

PDZ HOLDINGS BHD

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive
Income for the quarter ended 30 June 2018 (Unaudited)**

| | Individual Quarter | | Cummulative Quarter | |
|--|-----------------------|---------------------|-----------------------|-----------------------|
| | Current Year | Preceding | Current Year | Preceding |
| | Quarter | Year | To Date | Year |
| | <u>30.06.2018</u> | <u>30.06.2017</u> | <u>30.06.2018</u> | <u>30.06.2017</u> |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Revenue | 1,409 | 2,465 | 2,536 | 5,035 |
| Cost of sales | <u>(1,276)</u> | <u>(4,185)</u> | <u>(2,305)</u> | <u>(7,332)</u> |
| Gross profit / (loss) | 133 | (1,720) | 231 | (2,297) |
| Other (expenses) / income | (4,873) | 4,485 | (4,760) | 3,907 |
| Administrative expenses | <u>(1,384)</u> | <u>(3,085)</u> | <u>(2,385)</u> | <u>(4,541)</u> |
| Loss from operations | (6,124) | (320) | (6,914) | (2,931) |
| Interest income | 556 | - | 581 | - |
| Finance cost | <u>(63)</u> | <u>-</u> | <u>(63)</u> | <u>-</u> |
| Loss before tax | <u>(5,631)</u> | <u>(320)</u> | <u>(6,396)</u> | <u>(2,931)</u> |
| Taxation | <u>(133)</u> | <u>-</u> | <u>(133)</u> | <u>-</u> |
| Loss for the period | <u>(5,764)</u> | <u>(320)</u> | <u>(6,529)</u> | <u>(2,931)</u> |
| Other comprehensive income: | | | | |
| Transfer of share options reserve | 10 | - | 10 | - |
| Foreign currency translation differences for a foreign subsidiary | <u>-</u> | <u>(44)</u> | <u>-</u> | <u>(4)</u> |
| Loss after taxation and other comprehensive expenses for the period | <u><u>(5,754)</u></u> | <u><u>(364)</u></u> | <u><u>(6,519)</u></u> | <u><u>(2,935)</u></u> |
| Loss after taxation for the period attributable to: | | | | |
| - Owners of the Company | (5,764) | (320) | (6,529) | (2,661) |
| - Non-controlling interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>(270)</u> |
| | <u><u>(5,764)</u></u> | <u><u>(320)</u></u> | <u><u>(6,529)</u></u> | <u><u>(2,931)</u></u> |
| Loss after taxation and other comprehensive expenses attributable to: | | | | |
| - Owners of the Company | (5,754) | (364) | (6,519) | (2,665) |
| - Non-controlling interests | <u>-</u> | <u>-</u> | <u>-</u> | <u>(270)</u> |
| | <u><u>(5,754)</u></u> | <u><u>(364)</u></u> | <u><u>(6,519)</u></u> | <u><u>(2,935)</u></u> |
| Loss per share (sen) | | | | |
| - Basic | (0.77) | (0.04) | (0.87) | (0.31) |
| - Diluted | N/A | N/A | N/A | N/A |

(The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

PDZ HOLDINGS BHD
Condensed Consolidated Statement of Financial Position
as at 30 June 2018 (Unaudited)

| | (Unaudited) | (Audited) |
|---|--------------------------|--------------------------|
| | As at | As at |
| | <u>30.06.2018</u> | <u>31.12.2017</u> |
| | RM '000 | RM '000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 10,610 | 11,849 |
| Goodwill on consolidation | 7 | 7 |
| | <u>10,617</u> | <u>11,856</u> |
| Current assets | | |
| Bunker on board | 422 | 422 |
| Trade receivables | 3,983 | 4,421 |
| Other receivables | 1,921 | 4,967 |
| Deposits and prepayments | 7,467 | 5,987 |
| Tax recoverable | 966 | 805 |
| Fixed deposits | 39,433 | 157 |
| Cash and bank balances | 1,603 | 3,278 |
| | <u>55,795</u> | <u>20,037</u> |
| TOTAL ASSETS | <u><u>66,412</u></u> | <u><u>31,893</u></u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 79,953 | 34,521 |
| Reserves | 981 | 981 |
| Accumulated losses | (21,427) | (14,908) |
| Equity attributable to owners of the Company | <u>59,507</u> | <u>20,594</u> |
| Non-controlling interests | <u>557</u> | <u>557</u> |
| Total equity | <u>60,064</u> | <u>21,151</u> |
| Non-current liabilities | | |
| Deferred taxation | 280 | 280 |
| | <u>280</u> | <u>280</u> |
| Current liabilities | | |
| Trade payables | 3,919 | 5,730 |
| Non-trade payables and accruals | 2,149 | 3,732 |
| Amount due to the directors | - | 400 |
| Borrowings | - | 600 |
| | <u>6,068</u> | <u>10,462</u> |
| Total liabilities | <u>6,348</u> | <u>10,742</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>66,412</u></u> | <u><u>31,893</u></u> |
| No. of ordinary shares ('000) | 681,991 | 217,330 |
| Net assets per share (RM) | 0.09 | 0.09 |

