

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 31 December 2018

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-18 RM '000	PRECEDING YEAR QUARTER 31-Dec-17 RM '000	CURRENT YEAR TO DATE 31-Dec-18 RM '000	PRECEDING YEAR TO DATE 31-Dec-17 RM '000
Revenue	69,044	71,519	238,974	272,582
Voyage expenses	(13,616)	(15,922)	(40,709)	(74,838)
	55,428	55,597	198,265	197,744
Operating expenses	(49,799)	(52,071)	(193,881)	(207,605)
	5,629	3,526	4,384	(9,861)
Net change in onerous contracts provision	8,494	10,936	32,232	10,936
Impairment loss on vessels	(6,351)	-	(6,351)	-
Reversal of impairment loss on vessels	-	108,458	-	108,548
	7,772	122,920	30,265	109,623
Other operating income, net	(686)	5,283	1,916	15,446
Administrative expenses	(2,439)	(2,387)	(9,604)	(10,064)
	4,647	125,816	22,577	115,005
Finance costs	(4,487)	(4,535)	(17,211)	(19,572)
Share of results of an associate	-	(177,331)	(8,402)	(211,938)
Reversal of impairment loss / (impairment loss) on associate	140,325	-	-	-
Gain on disposal of associate	265,929	-	265,929	-
Share of results of joint ventures	499	(13,682)	1,907	(12,487)
Profit/(Loss) before tax	406,913	(69,732)	264,800	(128,992)
Income tax expense	(485)	(362)	(848)	(1,106)
Profit/(Loss) for the period	<u>406,428</u>	<u>(70,094)</u>	<u>263,952</u>	<u>(130,098)</u>
Attributable to:				
Equity holders of the parent	406,436	(73,173)	263,838	(134,954)
Non-controlling interest	(8)	3,169	114	4,856
	<u>406,428</u>	<u>(70,004)</u>	<u>263,952</u>	<u>(130,098)</u>
Earnings/(Loss) per share (sen)				
- Basic	40.64	(7.32)	26.38	(13.50)

QUARTERLY REPORT

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-18 RM '000	PRECEDING YEAR QUARTER 31-Dec-17 RM '000	CURRENT YEAR TO DATE 31-Dec-18 RM '000	PRECEDING YEAR TO DATE 31-Dec-17 RM '000
Profit/(Loss) for the period	406,428	(70,094)	263,952	(130,098)
Other comprehensive income/(loss):				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	622	(14,300)	(2,977)	(55,521)
Net change in cash flow hedge	957	900	3,291	3,482
Share of associate's other comprehensive income	-	4,163	6,821	1,560
Reclassification of reserves relating to an associate from equity to profit or loss	<u>(404,415)</u>	<u>-</u>	<u>(404,415)</u>	<u>-</u>
Total comprehensive income/(loss) for the period	<u>3,592</u>	<u>(79,331)</u>	<u>(133,328)</u>	<u>(180,577)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	3,596	(81,406)	(132,687)	(183,114)
Non-controlling interest	<u>(4)</u>	<u>2,165</u>	<u>(641)</u>	<u>2,537</u>
	<u>3,592</u>	<u>(79,241)</u>	<u>(133,328)</u>	<u>(180,577)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 31-Dec-18 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-17 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	503,239	471,671
Deposits	-	56,788
Associate	-	394,963
Joint ventures	36,680	75,974
	<u>539,919</u>	<u>999,396</u>
Current assets		
Consumable stores	10,108	7,344
Receivables and other current assets	35,178	44,742
Short term deposits	261,138	19,894
Cash and bank balances	27,986	52,339
	<u>334,410</u>	<u>124,319</u>
Non-current assets classified as held for sale	148,411	83,224
	<u>482,821</u>	<u>207,543</u>
TOTAL ASSETS	<u><u>1,022,740</u></u>	<u><u>1,206,939</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	338,791	338,791
Reserves	216,148	612,673
Accumulated losses	(161,847)	(425,685)
	<u>393,092</u>	<u>525,779</u>
Non-controlling interest	1,085	23,404
Total equity	<u>394,177</u>	<u>549,183</u>
Non-current liabilities		
Payables and other non-current liabilities	46,086	38,346
Borrowings	197,685	323,946
Derivative financial liabilities	816	55,549
Provision for onerous contracts	44,526	63,476
	<u>289,113</u>	<u>481,317</u>
Current liabilities		
Payables and other current liabilities	49,302	39,897
Borrowings	211,472	86,197
Derivative financial liabilities	59,309	19,842
Provision for taxation	309	389
Provision for onerous contracts	19,058	30,114
	<u>339,450</u>	<u>176,439</u>
Total liabilities	<u>628,563</u>	<u>657,756</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,022,740</u></u>	<u><u>1,206,939</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2018

