

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 June 2023

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023**

	Note	INDIVIDUAL QUARTER			CUMULATIVE		
		CURRENT	PRECEDING	Changes	CURRENT	PRECEDING	Changes
		YEAR	YEAR		YEAR	YEAR	
QUARTER	QUARTER		TO DATE	TO DATE			
		30-Jun-23	30-Jun-22	(%)	30-Jun-23	30-Jun-22	(%)
		RM '000	RM '000		RM '000	RM '000	
Revenue		32,961	39,568	-17%	68,052	78,648	-13%
Cost of sales		(5,134)	(5,839)		(10,476)	(11,886)	
		<u>27,827</u>	<u>33,729</u>		<u>57,576</u>	<u>66,762</u>	
Operating expenses		(21,715)	(19,265)		(43,341)	(40,965)	
Operating profit		6,112	14,464	-58%	14,235	25,797	-45%
Gain on disposal of property, plant and equipment		-	50,058		-	50,058	
		<u>6,112</u>	<u>64,522</u>		<u>14,235</u>	<u>75,855</u>	
Other operating (expense)/income, net		(4,768)	(760)		(4,063)	35	
Administrative expenses		(2,415)	(1,754)		(5,273)	(3,667)	
		<u>(1,071)</u>	<u>62,008</u>		<u>4,899</u>	<u>72,223</u>	
Interest expense on bank borrowings		(20)	(298)		(35)	(1,335)	
Interest expense on lease liabilities		(105)	(632)		(449)	(1,343)	
(Loss)/profit before tax	B5	(1,196)	61,078	-102%	4,415	69,545	-94%
Income tax expense	B6	(334)	(10)		(591)	(35)	
(Loss)/profit for the period		<u>(1,530)</u>	<u>61,068</u>	-103%	<u>3,824</u>	<u>69,510</u>	-94%
Attributable to:							
Equity holders of the parent		<u>(1,530)</u>	<u>61,068</u>		<u>3,824</u>	<u>69,510</u>	
(Loss)/earnings per share (sen)							
- Basic		(0.15)	6.11		0.38	6.95	

**QUARTERLY REPORT**

This is a quarterly report on consolidated results for the period ended 30 June 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 June 2023**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30-Jun-23 RM '000	PRECEDING YEAR QUARTER 30-Jun-22 RM '000	CURRENT YEAR TO DATE 30-Jun-23 RM '000	PRECEDING YEAR TO DATE 30-Jun-22 RM '000
(Loss)/profit for the period	(1,530)	61,068	3,824	69,510
Other comprehensive income/(loss):				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	13,559	23,077	20,090	25,607
Net change in cash flow hedge	-	-	-	(48)
Total comprehensive income for the period	<u>12,029</u>	<u>84,145</u>	<u>23,914</u>	<u>95,069</u>
Total comprehensive income attributable to: Equity holders of the parent	<u>12,029</u>	<u>84,145</u>	<u>23,914</u>	<u>95,069</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 30-Jun-23 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-22 RM '000
Note		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	60,192	-
Property, plant and equipment	236,816	230,931
Right-of-use assets	434	10,921
	<u>297,442</u>	<u>241,852</u>
<b>Current assets</b>		
Inventories	8,310	3,352
Receivables and other current assets	29,047	7,421
Short term deposits	130,493	321,909
Cash and bank balances	65,733	57,390
	<u>233,583</u>	<u>390,072</u>
Non-current assets classified as held for sale	7,693	7,342
	<u>241,276</u>	<u>397,414</u>
<b>TOTAL ASSETS</b>	<u><u>538,718</u></u>	<u><u>639,266</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	338,791	338,791
Foreign currency translation reserve	163,869	143,778
Retained earnings	8,306	4,483
<b>Total equity</b>	<u>510,966</u>	<u>487,052</u>
<b>Non-current liabilities</b>		
Borrowings	898	-
Deferred tax liabilities	39	-
	<u>937</u>	<u>-</u>
<b>Current liabilities</b>		
Payables and other current liabilities	21,512	18,160
Dividend payable	-	100,000
Contract liabilities	4,316	903
Borrowings	276	-
Lease liabilities	72	33,111
Provision for taxation	639	40
	<u>26,815</u>	<u>152,214</u>
<b>Total liabilities</b>	<u>27,752</u>	<u>152,214</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>538,718</u></u>	<u><u>639,266</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	Attributable to Equity Holders of the Parent				
	Share capital RM '000	Non-distributable			Total equity RM '000
		Cash flow hedge reserve RM '000	Foreign currency translation reserve RM '000	Retained earnings RM '000	
<b><u>6 MONTHS ENDED 30 JUNE 2022</u></b>					
At 1 January 2022	338,791	48	118,881	11,302	469,022
Total comprehensive (loss)/income for the period	-	(48)	25,607	69,510	95,069
<b>At 30 June 2022</b>	<b>338,791</b>	<b>-</b>	<b>144,488</b>	<b>80,812</b>	<b>564,091</b>
<b><u>6 MONTHS ENDED 30 JUNE 2023</u></b>					
At 1 January 2023	338,791	-	143,778	4,483	487,052
Total comprehensive income for the period	-	-	20,090	3,824	23,914
<b>At 30 June 2023</b>	<b>338,791</b>	<b>-</b>	<b>163,868</b>	<b>8,307</b>	<b>510,966</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023**