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

PDZ HOLDINGS BHD

**Condensed Consolidated Statement of Changes in Equity
for the financial year ended 30 June 2018 (Unaudited)**

-----Attributable to owners of the Company----->

| | <u>Share capital</u> RM '000 | <u>Share premium</u> RM '000 | <u>ESOS Reserve</u> RM '000 | <u>Revaluation Reserve</u> RM '000 | <u>Currency translation differences</u> RM '000 | <u>Retained earnings</u> RM '000 | <u>Total</u> RM '000 | <u>Non- controlling interests</u> RM '000 | <u>Total equity</u> RM '000 |
|--|-------------------------------------|-------------------------------------|------------------------------------|---|--|---|-------------------------|--|------------------------------------|
| At 1 January 2018 | 34,521 | 0 | 0 | 886 | 95 | (14,908) | 20,594 | 557 | 21,151 |
| Proceeds from rights issue | 43,466 | 0 | 0 | 0 | 0 | 0 | 43,466 | 0 | 43,466 |
| Issuance of shares under Employee Share Options | 1,840 | 0 | 0 | 0 | 0 | 0 | 1,840 | 0 | 1,840 |
| Share based payment ("ESOS") transactions | 0 | 0 | 136 | 0 | 0 | 0 | 136 | 0 | 136 |
| Transfers of share options exercised and expired | 126 | 0 | (136) | 0 | 0 | 10 | 0 | 0 | 0 |
| Loss for the period | 0 | 0 | 0 | 0 | 0 | (6,529) | (6,529) | 0 | (6,529) |
| At 30 June 2018 | 79,953 | 0 | 0 | 886 | 95 | (21,427) | 59,507 | 557 | 60,064 |
| At 1 January 2017 | 86,932 | 27,589 | 0 | 886 | 360 | (85,521) | 30,246 | 1,246 | 31,492 |
| Effect of share consolidation | (80,000) | 0 | 0 | 0 | 0 | 80,000 | 0 | 0 | 0 |
| Transition to no-par value | 27,589 | (27,589) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign currency translation for a foreign subsidiary | 0 | 0 | 0 | 0 | (265) | 0 | (265) | 0 | (265) |
| Loss for the year | 0 | 0 | 0 | 0 | 0 | (9,387) | (9,387) | (336) | (9,723) |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (353) | (353) |
| At 31 December 2017 | 34,521 | 0 | 0 | 886 | 95 | (14,908) | 20,594 | 557 | 21,151 |

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

PDZ HOLDINGS BHD
Condensed Consolidated Statement of Cash Flows
for the 6-month ended 30 June 2018 (Unaudited)

