

QUARTERLY REPORT

This is a quarterly report on consolidated results for the period ended 31 December 2023

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	INDIVIDUAL QUARTER			CUMULATIVE		
		CURRENT YEAR	PRECEDING YEAR	Changes	CURRENT YEAR	PRECEDING YEAR	Changes
		QUARTER	QUARTER		TO DATE	TO DATE	
		31-Dec-23	31-Dec-22	(%)	31-Dec-23	31-Dec-22	(%)
		RM '000	RM '000		RM '000	RM '000	
Revenue		26,962	37,922	-29%	128,210	154,779	-17%
Cost of sale and direct operating expenses		(22,482)	(27,403)		(101,034)	(107,032)	
Gross profit		4,480	10,519	-57%	27,176	47,747	-43%
Gain on disposal of property, plant and equipment		25,342	(181)		25,342	49,877	
Gain on liquidation of subsidiaries		9,941	-		9,941	1,996	
		39,763	10,338		62,459	99,620	
Other operating (expense)/income, net		5,328	4,219		1,447	5,575	
Administrative expenses		(2,810)	(2,624)		(10,622)	(8,155)	
		42,281	11,933		53,284	97,040	
Interest expense on bank borrowings		(15)	-		(62)	(1,375)	
Interest expense on lease liabilities		(10)	(471)		(468)	(2,371)	
Profit before tax	B5	42,256	11,462	269%	52,754	93,294	-43%
Income tax expense	B6	(1,421)	(64)		(3,108)	(113)	
Profit for the period		40,835	11,398	258%	49,646	93,181	-47%
Attributable to:							
Equity holders of the parent		40,835	11,398		49,646	93,181	
Earnings per share (sen)							
- Basic	B14	4.08	1.14		4.96	9.32	

QUARTERLY REPORT

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 DECEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-23 RM '000	PRECEDING YEAR QUARTER 31-Dec-22 RM '000	CURRENT YEAR TO DATE 31-Dec-23 RM '000	PRECEDING YEAR TO DATE 31-Dec-22 RM '000
Profit for the period	40,835	11,398	49,646	93,181
Other comprehensive income/(loss):				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	(14,380)	(12,814)	10,551	26,893
Net change in cash flow hedge	-	-	-	(48)
Realisation of reserves on liquidation of subsidiaries	(9,941)	-	(9,941)	(1,996)
Total comprehensive income for the period	<u>16,514</u>	<u>(1,416)</u>	<u>50,256</u>	<u>118,030</u>
Total comprehensive income attributable to: Equity holders of the parent	<u>16,514</u>	<u>(1,416)</u>	<u>50,256</u>	<u>118,030</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	UNAUDITED	AUDITED	AUDITED
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	AS AT PRECEDING FINANCIAL YEAR
Note	31-Dec-23 RM '000	31-Dec-22 RM '000 (Restated)	01-Jan-22 RM '000 (Restated)
ASSETS			
Non-current assets			
Intangible assets	134	111	382
Goodwill	60,192	-	-
Property, plant and equipment	119,711	230,820	338,878
Investment properties	5,544	-	-
Right-of-use assets	644	10,921	55,034
	<u>186,225</u>	<u>241,852</u>	<u>394,294</u>
Current assets			
Inventories	7,937	3,352	6,999
Receivables and other current assets	31,561	7,421	11,455
Contract assets	-	-	756
Short term deposits	165,549	321,909	18,000
Cash and bank balances	145,657	57,390	189,174
	<u>350,704</u>	<u>390,072</u>	<u>226,384</u>
Non-current assets classified as held for sale	-	7,342	6,945
	<u>350,704</u>	<u>397,414</u>	<u>233,329</u>
TOTAL ASSETS	<u>536,929</u>	<u>639,266</u>	<u>627,623</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	63,791	338,791	338,791
Foreign currency translation reserve	59,954	67,511	104,744
Cash flow hedge reserve	-	-	48
Retained earnings	398,563	80,750	25,439
Total equity	<u>522,308</u>	<u>487,052</u>	<u>469,022</u>
Non-current liabilities			
Borrowings	B8 615	-	59,102
Lease liabilities	B9 370	-	30,508
Deferred tax liabilities	39	-	314
	<u>1,024</u>	<u>-</u>	<u>89,924</u>
Current liabilities			
Payables and other current liabilities	10,318	18,160	15,833
Dividend payable	-	100,000	-
Contract liabilities	2,330	903	1,808
Borrowings	B8 187	-	6,806
Lease liabilities	B9 261	33,111	43,686
Derivative financial liabilities	-	-	522
Provision for taxation	501	40	22
	<u>13,597</u>	<u>152,214</u>	<u>68,677</u>
Total liabilities	<u>14,621</u>	<u>152,214</u>	<u>158,601</u>
TOTAL EQUITY AND LIABILITIES	<u>536,929</u>	<u>639,266</u>	<u>627,623</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023