	Attributable to Equity Holders of the Parent									
	Non-distributable						Distributable retained profits/ losses)	Total	Non-controlling Interest	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
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 period	-	-	-	-	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
12 MONTHS ENDED										
31 DECEMBER 2018										
At 1 January 2018	338,791	-	-	-	6,647	606,026	(425,685)	525,779	23,404	549,183
Total comprehensive income/(loss) for the period	-	-	-	-	(3,170)	(393,355)	263,838	(132,687)	(641)	(133,328)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(21,678)	(21,678)
At 31 December 2018	338,791	-	-	-	3,477	212,671	(161,847)	393,092	1,085	394,177

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2018

	CUMULATIVE	
	CURRENT YEAR 31-Dec-18 RM '000	PRECEDING YEAR 31-Dec-17 RM '000
Cash Flow From Operating Activities		
Profit/(loss) before tax	264,800	(128,992)
Adjustments for:		
Amortisation of intangible assets	26	6
Depreciation	25,491	19,969
Impairment loss on trade receivables	836	870
Reversal of impairment loss on trade receivables	-	(921)
Gain on disposal of property, plant and equipment	-	(5,447)
Unrealised foreign exchange loss / (gain)	107	(298)
Interest income	(2,850)	(943)
Finance costs	17,211	19,572
Net change in provision for onerous contracts	(32,232)	(10,936)
Reversal of impairment loss on vessels	-	(108,548)
Impairment loss on vessels	6,351	-
Share of results of an associate	8,402	211,938
Gain on disposal of associate	(265,929)	-
Share of results of joint ventures	(1,907)	12,487
Operating profit before working capital changes	<u>20,306</u>	<u>8,757</u>
Working capital changes:		
Consumable stores	(2,808)	3,895
Receivables and other current assets	8,834	1,586
Payables and other current liabilities	21,557	24,000
Derivatives	(17,671)	(9,802)
Cash generated from operating activities	<u>30,218</u>	<u>28,436</u>
Tax paid	(981)	(1,030)
Net cash generated from operating activities	<u>29,237</u>	<u>27,406</u>
Cash Flows From Investing Activities		
Construction cost and purchase of vessels	(135,724)	-
Acquisition of property, plant and equipment	(5,229)	(2,691)
Deposit paid for vessels	-	(4,265)
Dividends from joint ventures	33,902	7,390
Interest received	2,850	943
Proceeds from disposal of property, plant and equipment	84,019	74,852
Proceeds from disposal of associate	249,227	-
Loan repayment from joint venture	8,471	41,476
Net cash generated from investing activities	<u>237,516</u>	<u>117,705</u>
Cash Flows From Financing Activities		
Finance costs paid	(16,365)	(18,414)
Drawdown of borrowings	82,992	46,735
Repayment of borrowings	(87,280)	(162,282)
Dividend paid to non-controlling interest	(21,678)	-
Net cash used in financing activities	<u>(42,331)</u>	<u>(133,961)</u>
Net change in cash and cash equivalents	224,422	11,150
Effects of foreign exchange rate changes	(7,531)	(8,558)
Cash and cash equivalents at the beginning of the period	<u>72,233</u>	<u>69,641</u>
Cash and cash equivalents at the end of the period	<u>289,124</u>	<u>72,233</u>
Cash and cash equivalents comprise:		
Short term deposits	261,138	19,894
Cash and bank balances	<u>27,986</u>	<u>52,339</u>
	<u>289,124</u>	<u>72,233</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 except in the current financial year, the Group has adopted all applicable new and amended MFRSs and Annual Improvements to MFRSs that are effective for annual periods beginning on 1 January 2018. The adoption of these standards did not have a material effect on the financial performance or position of the Group.