| | Current Year To Date <u>30.06.2018</u> RM '000 | Preceding Year To Date <u>30.06.2017</u> RM '000 |
|---|---|---|
| Operating activities | | |
| Loss before tax | (6,396) | (2,931) |
| Adjustments for: | | |
| Depreciation | 116 | 754 |
| Equity share based payments expenses (ESOS) | 136 | - |
| Impairment charge / (reversal) of PPE | 1,833 | (4,485) |
| Interest expenses | 63 | - |
| Interest income | (581) | (3) |
| Unrealised loss / (gain) on foreign exchange | 333 | (43) |
| | <u>(4,496)</u> | <u>(6,708)</u> |
| Changes in working capital: | | |
| Bunker on board | - | 4 |
| Receivables | 1,629 | (810) |
| Payables | (3,395) | 1,688 |
| Cash outflows used in operations | <u>(6,262)</u> | <u>(5,826)</u> |
| Interest received | 581 | 3 |
| Income tax paid | (314) | (141) |
| Net cash outflows used in operating activities | <u>(5,995)</u> | <u>(5,964)</u> |
| Investing activities | | |
| Acquisition of property, plant and equipment | (710) | - |
| Net cash outflows used in investing activities | <u>(710)</u> | <u>-</u> |
| Financing activities | | |
| Dividends paid by subsidiaries to non-controlling interests | - | (294) |
| Proceeds from issuance of share capital | 43,466 | - |
| Proceeds from issuance of shares under ESOS | 1,840 | - |
| Decrease of amount due to directors | (400) | - |
| Repayment of short-term borrowings | (600) | - |
| Withdrawal of fixed deposits pledged | 30 | 1,345 |
| Net cash inflows from financing activities | <u>44,336</u> | <u>1,051</u> |
| Net change in cash and cash equivalents | 37,631 | (4,913) |
| Cash and cash equivalents at beginning of the period | 3,405 | 6,143 |
| Effects of currency translation differences | - | 39 |
| Cash and cash equivalents at end of the quarter | <u>41,036</u> | <u>1,269</u> |

PDZ HOLDINGS BHD
Condensed Consolidated Statement of Cash Flows
for the 6-month ended 30 June 2018 (Unaudited)

| | As at <u>30.06.2018</u> RM '000 | As at <u>30.06.2017</u> RM '000 |
|-------------------------------------|--|--|
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 1,603 | 1,269 |
| Fixed deposits | <u>39,433</u> | <u>371</u> |
| | 41,036 | 1,640 |
| Fixed deposits pledged | <u>-</u> | <u>(371)</u> |
| | <u><u>41,036</u></u> | <u><u>1,269</u></u> |

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial period ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)

A. Compliance with Malaysian Financial Reporting Standards (“MFRS”) 134

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad. The interim financial report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017. The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the financial statements for the financial year ended 31 December 2017 except for the adoption of new MFRS, amendments and interpretations that are mandatory for the Group for the financial year beginning on 1 January 2018. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements of the Group for the financial period ended 31 December 2017 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group’s turnover is seasonal in nature, as there are low and peak demand periods during the different months of the year.

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter.

A5. Changes in Estimates

There were no material changes in estimates that have a material effect on the financial results during the current quarter.

A6. Changes in Debt and Equity securities

On 16 April and 14 May 2018, the Company has issued 19,000,000 and 11,000,000 shares respectively pursuant to the Employee Share Options Scheme making the issued ordinary shares of the Company to become 681,990,840 ordinary shares as at 30 June 2018. There were no other issuances, cancellations, repurchases, resale or repayments of debt securities during the current quarter.

A7. Dividend paid

There were no dividends paid during the current quarter.

A8. Valuation of Property and Equipment

The Group did not revalue any of its property, plant and equipment during the current quarter.

A9. Subsequent Events

Subsequent to 30 June 2018, there were subsidiaries of the Company that were served with a Writ of summon together with Statement of Claim as per the note B7 (i).

A10. Changes in Composition of the Group

There was no change in composition of the Group during the quarter.

A11. Capital commitments

There were no material capital commitments as at 30 June 2018.

A12. Contingent Liabilities and Contingent AssetsCorporate guarantee for Formosa Plastic Corporation (“Formosa”)

PDZ Holdings Bhd. had on 5 August 2016 issued a corporate guarantee to Formosa for the sum of RM2.33 million, to secure the payment of one month’s deposit and two hire outstanding for each of the Vessels by Eastgate to Formosa, in six instalments, to support the Novation of the charter parties. Please refer to Note B7(a) for further clarification.

B. Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B1. Operating segments review**

Financial review for Current Quarter and Cumulative Quarter:

| | Individual Period (2 nd Quarter) | | | Cumulative Period | | |
|---|--|---|-------------------------------|--|--|-------------------------------|
| | Current Year Quarter 30/6/18 RM’000 | Preceding Year Corresponding Quarter 30/6/17 RM’000 | Changes (Amount) RM’000 | Current Year to- Date 30/6/18 RM’000 | Preceding Year Corresponding Period 30/6/17 RM’000 | Changes (Amount) RM’000 |
| Revenue | 1,409 | 2,465 | (1,056) | 2,536 | 5,035 | (2,499) |
| Operating Loss | (6,124) | (320) | (5,804) | (6,914) | (2,931) | (3,983) |
| Loss Before Interest and Tax | (6,124) | (320) | (5,804) | (6,914) | (2,931) | (3,983) |
| Loss Before Tax | (5,631) | (320) | (5,311) | (6,396) | (2,931) | (3,465) |
| Loss After Tax | (5,764) | (320) | (5,444) | (6,529) | (2,931) | (3,598) |
| LAOEHC* | (5,764) | (320) | (5,444) | (6,529) | (2,661) | (3,868) |

* Loss Attributable to Ordinary Equity Holder of the Company

B1. Operating segments review (continued)

Financial review for Current Quarter and Cumulative Quarter: (continued)

The Group registered lower Revenue for the current and cumulative quarter due to weak market sentiment. The Group registered a higher Loss After Tax due to additional cost following the disposal of vessel ('PDZ Maju') upon the determination of the claims by the Court as well as impairment expense of vessel ('PDZ Mewah').

Financial review for Current Quarter and Immediate Preceding Quarter:

| | Current Quarter | Immediate Preceding Quarter | Changes (Amount) |
|---|----------------------------|--|-----------------------------|
| | 30/06/18 | 31/03/18 | |
| | RM'000 | RM'000 | RM'000 |
| Revenue | 1,409 | 1,127 | 282 |
| Operating Loss | (6,124) | (765) | (5,359) |
| Loss Before Interest and Tax | (6,124) | (765) | (5,359) |
| Loss Before Tax | (5,631) | (765) | (4,866) |
| Loss After tax | (5,764) | (765) | (4,999) |
| Loss Attributable to the Owners of the Company | (5,764) | (765) | (4,999) |

The Group recorded a slight increase in revenue for the current quarter, compared to the preceding quarter in light of improving market sentiment of the local shipping industry. The Loss After Tax has increased compared to the immediate preceding quarter mainly due to the additional costs for the disposal of the vessel ('PDZ Maju') and the impairment expense of vessel ('PDZ Mewah'). The Group also recorded an increase in administrative expenses due to the legal fees during the current quarter.

B2. Prospects

Expected growth in the global and local economy is expected to increase demand for freight transport, including container liner services, which transports 90% of the world's manufactured goods. This should positively impact the container liner industry and benefit industry players that offer related services. Notwithstanding the losses reported due to the reasons mentioned as per B1 above, the Group will continue to monitor and strive for efficient cost management of its business, while continuing to look for related business to provide enhancement to the Group's existing and future earnings.

B3. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

B4. Bank borrowings and debt securities

The Group has no borrowings and debt securities as at 30 June 2018.

B5. Dividend Payable

The Board of Directors did not recommend any dividend for the current quarter.

B6. Trade Receivables

The Group's normal trade credit terms range from cash term to 9 months (2017: cash terms to 9 months). Other credit terms are assessed and approved on a case by case basis. There are no trade receivables from related parties.

| | As at 30 June 2018 | | | | Total RM'000 |
|--------------------------|---------------------------|----------------------------------|----------------------------------|--|-------------------------|
| | Current RM'000 | 1-3 months RM'000 | 3-6 months RM'000 | More than 6 months RM'000 | |
| Denominated in RM | | | | | |
| Trade receivables | 458 | 1,314 | 1,185 | 1,026 | 3,983 |