	Attributable to Equity Holders of the Parent				
	Share capital RM '000	Cash flow hedge reserve RM '000	Foreign currency translation reserve RM '000	Retained earnings RM '000	Total equity RM '000
<u>12 MONTHS ENDED 31 DECEMBER 2022</u>					
At 1 January 2022 (Restated) (Note B13)	338,791	48	104,744	25,439	469,022
Total comprehensive (loss)/income for the period	-	(48)	24,897	93,181	118,030
Transfer of currency translation reserve	-	-	(62,130)	62,130	-
Dividends declared	-	-	-	(100,000)	(100,000)
At 31 December 2022 (Restated) (Note B13)	338,791	-	67,511	80,750	487,052
<u>12 MONTHS ENDED 31 DECEMBER 2023</u>					
At 1 January 2023	338,791	-	67,511	80,750	487,052
Total comprehensive income for the period	-	-	610	49,646	50,256
Capital reduction pursuant to Section 116 of the Companies Act 2016	(275,000)	-	-	275,000	-
Transfer of currency translation reserve	-	-	(8,167)	8,167	-
Dividends paid	-	-	-	(15,000)	(15,000)
At 31 December 2023	63,791	-	59,954	398,563	522,308

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	CUMULATIVE	
		CURRENT	PRECEDING
		YEAR 31-Dec-23 RM '000	YEAR 31-Dec-22 RM '000
Cash Flow From Operating Activities			
Profit before tax		52,754	93,294
Adjustments for:			
Amortisation of intangible assets		45	209
Depreciation on owned assets		10,327	12,148
Depreciation on right-of-use assets		8,783	44,370
Provision for expected credit losses on trade receivables		-	228
Unrealised foreign exchange loss		11,989	(4,819)
Interest income		(8,086)	(5,230)
Interest expense on bank borrowings		62	1,375
Interest expense on lease liabilities		468	2,371
Lease modification		1,701	(18)
Write back of payables		(54)	(132)
Gain on disposal of property, plant and equipment		(25,342)	(49,877)
Gain on liquidation of subsidiaries		(9,941)	(1,996)
Discontinuation of hedge instrument		-	(603)
Operating profit before working capital changes		42,706	91,320
Working capital changes:			
Consumable stores and inventories		(289)	3,693
Receivables and other current assets		(12,728)	6,828
Contract assets		-	756
Payables and other liabilities		(18,812)	5,257
Contract liabilities		1,428	(905)
Cash generated from operating activities		12,305	106,949
Tax paid, net of tax refund		(3,246)	(203)
Net cash generated from operating activities		9,059	106,746
Cash Flows From Investing Activities			
Purchase of other assets		(109)	(1,908)
Interest received		8,086	5,230
Proceeds from disposal of property, plant and equipment		133,447	160,584
Acquisition of a subsidiary, net of cash acquired	A11	(63,433)	-
Net cash (used in)/generated from investing activities		77,991	163,906
Cash Flows From Financing Activities			
Dividends paid to shareholders		(115,000)	-
Interest on bank borrowings		(62)	(820)
Interest on lease liabilities		(468)	(2,371)
Repayment of borrowings		(157)	(66,470)
Payment of principal portion of lease liabilities		(32,851)	(42,160)
Payments for derivatives		-	(285)
Net cash used in financing activities		(148,538)	(112,106)
Net change in cash and cash equivalents		(61,488)	158,546
Effects of foreign exchange rate changes		(6,605)	13,579
Cash and cash equivalents at the beginning of the period		379,299	207,174
Cash and cash equivalents at the end of the period		311,206	379,299
Cash and cash equivalents comprise:			
Short term deposits		165,549	321,909
Cash and bank balances		145,657	57,390
		311,206	379,299