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 31 December 2018.

A8. SEGMENT REPORT

	Shipping Bulkers RM '000	Shipping Tankers RM '000	Ship brokerage & management RM '000	Investment holding & others RM '000	Elimination RM '000	Group RM '000
<u>12 months ended 31 December 2018</u>						
Revenue						
Group	235,583	-	4,203	-	(812)	238,974
Inter-segment	-	-	(812)	-	812	-
External revenue	<u>235,583</u>	<u>-</u>	<u>3,391</u>	<u>-</u>	<u>-</u>	<u>238,974</u>
TCE earnings	<u>194,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,874</u>
Segment results	25,545	-	309	(5,655)	-	20,199
Depreciation and amortisation	(25,205)	-	(24)	(288)	-	(25,517)
Impairment loss on vessels	(6,351)	-	-	-	-	(6,351)
Impairment loss on trade receivables	(836)	-	-	-	-	(836)
Interest income	222	-	140	2,488	-	2,850
Finance costs	(10,426)	-	(6)	(6,779)	-	(17,211)
Net change in onerous contracts provision	32,232	-	-	-	-	32,232
Share of results of an associate	-	-	-	(8,402)	-	(8,402)
Gain on disposal of associate	-	-	-	265,929	-	265,929
Share of results of joint ventures	1,907	-	-	-	-	1,907
Profit before tax	<u>17,088</u>	<u>-</u>	<u>419</u>	<u>247,293</u>	<u>-</u>	<u>264,800</u>
<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)
Impairment loss on trade receivables	(870)	-	-	-	-	(870)
Reversal of impairment loss on trade receivables	921	-	-	-	-	921
Gain on disposal of property, plant and equipment	1,861	3,568	18	-	-	5,447
Interest income	335	-	107	501	-	943
Finance costs	(11,722)	-	(8)	(7,842)	-	(19,572)
Net change in onerous contracts provision	10,936	-	-	-	-	10,936
Reversal of impairment loss on vessels	108,548	-	-	-	-	108,548
Share of results of an associate	-	-	-	(211,938)	-	(211,938)
Share of results of joint ventures	(12,487)	-	-	-	-	(12,487)
Profit/(loss) before tax	<u>82,663</u>	<u>3,547</u>	<u>908</u>	<u>(216,110)</u>	<u>-</u>	<u>(128,992)</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 31 December 2018 up to the date of this report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

The Company disposed of its entire deemed interest in associate to all shareholders of the Company by way of a restricted offer for sale. The disposal was completed on 25 October 2018.

A12. CONTINGENT LIABILITIES

There were no contingent liabilities since 31 December 2017 to the date of this report.

B1. REVIEW OF PERFORMANCE

MBC Group reported a profit of RM264.800 million in FY2018, an increase of RM393.792 million compared with a loss RM128.992 million in FY2017. This is mainly due to reduced loss from associate (RM203.536 million) and gain on disposal of associate (RM265.929 million).

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

	Average TCE/day		Hire days	
	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
	USD	USD	Days	Days
Dry bulk	10,180	8,193	5,150	6,591
Tanker	-	7,926	-	126
Total fleet	10,180	8,188	5,150	6,717

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

(1) Dry bulk segment

At operating level, dry bulk segment reported a loss of RM9.503 million in FY2018, compared to a loss of RM21.393 million in FY2017 mainly due to higher charter rates. The better results are achieved despite a reduced fleet size.

Including impairments (relating to the Group and JVs) and onerous contracts, the Group's profit decreased to RM17.088 million in FY2018, compared to RM82.663 million profit in FY2017 mainly due to the reversal of impairment loss on vessels amounting to RM108.548 million in FY2017.

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

(2) Tanker segment

The Group exited from tanker segment in June 2017.