	Note	CUMULATIVE	
		CURRENT	PRECEDING
		YEAR 30-Jun-23 RM '000	YEAR 30-Jun-22 RM '000
<b>Cash Flow From Operating Activities</b>			
Profit before tax		4,415	69,545
Adjustments for:			
Amortisation of intangible assets		15	143
Depreciation on owned assets		5,440	6,683
Depreciation on right-of-use assets		8,586	21,163
Provision for expected credit losses on trade receivables		-	228
Unrealised foreign exchange loss		10,135	940
Interest income		(3,256)	(467)
Interest expense on bank borrowings		35	1,335
Interest expense on lease liabilities		449	1,343
Lease modification		1,701	(18)
Gain on disposal of property, plant and equipment		-	(50,058)
Discontinuation of hedge instrument		-	(603)
Operating profit before working capital changes		27,520	50,234
Working capital changes:			
Consumable stores		(588)	1,480
Receivables and other current assets		(10,109)	(1,003)
Contract assets		-	2,108
Payables and other liabilities		(7,817)	(6,067)
Contract liabilities		3,413	(68)
Cash generated from operating activities		12,419	46,684
Tax paid, net of tax refund		(591)	(118)
Net cash generated from operating activities		11,828	46,566
<b>Cash Flows From Investing Activities</b>			
Purchase of other assets and capitalisation of docking costs		(68)	(1,748)
Interest received		3,256	467
Proceeds from disposal of property, plant and equipment		14	160,554
Acquisition of a subsidiary, net of cash acquired	A11	(63,433)	-
Net cash used in investing activities		(60,231)	159,273
<b>Cash Flows From Financing Activities</b>			
Dividends paid to shareholders		(100,000)	-
Interest on bank borrowings		(35)	(780)
Interest on lease liabilities		(449)	(1,343)
Repayment of borrowings		(109)	(66,470)
Payment of principal portion of lease liabilities		(32,660)	(19,319)
Payments for derivatives		-	(285)
Net cash used in financing activities		(133,253)	(88,197)
<b>Net change in cash and cash equivalents</b>		(181,656)	117,642
<b>Effects of foreign exchange rate changes</b>		(1,417)	7,255
<b>Cash and cash equivalents at the beginning of the period</b>		379,299	207,174
<b>Cash and cash equivalents at the end of the period</b>		196,226	332,071
Cash and cash equivalents comprise:			
Short term deposits		130,493	108,006
Cash and bank balances		65,733	224,065
		196,226	332,071

## 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 2022.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2022, except for the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRS"):

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17: Insurance Contracts	1 January 2023
MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contracts)	1 January 2023
MFRS 101: Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
MFRS 108: Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

### Standards and Amendments in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new MFRS and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 101: Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
MFRS 16: Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The Directors expect that the adoption of the above standards, amendments and interpretations will have no material impact on the financial statements in the period of initial applications.

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

The financial statements for the year ended 31 December 2022 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 dividend has been paid for the current quarter ended 30 June 2023.

**A8. SEGMENT REPORT**

For management purposes, the Group's operating businesses are organised according to products and services, namely ship owning and ship operating of bulk carriers ("Shipping Bulkers"), shelving & storage solution and Investment holding and others segments. Inter-segment transactions and pricing arrangements, where applicable, are determined on a commercial basis. The results by segments for the current, preceding and last year same quarter are as follows:

Segmental reporting for the financial year-to-date is as below:

	Shipping Bulkers RM '000	Shelving & storage solution RM '000	Investment holding & others RM '000	Elimination RM '000	Group RM '000
<b>6 months ended 30 June 2023</b>					
Revenue					
Group	43,056	24,996	385	(385)	68,052
Inter-segment	-	-	(385)	385	-
External revenue	<u>43,056</u>	<u>24,996</u>	<u>-</u>	<u>-</u>	<u>68,052</u>
Operating profit/(loss)	10,886	3,765	(416)	-	14,235
Other operating income/(loss), net	430	170	(4,642)	(21)	(4,063)
Administrative expenses	<u>(366)</u>	<u>(1,140)</u>	<u>(3,767)</u>	<u>-</u>	<u>(5,273)</u>
	10,950	2,795	(8,825)	(21)	4,899
Interest expense on bank borrowings	-	(35)	-	-	(35)
Interest expense on shareholder's loan	-	(21)	-	21	-
Interest expense on lease liabilities	<u>(446)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>(449)</u>
Profit/(loss) before tax	<u>10,504</u>	<u>2,736</u>	<u>(8,825)</u>	<u>-</u>	<u>4,415</u>
<b>6 months ended 30 June 2022</b>					
Revenue					
Group	78,335	-	384	(71)	78,648
Inter-segment	-	-	(71)	71	-
External revenue	<u>78,335</u>	<u>-</u>	<u>313</u>	<u>-</u>	<u>78,648</u>
Operating profit/(loss)	26,020	-	(223)	-	25,797
Gain on disposal of property, plant and equipment	50,058	-	-	-	50,058
Other operating income/(loss), net	482	-	(447)	-	35
Administrative expenses	<u>(1,137)</u>	<u>-</u>	<u>(2,530)</u>	<u>-</u>	<u>(3,667)</u>
	75,423	-	(3,200)	-	72,223
Interest expense on bank borrowings	(1,335)	-	-	-	(1,335)
Interest expense on lease liabilities	<u>(1,338)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>(1,343)</u>
Profit/(loss) before tax	<u>72,750</u>	<u>-</u>	<u>(3,205)</u>	<u>-</u>	<u>69,545</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 AND SUBSEQUENT EVENTS**

(a) On 16 May 2023:

the Company proposed to undertake a reduction of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016 ("Proposed Capital Reduction").

The Proposed Capital Reduction entails the reduction of RM275.0 million of the issued share capital of the Company by the cancellation of the issued share capital which is lost or unrepresented by available assets pursuant to Section 116 of the Act.

**A10. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)**

(a) On 16 May 2023 (cont'd):

The credit arising from the Proposed Capital Reduction shall be utilised to set off the accumulated losses of the Company while the balance, if any, will be credited to the retained earnings of the Company which may be utilised in such manner as the Board deems fit and in the best interest of the Company, as permitted by the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Constitution of the Company.

The proposal is subject to approval by the following:

- (i) the Shareholders at the extraordinary general meeting ("EGM") held on 15 June 2023;
- (ii) the sanction of the Court for the Proposed Capital Reduction pursuant to Section 116 of the Act;
- (iii) the approval or consent of the Company's financiers/creditors for the Proposed Capital Reduction, if applicable; and
- (iv) any other relevant regulatory authorities and/or parties, if required.

On 15 June 2023, the Company has obtained approval from the Shareholders at the EGM. On 3 August 2023, the Company had obtained the sanction from the Court. The Company had received notice dated 18 August 2023 issued by the Registrar of Companies confirming the reduction of share capital. Accordingly, the Share Capital Reduction is deemed complete on 18 August 2023.

(b) On 20 June 2023:

The Company proposes to obtain a shareholders' mandate for the disposal of Alam Kekal, a bulk carrier, by Kekal Shipping Pte Ltd, an indirect wholly-owned subsidiary of MBC to a non-related third party to be identified for a disposal consideration to be determined and satisfied entirely in cash ("Proposed Disposal Mandate")

The proposal is subject to approval by the following:

- (i) the Shareholders at the extraordinary general meeting ("EGM") held on 31 July 2023;
- (ii) any other relevant regulatory authorities and/or parties, if required.

On 31 July 2023, the Company has obtained approval from the Shareholders at the EGM. As at the date of this report, the Group has yet to dispose the vessel.

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

On 30 January 2023, the Company acquired 1,000,000 ordinary shares, representing 100% of total issued shares in EMT Systems Sdn Bhd ("EMTS") for a total cash consideration of RM70,000,000. The principal activities of EMTS is engaged in supply, design, consult and installation work of racking and shelving products.

There were no other changes in the composition of the Group during the current quarter under review.

<b>Cash outflow on acquisition was as follows:</b>	<b>RM'000</b>
Cash consideration	70,000
Cash and cash equivalents of subsidiary acquired	(6,567)
Net cash outflow of the Group	<u>63,433</u>

**A12. CONTINGENT LIABILITIES**

There were no contingent liabilities since 31 December 2022 to the date of this report.

**A13. CAPITAL COMMITMENTS**

There was no capital commitment as at end of the current quarter.