B7. Material litigation

- (a) Injunction against Formosa Plastics Marina Corporation ("Formosa") and Eastgate Group:
On 21 September 2016, the Company obtained an ex parte injunction against Formosa and the Eastgate Group, amongst others, to restrain them from arresting the Company's vessels, cargo thereon or freight due therefrom. Formosa filed an application to set aside the said injunction and also for a stay of proceedings to refer this dispute to arbitration. On 2 May 2017, the Judge allowed the stay application pending arbitration and also that the injunctions were validly granted. On 21 March 2018, the Judge has fixed Eastgate's counter-claim for the outstanding charter hire including damages against the Company for a trial from 15 to 19 October 2018.
- (b) Claims by by Dan-Bunkering (Singapore) Pte Ltd ("Dan-Bunkering"):
Reference is made to our announcement dated 25 January, 2 February 2017, 13 February 2017 and 15 June 2017. The High Court has on 14 June 2017, allowed the application of the Company to strike-out the Admiralty Suit and uplift and set-aside the Warrant of Arrest with cost of RM5,000 being awarded to the Company. With reference to our announcement dated 16 August 2018, the matter is currently pending disposal by way of a full trial at the Admiralty High Court of KL. The solicitor acting for the Company is of the view the Company stands a strong chance in defending the suit and setting aside the claims.
- (c) Northport (Malaysia) Berhad ("Northport"):
Reference is made to our announcement dated 16 August 2018. The suit has been withdrawn with no order to cost.

B7. Material litigation (continued)

- (d) Johany Jaafar ("JJ") counter claim against the Company and JJ's counter claim against Pelaburan MARA Berhad ("PMB") & PMB claim against JJ:
Reference is made to our announcement dated 16 August 2018. The matter is fixed for continued trial at the High Court from 28 August 2018 to 30 August 2018. The solicitor acting for the Company is of the view the Company stands a strong chance in defending against the said claims.
- (e) Continental Platform (M) Sdn Bhd ("CPSB") and Marine & Offshore Solution Sdn Bhd ("MAROFF"):
Reference is made to our announcement dated 18 July 2017. The Company has received the sealed order from the High Court of Sabah and Sarawak at Kota Kinabalu, on determination of priorities order of claim, following the disposal of PDZ Maju ("Vessel") for RM3,494,346.27 with interest earned on it, by way of open tender. The Company has provided for other operating expenses of RM2.6 million, arising from the arrest and disposal of said vessel further to determination of priorities order of claims.
- (f) Claims by Harbour-Link Lines ("Harbour") and Shin Yang Shipping ("Shin Yang"):
Reference is made to our announcement dated 2 February 2017. The case is pending assessment of damages which in turn is pending the outcome of appeal per above B7 (b), in view that the damages claimed were caused by the wrongful Arrest of Vessel. The solicitor acting for the Company is of the view the Company stands a strong chance in defending the suit and setting aside the claims.
- (g) Claims by Perkapalan Dai Zhun Sdn Bhd ("PDZSB") and Winding-Up petition against PDZSB:
Reference is made to our announcement on 27 June 2018. The court hearing for the application for validation of the transfer of the Sale Shares in PDZSB from the Company to Salvage Point Ltd has been dismissed with cost of RM5,000. The Company will file an appeal to the Court of Appeal. The solicitors acting for the Company is of the view the Company has a strong arguable case to appeal the decision.
- (h) Claims by Marine & Offshore Solution Sdn Bhd ("MAROFF"):
Reference is made to our announcement dated 9 August 2018. The matter is fixed for case management on 5 September 2018. The solicitors acting for the Company is of the view that the Company has a strong arguable case to defend the writ.
- (i) Claims by Continental Platform (M) Sdn Bhd ("CPSB") against Perkapalan Dai Zhun (Johore) Sdn Bhd
Reference is made to our announcement dated 9 August 2018. The matter is fixed for case management on 27 August 2018. The solicitors acting for the Company is of the view the Company has a strong arguable case to defend the writ.

B7. Material litigation (continued)

- (j) Claims by Continental Platform (M) Sdn Bhd ("CPSB") against Fokus Marine Sdn Bhd Reference is made to our announcement dated 9 August 2018. The matter is fixed for case management on 27 August 2018. The solicitors acting for the Company is of the view the Company has a strong arguable case to defend the writ.

B8. Taxation

| | 3 months ended | | 6 months ended | |
|----------|-------------------|-----------------|-------------------|-----------------|
| | Individual period | | Cumulative period | |
| | <u>30/06/18</u> | <u>30/06/17</u> | <u>30/06/18</u> | <u>30/06/17</u> |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Taxation | 133 | - | 133 | - |

Ministry of Finance has via their letter dated 27 November 2015 granted the extension until the year assessment 2020 of the amended Section 54A of the Income Tax Act, 1967 in Malaysia ("the Act") which provides that only 70% of the statutory income derived from the operations of sea-going Malaysian registered ships is exempted from tax.