(3) Investment holding and others

Investment holding and others segment reported a profit of RM247.293 million in FY2018, compared to a loss of RM216.110 million in FY2017 mainly due to gain on disposal of associate and reduced loss from associate.

The Group's interest in the associate, PACC Offshore Services Holdings Ltd ("POSH") was disposed by way of a renounceable Restricted Offer for Sale* that was announced on 2 April 2018 and completed on 25 October 2018 with a gain on of RM265.929 million (please refer to the table below).

	RM'000
Proceeds from disposal (net)	249,227
Carrying amount of POSH	(387,713)
	(138,486)
Reclassification of reserves relating to POSH from equity to profit or loss	404,415
Gain on disposal of associate	265,929

*Full details of the Restricted Offer for Sale are set out in the Modified Prospectus announced on 28 August 2018.

The Group ceased sharing POSH results in May 2018. The share of POSH results for the period from January 2018 to April 2018 was a loss of RM8.402 million (FY2017: a loss of RM211.938 million).

The Group reported an attributable profit of RM263.838 million in FY2018, compared to a loss of RM134.954 million in FY2017.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Individual Quarter		Variance RM'000
	Q4 FY2018 RM'000	Q3 FY2018 RM'000	
Revenue	69,044	58,179	10,865
Voyage expenses	<u>(13,616)</u>	<u>(10,692)</u>	<u>(2,924)</u>
	55,428	47,487	7,941
Operating expenses	<u>(49,799)</u>	<u>(50,237)</u>	438
Operating profit/(loss)	5,629	(2,750)	8,379
Net change in onerous contracts provision	8,494	23,738	(15,244)
Impairment loss on vessels	<u>(6,351)</u>	<u>0</u>	<u>(6,351)</u>
	7,772	20,988	(13,216)
Other operating income/(loss), net	(686)	686	(1,372)
Administrative expenses	<u>(2,439)</u>	<u>(1,315)</u>	<u>(1,124)</u>
	4,647	20,359	(15,712)
Finance costs	(4,487)	(4,397)	(90)
Reversal of impairment loss on associate	140,325	7,338	132,987
Gain on disposal of associate	265,929	0	265,929
Share of results of joint ventures	<u>499</u>	<u>(250)</u>	<u>749</u>
Profit before taxation	406,913	23,050	383,863
Income tax expense	<u>(485)</u>	<u>(5)</u>	<u>(480)</u>
Profit for the period	<u><u>406,428</u></u>	<u><u>23,045</u></u>	<u><u>383,383</u></u>
Attributable to:			
Equity holders of the parent	406,436	23,017	383,419
Non-controlling interests	<u>(8)</u>	<u>28</u>	<u>(36)</u>
	<u><u>406,428</u></u>	<u><u>23,045</u></u>	<u><u>383,383</u></u>

The Group reported an operating profit of RM5.629 million in Q4 FY2018, compared to an operating loss of RM2.750 million in Q3 FY2018 mainly due to increased hire days and lower docking costs.

In Q4 FY2018, the Group utilised RM8.494 million (Q3 FY2018: RM23.738 million) of the onerous contracts provision which had been provided in the earlier years.

The disposal of the associate was completed on 25 October 2018 with a gain of RM265.929 million (please refer to Note B1 for further details). The impairment loss on associate of RM140.325 million recognised in the first 9 months of 2018 was reversed in Q4 FY2018.

Administrative expenses were higher by RM1.124 million (Q4 FY2018: RM2.439 million versus Q3 FY2018: RM1.315 million) as Q3 FY2018's figure includes a reversal of overprovision.

Finance costs increased marginally to RM4.487 million in Q4 FY2018 (Q3 FY2018: RM4.397 million) mainly due to higher interest rates.

Share of joint ventures' results increased by RM0.749 million to a profit of RM0.499 million in Q4 FY2018 (Q3 FY2018: a loss of RM0.250 million) mainly due to increased hire days as there were no scheduled dockings of vessels in Q4 FY2018.