**A14. RELATED PARTY TRANSACTIONS**

Companies in which certain directors or directors of a subsidiary are deemed to have substantial financial interests:

	Current financial year-to-date RM'000
<u>Income earned:</u>	
Sales of steel product	<u>1,181</u>
<u>Expenditure incurred:</u>	
Trading of steel product	20,409
Rental of office and warehouse	<u>100</u>

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on commercial terms.



**B1. REVIEW OF PERFORMANCE**

The Group reported lower revenue of RM68.052 million (1H 2022: RM78.648 million) and operating profit of RM14.235 million (1H 2022: RM25.797 million). Revenue from Shipping Bulkers segment dropped from RM78.335 million in 1H 2022 to RM43.056 million in 1H 2023. The drop is offset by the new revenue stream from Shelving & Storage Solution Segment of RM24.996 million (1H 2022: RM Nil)

For the Shipping Bulkers segment, the hire days in 1H 2023 was lower due to a smaller fleet size and a 16% decrease in charter rates compared to 1H 2022.

The table below summarises the average time charter equivalent (TCE) and hire days for MBC Fleet.

	Average TCE/day		Hire Days	
	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
	(USD)	(USD)	(Days)	(Days)
Dry Bulk Fleet	15,874	18,897	471	806

The Group incurred a higher unrealised foreign exchange losses of RM10.135 million (1H 2022: RM 0.940 million) mainly from cash balances denominated in Ringgit, due to weakening of Ringgit against USD which is the functional currency of the Group.

Interest expenses decreased by 82% to RM0.484 million (1H 2022: RM2.678 million) mainly due to lower borrowing cost from the repayment of loans and reduced lease liabilities with the redelivery of 2 chartered-in vessels in January and in May 2023.

1H 2022 result included gain on disposal of RM50.058 million from disposal of Alam Kukuh.

Excluding the gain from disposal of Alam Kukuh, the Group reported a profit before tax of RM4.415 million in 1H 2023, a decrease of RM15.072 million compared to the profit before tax of RM19.487 million in 1H 2022.

The new shelving and storage solution segment contributed profit before tax of RM2.736 million to offset a drop in profit from Shipping Bulkers segment and investment holding segment.

The Group reported a profit for the period of RM3.824 million, a decrease of RM65.686 million compared to RM69.510 million in 1H FY2022.

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

	Individual Quarter		Variance RM'000	Variance %
	Q2 FY2023 RM'000	Q1 FY2023 RM'000		
Revenue	32,961	35,091	(2,130)	-6%
Cost of sales	<u>(5,134)</u>	<u>(5,342)</u>	208	
Net revenue	27,827	29,749	(1,922)	
Operating expenses	<u>(21,715)</u>	<u>(21,626)</u>	(89)	
<b>Operating profit</b>	<b>6,112</b>	<b>8,123</b>	<b>(2,011)</b>	-25%
Other operating income, net	(4,768)	705	(5,473)	
Administrative expenses	<u>(2,415)</u>	<u>(2,858)</u>	443	
	(1,071)	5,970	(7,041)	
Interest expense on bank borrowings	(20)	(15)	(5)	
Interest expense on lease liabilities	(105)	(344)	239	
(Loss)/profit before taxation	<u>(1,196)</u>	5,611	(6,807)	-121%
Income tax expense	<u>(334)</u>	<u>(257)</u>	(77)	
(Loss)/profit for the period	<u><u>(1,530)</u></u>	<u><u>5,354</u></u>	<u><u>(6,884)</u></u>	-129%
<u>Attributable to:</u>				
Equity holders of the parent	<u>(1,530)</u>	5,354	(6,884)	

Revenue and operating profit for the Group in Q2 FY2023 was RM32.961 million and RM6.112 million, a reduction of RM2.130 million and RM2.011 million respectively compared to Q1 FY2023's revenue of RM35.091 million and operating profit of RM8.123 million.

Revenue contribution from Shipping Bulkers Segment reduced from RM24.489 million in Q1 FY2023 to RM18.567 million in Q2 FY2023, attributable to a reduction of charter rates (Q2 FY2023: USD13,957/day vs Q1 FY2023: USD17,307/day) and reduction of hire days upon redelivery of Alam Sayang in May 2023 (Q2 FY2023: 216.58 days vs Q1 FY2023: 254.61 days).

Revenue contributed by Shelving & Storage Solution Segment improved from RM10.602 million in Q1 FY2023 to RM14.394 million in Q2 FY2023 due to increase in demand for its products.