B9. Earnings/(loss) per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue:

| | | 3 months ended | | 6 months ended | |
|-------------------------------|----------|-------------------|-----------------|-------------------|-----------------|
| | | Individual period | | Cumulative period | |
| | | <u>30/06/18</u> | <u>30/06/17</u> | <u>30/06/18</u> | <u>30/06/17</u> |
| | | | | | |
| Loss attributable to ordinary | | | | | |
| shareholders of the Company | (RM'000) | (5,764) | (320) | (6,529) | (2,661) |
| Weighted average number of | ('000) | 748,253 | 869,321 | 748,253 | 869,321 |
| ordinary shares in issue | | | | | |
| Basic loss per share | (sen) | (0.77) | (0.04) | (0.87) | (0.31) |

B10. Profit Before Taxation

Profit or loss before tax is after charging/(crediting) the following:

| | 3 months ended | | 6 months ended | |
|--|-------------------|-----------------|-------------------|-----------------|
| | Individual period | | Cumulative period | |
| | <u>30/06/18</u> | <u>30/06/17</u> | <u>30/06/18</u> | <u>30/06/17</u> |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Interest income | (556) | - | (581) | (3) |
| Interest expense | 63 | - | 63 | - |
| Depreciation | 63 | 471 | 116 | 754 |
| Impairment charge / (reversal of impairment) on PPE | 1,833 | (4,485) | 1,833 | (4,485) |
| Share based transactions – ESOS | 46 | - | 136 | - |
| Unrealised loss / (gain) on foreign exchange | 446 | (43) | 333 | (43) |

Other expenses also include RM2,594,918 which are the costs related to the arrest of vessel ('PDZ Maju') which comprised of sheriff expenses, vessel maintenance expenses, crew salaries, sales commissions and legal fees.

B11. Status of utilisation of proceeds as at 30 June 2018 raised from the Rights Issue with Warrants following the quotation for 434,660,560 Rights Shares together with 325,995,328 Warrants on the Main Market of Bursa Securities on 7 February 2018:

| No | Purpose | Proposed utilisation (RM'000) | YTD Utilisation (RM'000) | YTD Balance (RM'000) | Intended Timeframe for utilisation from date of receipt |
|--------|---|-------------------------------|--------------------------|----------------------|---|
| (i) | Acquisition of a container tug and barge set | ⁽¹⁾ 4,000 | 0 | 4,000 | Within 18 months |
| (ii) | Regional business expansion | 3,300 | 0 | 3,300 | Within 24 months |
| (iii) | Working capital | 6,000 | (3,443) | 2,557 | Within 24 months |
| (iv) | Security deposit for bank guarantee to port authorities | 1,000 | 0 | 1,000 | Within 12 months |
| (v) | Dry docking expenditure for PDZ Mewah | 5,500 | 0 | 5,500 | Within 18 months |
| (vi) | Purchase of containers | 4,900 | 0 | 4,900 | Within 24 months |
| (vii) | Acquisition of a vessel | 11,000 | 0 | 11,000 | Within 24 months |
| (viii) | Acquisition and/or investment in other complementary businesses and/or assets | ⁽²⁾ 6,846 | 0 | 6,846 | Within 24 months |
| (ix) | Estimated expenses for the Corporate Exercises | ⁽²⁾ 920 | (920) | 0 | Immediate |
| | Total | 43,466 | (4,363) | 39,103 | |

Remarks:

Unutilized proceeds are placed in interest bearing fixed deposit with licensed financial institutions(s) and money market funds.

⁽¹⁾The Board on 27 August 2018 approved the proposed utilization for acquisition of a container tug and barge set to be extended by 12 months to 6 August 2019 as the Company has yet to identify a suitable container tug and barge set.

⁽²⁾Corporate exercise estimated expense surplus is adjusted accordingly into the acquisition and/or investment in other complementary businesses and/or assets.

B12. Status of corporate proposals

There is no on-going corporate proposal for the Company and the Group during the quarter.

B13. Off-balance sheet financial instruments

There were no financial instruments with off-balance sheet risks as at 30 June 2018.