The Group's attributable profit was RM406.436 million in Q4 FY2018, compared to RM23.017 million profit in Q3 FY2018.

B3. PROSPECTS

The sentiments in the freight market has turned bearish. This is a result of slowing global economy as reported by the IMF, impacting movements of major dry bulk commodities such as iron ore and coal.

Notwithstanding, dry bulk fleet is expected to grow at a lower 3% this year, which should then provide a better resilience to overall freight market fundamentals.

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	485	1,019
-prior year	-	(171)
	<u>485</u>	<u>848</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 income tax expense 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 31 December 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	(59,255)
	<u>199,125</u>	<u>(59,255)</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	1,525	2,850
Finance costs	(4,487)	(17,211)
Depreciation and amortisation	(7,479)	(25,517)
Impairment loss on vessels	(6,351)	(6,351)
Gain on disposal of associate	265,929	265,929
Impairment loss on trade receivables	-	(836)
Net change in onerous contracts provision	8,494	32,232
Unrealised exchange loss	(21)	(107)
	<u>(21)</u>	<u>(107)</u>

B8. STATUS OF CORPORATE PROPOSALS

There were no other corporate proposals announced but not completed at the date of this report.

B9. UTILISATION OF PROCEEDS RAISED FROM THE RESTRICTED OFFER FOR SALE

The restricted offer for sale of the Company's entire deemed interest in associate to all shareholders of the Company was completed on 25 October 2018 and the status of utilisation of proceeds raised from the exercise as at 31 December 2018 is as follows:

<u>Purpose</u>	<u>Proposed Utilisation RM'm</u>	<u>Actual Utilisation RM'm</u>	<u>Balance RM'm</u>	<u>Intended Timeframe for Utilisation ⁽²⁾</u>	<u>Deviation RM'm</u>	<u>%</u>
(i) Working capital	115.9 ⁽¹⁾	(32.1)	83.8	Within 15 months	-	0%
(ii) Repayment of borrowings	68.3	(21.7)	46.6	Within 12 months	-	0%
(iii) Part finance the construction costs of new vessels	64.0	(52.3)	11.7	Within 12 months	-	0%
(iv) Estimated expenses	2.9	(2.9)	-	Within 6 months	-	0%
Total	<u>251.1</u>	<u>(109.0)</u>	<u>142.1</u>		<u>-</u>	

Note:

⁽¹⁾ Includes excess funds for estimated expenses of RM8.2 million which has been re-allocated to working capital.

⁽²⁾ The intended timeframe for utilisation is from the date of completion of the restricted offer for sale.

B10. BORROWINGS

The Group's borrowings as at 31 December 2018 are as follows:

	<u>Currency</u>	<u>Current RM '000</u>	<u>Non-current RM '000</u>
Secured	USD	12,559	197,685
Unsecured	RM	198,913	-
		<u>211,472</u>	<u>197,685</u>

B11. MATERIAL LITIGATION

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

B12. DIVIDENDS

The Directors do not recommend any dividend for the current quarter ended 31 December 2018.

B13. 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-18	PRECEDING YEAR QUARTER 31-Dec-17	CURRENT YEAR TO DATE 31-Dec-18	PRECEDING YEAR TO DATE 31-Dec-17
Profit/(Loss) attributable to equity holders of the parent (RM'000)	406,436	(73,173)	263,838	(134,954)
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>40.64</u>	<u>(7.32)</u>	<u>26.38</u>	<u>(13.50)</u>

B14. COMMITMENTS

Commitments as at 31 December 2018 are as follows:

	RM'000
(i) Capital commitments	<u>175,700</u>
(ii) Vessel operating lease commitments - as lessee	
Due within 1 year	104,833
Due later than 1 year and not later than 5 years	176,999
	<u>281,832</u>
(iii) Vessel operating lease commitments - as lessor	
Due within 1 year	
- the Group	17,689
- Share of joint ventures' commitments	8,966
	<u>26,655</u>
(iv) Contract of Affreightment (COA)	
Due within 1 year	22,060
Due later than 1 year and not later than 5 years	88,299
Due later than 5 years	169,225
	<u>279,584</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).