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"):

Description	Effective for annual periods beginning on or after
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:

Description	Effective for annual periods beginning on or after
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

First interim single-tier dividend of 1.5 sen per ordinary share amounting to RM15 million for the financial year ended 31 December 2023, was paid on 4 December 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
12 months ended 31 December 2023					
Revenue					
Group	71,350	56,860	790	(790)	128,210
Inter-segment	-	-	(790)	790	-
External revenue	<u>71,350</u>	<u>56,860</u>	<u>-</u>	<u>-</u>	<u>128,210</u>
Gross profit/(loss)	17,309	10,950	(1,083)	-	27,176
Gain on disposal of vessels	25,342	-	-	-	25,342
Gain on liquidation of a subsidiary	-	-	9,941	-	9,941
Other operating income/(loss), net	2,029	326	(826)	(82)	1,447
Administrative expenses	(761)	(2,667)	(7,194)	-	(10,622)
	43,919	8,609	838	(82)	53,284
Interest expense on bank borrowings	-	(62)	-	-	(62)
Interest expense on shareholder's loan	-	(82)	-	82	-
Interest expense on lease liabilities	(446)	(22)	-	-	(468)
Profit before tax	<u>43,473</u>	<u>8,443</u>	<u>838</u>	<u>-</u>	<u>52,754</u>

	Shipping Bulkers RM '000	Shelving & storage solution RM '000	Investment holding & others RM '000	Elimination RM '000	Group RM '000
12 months ended 31 December 2022					
Revenue					
Group	154,465	-	925	(611)	154,779
Inter-segment	-	-	(394)	611	(217)
External revenue	<u>154,465</u>	<u>-</u>	<u>531</u>	<u>-</u>	<u>154,996</u>
Gross profit/(loss)	48,628	-	(881)	-	47,747
Gain on disposal of property, plant and equipment	50,058	-	(181)	-	49,877
Gain on liquidation of subsidiaries	-	-	1,996	-	1,996
Other operating income/(loss), net	1,726	-	3,849	-	5,575
Administrative expenses	(1,402)	-	(6,753)	-	(8,155)
	99,010	-	(1,970)	-	97,040
Interest expense on bank borrowings	(1,375)	-	-	-	(1,375)
Interest expense on lease liabilities	(2,365)	-	(6)	-	(2,371)
Profit/(loss) before tax	<u>95,270</u>	<u>-</u>	<u>(1,976)</u>	<u>-</u>	<u>93,294</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) Capital Reduction**

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.

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 Company obtained approval from the Shareholders at the Extraordinary General Meeting ("EGM") held on 15 June 2023. On 3 August 2023, the Company obtained the sanction from the Court and received notice dated 18 August 2023 issued by the Registrar of Companies confirming the reduction of share capital. Consequently, on 18 August 2023, the share capital of the Company was reduced from RM338,791,327.42 to RM63,791,327.42 comprising 1,000,000,000 shares.

A10. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

- (b) On 20 June 2023, the Company proposed 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 Company obtained approval from the Shareholders at the EGM held on 31 July 2023. On 30 August 2023, the Group entered into a Memorandum of Agreement with a third party for the disposal of Alam Kekal for a cash consideration of JPY4,430,000,000 (equivalent to approximately RM140.062 million). The disposal was completed on 16 October 2023.

(c) Proposed Acquisition of Land, Proposed Joint Venture and Proposed Diversification

- i. On 29 August 2023, MBC Logistic Hub Sdn Bhd, (formerly known as MBC Retail Sdn Bhd) ("MBC Logistic Hub"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement ("SPA") with Kapar Land Sdn Bhd to acquire a parcel of freehold land measuring approximately 23.48 hectares located in Mukim Kapar, Daerah Klang, Negeri Selangor ("Land") for a total cash consideration of RM165 million ("Proposed Acquisition").
- ii. The Company had entered into a conditional subscription and shareholders' agreement ("SSA") with Golden Valley Ventures Sdn Bhd ("GVVSB") for the subscription of new ordinary shares in MBC Logistic Hub, where the Company and GVVSB shall respectively hold 60% and 40% equity interest in MBC Logistic Hub. MBC Logistic Hub shall acquire and undertake an industrial development on the Land ("Proposed Joint Venture").
- iii. The Company proposes to undertake the diversification of the existing business of the Company and its subsidiaries to include the business of industrial property development and investment ("Proposed Diversification").

