>	<u>(49.13)</u>

B13. COMMITMENTS

Commitments as at 31 December 2017 are as follows:

	RM'000
(i) Capital commitments	<u>306,867</u>
(ii) Vessel operating lease commitments - as lessee	
Due within 1 year	105,787
Due later than 1 year and not later than 5 years	264,169
Due later than 5 years	11,117
	<u>381,073</u>
(iii) Vessel operating lease commitments - as lessor	
Due within 1 year	
- the Group	22,514
- Share of joint ventures' commitments	4,734
	<u>27,248</u>
(iv) Contract of Affreightment (COA)	
Due within 1 year	30,075
Due later than 1 year and not later than 5 years	120,383
Due later than 5 years	260,790
	<u>411,248</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).