**B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS (CONT'D)**

In Q2 FY2023 the Group incurred an unrealized foreign currency exchange loss of RM9.086 million as compared to RM1.049 incurred in Q1 FY2023 mainly due to the weakening of Ringgit against US Dollars, in entities where USD is the functional currency.

The Group reported a loss before tax of RM1.196 million in Q2 FY2023, compared to the profit before tax of RM5.611 million reported in Q1 FY2023.

**B3. PROSPECTS****a) Shipping Bulkers Segment**

The rebound we experienced in Q1 was short-lived. The shipping markets retreated again around early April. Despite China reopening its economy, sentiment was still weak. Although industrial production had some recovery, it was still below expectations. The volume of steaming coal imports to Europe which was active in 2022 has fallen a lot which has decreased the tonne mile demand (EU/UK coal imports is expected to decrease 7% in 2023 after increasing about 49% in 2022).

However, the supply/demand situation is still forecasted to be balanced going forward. Due to continued easing congestion and the high interest rate environment, we expect charter rates to be at levels below 2022. We also anticipate that China may have to declare fresh stimulus soon that could help the markets in the medium term.

**b) Shelving and Storage Solutions Segment**

The industrial sector is experiencing increased demand for industrial racking following recent festivals. Moreover, the ongoing trade war between China and the US has attracted more foreign investors to Malaysia, further driving the demand for industrial racking.

In the retail sector, retail shelving has become a leading product this year with successful partnerships established with distributors in Malaysia for gondola shelving. The rise of pharmacy retailers and outlets since 2020, due to the impact of the COVID-19 pandemic, provides a positive outlook for this business, particularly, in the upcoming third and fourth quarters.

However, the household sector is facing lower demand for products such as light-duty shelving, mainly due to challenges in e-commerce and retail sales to household customers.

Overall, a better performance is expected in the third quarter compared to the previous two quarters.

**B4. VARIANCE OF PROFIT FORECAST AND PROFIT GUARANTEE**

There were no profit forecast or profit guarantee for the period under review.

**B5. NOTES TO CONDENSED CONSOLIDATED INCOME STATEMENT**

	Current quarter RM'000	Preceding quarter RM'000	Current financial year-to-date RM'000	Preceding financial year-to-date RM'000
Interest income	1,424	323	3,256	467
Amortisation of intangible assets	(15)	(71)	(15)	(143)
Depreciation on owned assets	(2,759)	(3,059)	(5,440)	(6,683)
Depreciation on right-of-use assets	(2,237)	(10,695)	(8,586)	(21,163)
Unrealised exchange loss	(9,086)	(780)	(10,135)	(940)
Discontinuation of hedge instrument	-	-	-	603

**B6. TAXATION**

	Current quarter RM'000	Preceding quarter RM'000	Current financial year-to-date RM'000	Preceding financial year-to-date RM'000
Income tax charge				
-current period	336	10	582	35
-prior year	(2)	-	9	-
	<u>334</u>	<u>10</u>	<u>591</u>	<u>35</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, mainly from shelving and storage solution segment.

**B7. STATUS OF CORPORATE PROPOSALS**

Except as disclosed in Note A10, there was no other corporate proposal announced but not completed at the date of this report.

**B8. BORROWINGS**

The Group's borrowings are as follows:

<u>Currency</u>	<u>Secured</u>	As at 30-Jun-23 RM '000	As at 31-Dec-22 RM '000
RM	Non-current	898	-
	Current	276	-
		<u>1,174</u>	<u>-</u>

**B9. LEASE LIABILITIES**

The Group's lease liabilities are as follows:

<u>Currency</u>	<u>Unsecured</u>	As at 30-Jun-23 RM '000	As at 31-Dec-22 RM '000
USD	Current	-	33,104
RM	Current	72	7
		<u>72</u>	<u>33,111</u>

Lease liabilities mainly represent future obligations to make lease payments for the right to use a chartered in vessel and warehouse rental.

**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 Board recommends a first single tier interim dividend of 1.5sen per ordinary share, amounting to RM15 million for the current financial quarter ended 30 June 2023. The dates for entitlement and payment will be determined and announced at a later date.

**B12. (LOSS)/EARNINGS PER SHARE**

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

	CURRENT YEAR QUARTER 30-Jun-23	PRECEDING YEAR QUARTER 30-Jun-22	CURRENT YEAR TO DATE 30-Jun-23	PRECEDING YEAR TO DATE 30-Jun-22
(Loss)/profit attributable to equity holders of the parent (RM'000)	(1,530)	61,068	3,824	69,510
Number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
(Loss)/earnings per share attributable to equity holders of the parent (sen)	<u>(0.15)</u>	<u>6.11</u>	<u>0.38</u>	<u>6.95</u>