The Company obtained approval from the Shareholders at the EGM held on 6 December 2023.

On 8 January 2024, the Conditions Precedent of SPA and SSA have been fulfilled. Accordingly, the SPA for Proposed Acquisition and SSA for Proposed Joint Venture have become unconditional on 8 January 2024.

The Company had subscribed for 59,999 new ordinary shares in MBC Logistic Hub ("MBCLH Share(s)") on 8 January 2024, and the new MBCLH Shares have been allotted and issued to MBC on even date.

The Companies Commission of Malaysia has approved the above allotment on 15 January 2024.

Prior to the subscription of the MBCLH Shares by MBC, MBC holds the entire share capital of MBC Logistic Hub consisting of 1 MBCLH Share. Accordingly, MBC and GVVSB now hold a total of 100,000 MBCLH Shares in the proportion of 60:40 in accordance with the terms as stipulated in the SSA. MBC Logistic Hub has become a 60%-owned subsidiary of MBC, while GVVSB holds the remaining 40% equity interests in MBC Logistic Hub.

- (d) On 1 September 2023, the Company proposed to change its name from "Malaysian Bulk Carriers Berhad" to "Maybulk Berhad" ("Proposed Change of Name").

The Company obtained approval from the Shareholders at the EGM held on 6 December 2023.

The Company had on 18 December 2023 received the Notice of Registration of New Name issued by the Companies Commission of Malaysia. Accordingly, the name of the Company has been changed from "Malaysian Bulk Carriers Berhad" to "Maybulk Berhad" with effect from 13 December 2023.

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.

Cash outflow on acquisition was as follows:

Cash consideration	RM'000 70,000
Cash and cash equivalents of subsidiary acquired	(6,567)
Net cash outflow of the Group	<u>63,433</u>

Three wholly owned subsidiaries (Madu Shipping Pte Ltd, Molek Shipping Pte Ltd, Sejahtera Shipping Pte Ltd) have commenced Member's Voluntary Winding-up in June 2023.

A wholly owned subsidiary, MBC Capital Management Sdn Bhd has been struck off from the Companies Commission of Malaysia on 7 September 2023.

A wholly owned subsidiary, Novel Bright Assets Limited has been dissolved and struck off from the Register of Companies in British Virgin Islands on 30 November 2023.

A12. CONTINGENT LIABILITIES

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

A13. CAPITAL COMMITMENTS

Other than the Proposed Acquisition of Land as stated in Note A10 (c)(i), 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	1,721
<u>Expenditure incurred:</u>	
Purchase of steel product	39,741
Rental of office and warehouse	223

All related party transactions had been entered into in the normal course of business and on commercial terms.

B1. REVIEW OF PERFORMANCE

The Group reported lower revenue of RM128.210 million (FY 2022: RM154.779 million) and lower operating profit of RM27.176 million (FY 2022: RM47.747 million). Revenue from Shipping Bulkers segment declined from RM154.465 million in FY 2022 to RM71.350 million in FY 2023. The decline is offset by the new revenue stream from Shelving & Storage Solution Segment of RM56.860 million (FY 2022: RM Nil).

For the Shipping Bulkers segment, the decline in revenue is due to lower hire days in FY 2023 on account of a smaller fleet size and a 19% decrease in average charter rates compared to FY 2022.

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

	Average TCE/day		Hire Days	
	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
	(USD)	(USD)	(Days)	(Days)
Dry Bulk Fleet	15,344	18,886	756	1,537

The Group incurred unrealised foreign exchange losses of RM11.989 million (FY 2022: foreign exchange gain of RM 4.819 million) mainly arising from the translation of Ringgit denominated cash balances to USD which is the functional currency of the Group following the weakening of Ringgit against USD.

Interest expenses decreased by 86% to RM0.530 million (FY 2022: RM3.746 million) mainly due to lower borrowing cost following the settlement of loans and reduced lease liabilities with the redelivery of 2 chartered-in vessels in January and in May 2023.

The new shelving and storage solution segment contributed profit before tax of RM8.443 million, offsetting the decline in profit from the Shipping Bulkers segment.

The Group reported a profit for the period of RM52.754 million in FY 2023, a decrease of RM40.540 million compared to RM93.294 million in FY2022.

The FY 2023 result included a gain on disposal of vessels of RM25.342 million (FY 2022: RM50.058 million) arising from the disposal of Alam Kekal and gains on liquidation of subsidiaries arising from the transfer of cumulative foreign exchange differences relating to these entities from equity to income statement upon liquidation. Excluding these gains, the Group reported a decrease in profit before tax of RM31.480 million, from RM41.421 million in FY 2022 to RM17.471 million in FY 2023.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Individual Quarter		Variance RM '000	Variance %
	Q4 FY2023 RM '000	Q3 FY2023 RM '000		
Revenue	26,962	33,196	(6,234)	-19%
Cost of sales and voyage expenses	(22,482)	(24,735)	2,253	
Gross profit	4,480	8,461	(3,981)	-47%
Gain on disposal of property, plant and equipment	25,342	0	25,342	
Gain on liquidation of subsidiaries	9,941	0	9,941	
Other operating income, net	39,763	8,461	31,302	
Administrative expenses	(2,810)	(2,539)	(271)	
Interest expense on bank borrowings	42,281	6,104	36,177	
Interest expense on lease liabilities	(15)	(20)	5	
	(10)	(1)	(9)	
Profit before taxation	42,256	6,083	36,173	595%
Income tax expense	(1,421)	(1,096)	(325)	
Profit for the period	<u>40,835</u>	<u>4,987</u>	<u>35,848</u>	719%
<u>Attributable to:</u>				
Equity holders of the parent	<u>40,835</u>	<u>4,987</u>	<u>35,848</u>	

*not meaningful

Revenue and operating profit for the Group in Q4 2023 was RM26.962 million and RM4.480 million, a decrease of RM6.234 million and RM2.253 million respectively compared to Q3 2023's revenue of RM33.196 million and operating profit of RM8.461 million.

Revenue contribution from Shipping Bulkiers Segment decrease from RM18.591 million in Q3 2023 to RM9.703 million in Q4 2023 due to disposal of Alam Kekal on 16 October 2023 and decrease of charter rates (Q4 2023: USD11,756/day vs Q3 2023: USD15,947/day).

Both revenue and operating profit contributed by Shelving & Storage Solution Segment improved by 18%. Revenue improved from RM14.605 million in Q3 2023 to RM17.259 million in Q4 2023, while operating profit improved from RM3.301 million in Q3 2023 to RM3.884 million in Q4 2023.

In Q4 2023, the Group having an unrealised gain of RM1.512 million (Q3 2023: unrealized loss of RM3.366 million) arising from the translation of Ringgit denominated cash balances to USD which is the functional currency as Ringgit strengthened at year end.

The Group reported a profit before tax of RM42.256 million in Q4 2023, compared to the profit before tax of RM6.083 million reported in Q3 2023.

Q4 2023 result includes gain on disposal of RM25.342 million arising from the disposal of Alam Kekal and gains on liquidation of subsidiaries of RM9.941 million arising from the transfer of cumulative foreign exchange differences relating to these entities from equity to income statement upon liquidation. Excluding these gains, the Group reported an increase in profit before tax of RM0.890 million, from RM6.083 million in Q3 2023 to RM6.973 million in Q4 2023.

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

Revenue and profit from the shipping bulkiers segment is expected to be more stable in 2024 as the only remaining vessel, Alam Kuasa, is under long-term contract at fixed contracted rate subject to bunker price adjustments and will not be affected by open market charter rate volatility. Q1 2024 results, however, would be affected by dry docking of the vessel for scheduled maintenance.

b) Shelving and Storage Solutions Segment

Demand for shelving and storage solution in the industrial sector is expected to remain positive with the increase in demand for industrial properties as evident by launches of new industrial parks in the country, driven by interests from foreign investors. The Group will also focus on expanding its higher margin gondola shelving product range in the retail and commercial sector, targeting amongst others, the rapid growing pharmacy chain stores in Malaysia.

c) Warehousing Segment

No revenue is expected from the warehouse segment which will be in the pre-operating and construction phase in 2024. While financing cost will be capitalised during the construction phase, the 2024 results will be affected by loan documentation fee and pre-operating expenses incurred.

Following shareholders' approval of the Proposed Diversification in December 2023, the Group will continue to look for opportunities in its diversification into industrial property development and investment and growing its shelving and storage solutions business with product range and geographical expansion.

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	3,157	3,140	8,086	5,230
Amortisation of intangible assets	(15)	-	(45)	(209)
Depreciation on owned assets	(2,021)	(2,779)	(10,327)	(12,148)
Depreciation on right-of-use assets	(161)	(12,208)	(8,783)	(44,370)
Unrealised exchange gain/(loss)	1,512	6,564	(11,989)	4,819
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	1,421	104	2,840	153
-prior year	-	(40)	268	(40)
	<u>1,421</u>	<u>64</u>	<u>3,108</u>	<u>113</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 Income Tax (Exemption) (No.7) Order 2022 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 31-Dec-23 RM '000	As at 31-Dec-22 RM '000
RM	Non-current	615	-
	Current	187	-
		<u>802</u>	<u>-</u>

Borrowings are subject to fixed interest rate of 4% p.a.

B9. LEASE LIABILITIES

The Group's lease liabilities are as follows:

<u>Currency</u>	<u>Unsecured</u>	As at 31-Dec-23 RM '000	As at 31-Dec-22 RM '000
USD	Current	-	33,104
RM	Non-current	228	-
	Current	167	7
		<u>395</u>	<u>33,111</u>
<u>Currency</u>	<u>Secured</u>		
RM	Non-current	142	-
	Current	94	-
		<u>236</u>	<u>-</u>

Lease liabilities mainly represent future obligations to make lease payments for the right to use of motor vehicles and warehouse rental.

B10. UTILISATION OF PROCEEDS RAISED FROM DISPOSAL OF ALAM KEKAL

The disposal of Alam Kekal was completed on 16 October 2023 and the status of utilisation of proceeds raised from the exercise as at 31 December 2023 is as follows:

Purpose	Proposed Utilisation RM Mil	Actual Utilisation RM Mil	Balance RM Mil	Intended Timeframe for Utilisation ⁽¹⁾	Deviation RM Mil	%
(i) Future business expansion	122.5	(9.9)	112.6	Within 24 months	-	0%
(ii) Working capital	12.3	(12.3)	-	Within 12 months	-	0%
(iii) Estimated expenses for the disposal of Alam Kekal	2.8	(2.8)	-	Immediate	-	0%
Total	137.6	(25.0)	112.6		-	

Note:

⁽¹⁾ The intended timeframe for utilisation is from the date of completion of the disposal.

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 Board had on 30 October 2023 declared a first interim single tier dividend of 1.5sen per ordinary share, amounting to RM15 million in respect of the financial year ended 31 December 2023. The dividend was paid on 4 December 2023.

The Directors do not recommend any dividend for the current financial quarter ended 31 December 2023.

B13. PRIOR YEAR ADJUSTMENT

Foreign currency exchange reserves attributable to cash utilised to pay dividend in previous financial years were identified and reversed from foreign currency reserve accounts into retained earnings.

The reconciliation for foreign currency reserve and retained earnings are as follows:

	Foreign currency translation reserve RM '000	Retained earnings RM '000
As at 31/12/2021 previously stated	118,881	11,302
Reversal of reserve upon declaration/payment of dividend from 2011-2015	(14,137)	14,137
As at 1/1/2022 (restated)	104,744	25,439
Movement in 2022 as previously stated	24,897	(6,819)
Reversal of reserve upon declaration of dividend for 2022	(62,130)	62,130
As at 31/12/2022 (restated)	67,511	80,750

B14. EARNINGS PER SHARE

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

	CURRENT YEAR QUARTER 31-Dec-23	PRECEDING YEAR QUARTER 31-Dec-22	CURRENT YEAR TO DATE 31-Dec-23	PRECEDING YEAR TO DATE 31-Dec-22
Profit attributable to equity holders of the parent (RM'000)	40,835	11,398	49,646	93,181
Number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings per share attributable to equity holders of the parent (sen)	4.08	1.14	4.96	9.32