# QUARTERLY REPORT

This is a quarterly report on consolidated results for the year ended 31 December 2016

# UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

		UARTER	CUMULA	TIVE
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	QUARTER	TO DATE	TO DATE
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	RM '000	RM '000	RM '000	RM '000
Revenue	64,156	64,746	225,505	241,501
Voyage expenses	(18,079)	(23,339)	(59,782)	(80,559)
	46,077	41,407	165,723	160,942
Operating expenses	(47,385)	(79,434)	(217,790)	(261,088)
	(1,308)	(38,027)	(52,067)	(100,146)
Net change in onerous contracts provision	0	(108,018)	0	(105,672)
Impairment loss on vessels	(50,347)	(295,172)	(50,457)	(295,172)
	(51,655)	(441,217)	(102,524)	(500,990)
Other operating income, net	622	503	255	7,623
Administrative expenses	(2,593)	75	(9,394)	(9,163)
	(53,626)	(440,639)	(111,663)	(502,530)
Finance costs	(4,316)	(3,657)	(16,104)	(12,773)
Share of results of an associate	(302,399)	(120,756)	(325,070)	(106,181)
Impairment loss on associate	(39,304)	(495,774)	(39,304)	(495,774)
Share of results of joint ventures	(540)	(76,671)	(4,157)	(78,990)
Loss before taxation	(400,185)	(1,137,497)	(496,298)	(1,196,248)
Income tax expense	(237)	(272)	(822)	(1,115)
Loss for the year	(400,422)	(1,137,769)	(497,120)	(1,197,363)
Attributable to:				
Equity holders of the parent	(396,086)	(1,119,085)	(491,306)	(1,177,153)
Non-controlling interests	(4,336)	(18,684)	(5,814)	(20,210)
	(400,422)	(1,137,769)	(497,120)	(1,197,363)
<i></i>				
(Loss)/earnings per share (sen) - Basic	(39.61)	(111.91)	(49.13)	(117.72)

# QUARTERLY REPORT

This is a quarterly report on consolidated results for the year ended 31 December 2016

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	INDIVIDUAL	QUARTER	CUMUL	ATIVE
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	QUARTER	TO DATE	TO DATE
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	RM '000	RM '000	RM '000	RM '000
Loss for the year	(400,422)	(1,137,769)	(497,120)	(1,197,363)
Other comprehensive income/(loss): Items that will be reclassified to profit or loss				
Currency translation differences Net change in cash flow hedges:	75,411	(3,515)	12,741	429,594
-Net unrealised profit/(loss) -Net realised (profit)/loss reclassified	(32,863)	5,260	(17,395)	(78,581)
to the income statement	38,790	1,904	18,875	76,365
Share of associate's other comprehensive income	6,544	-	4,901	-
Total comprehensive income/(loss) for the year	(312,540)	(1,134,120)	(477,998)	(769,985)
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(310,475)	(1,115,821)	(470,751)	(762,806)
Non-controlling interests	(2,065)	(18,299)	(7,247)	(7,179)
	(312,540)	(1,134,120)	(477,998)	(769,985)

Page 2 of 11

### Page 3 of 11

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	UNAUDITED	AUDITED
	AS AT	AS AT
	END OF	PRECEDING
	CURRENT	FINANCIAL
	QUARTER	YEAR END
	31-Dec-16	31-Dec-15
	RM '000	RM '000
ASSETS		
Non-current assets		
Intangible assets	6	699
Property, plant and equipment	512,704	648,422
Deposits	58,386	-
Associate	655,114	1,003,777
Joint ventures	<u> </u>	159,907
	1,377,387	1,012,005
Current Assets		
Consumable stores	12,220	8,229
Receivables and other current assets	47,961	86,248
Short term deposits	500	-
Cash and bank balances	69,141	140,496
Non autrent exacts close ified as held for sole	129,822	234,973
Non-current assets classified as held for sale	71,907	49,931
	201,729	284,904
TOTAL ASSETS	1,579,116	2,097,709
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	250,000	250,000
Reserves	458,893	929,644
	708,893	1,179,644
Non-controlling interests	20,867	51,381
Total equity	729,760	1,231,025
Non-current liabilities		
Borrowings	438,526	383,055
Derivative financial liabilities	127,588	110,192
Deferred tax liabilities	-	73
Provision for onerous contracts	57,726	34,569
Payables and other non-current liabilities	19,086	-
	642,926	527,889
Oversent list littles		
Current liabilities Payables and other current liabilities	42,824	37,643
Borrowings	105,343	224,585
Provision for taxation	186	319
Provision for onerous contracts	58,077	76,248
	206,430	338,795
Total liabilities	849,356	866,684
TOTAL EQUITY AND LIABILITIES	1,579,116	2,097,709
	<u> </u>	<u> </u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

			Attrib	utable to Equity H	lolders of the Par	ent				
			1	Non-distributable			Distributable	No	on-controlling Interests	Total Equity
	Share Capital RM '000	Share premium RM '000	Capital reserve RM '000	Capital redemption reserve RM '000	Cash flow hedge reserve RM '000	Foreign currency translation reserve RM '000	Retained profits RM '000	Total RM '000	RM '000	RM '000
12 MONTHS ENDED 31 DECEMBER 2015										
At 1 January 2015	250,000	48,791	7,077	40,000	(2,560)	228,491	1,380,651	1,952,450	63,632	2,016,082
Total comprehensive income/(loss) for the year Dividends paid Dividend paid to non-controlling interests	- - -	- -	-	- -	(2,216) - -	416,563 - -	(1,177,153) (10,000) -	(762,806) (10,000) -	(7,179) - (5,072)	(769,985) (10,000) (5,072)
At 31 December 2015	250,000	48,791	7,077	40,000	(4,776)	645,054	193,498	1,179,644	51,381	1,231,025
12 MONTHS ENDED 31 DECEMBER 2016										
At 1 January 2016	250,000	48,791	7,077	40,000	(4,776)	645,054	193,498	1,179,644	51,381	1,231,025
Total comprehensive income/(loss) for the year Capital repayment to non-controlling interests Dividend paid to non-controlling interests	- - -	- -	- -	- - -	6,381 - -	14,174 - -	(491,306) - -	(470,751) - -	(7,247) (16,985) (6,282)	(477,998) (16,985) (6,282)
At 31 December 2016	250,000	48,791	7,077	40,000	1,605	659,228	(297,808)	708,893	20,867	729,760

### Page 5 of 11

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

CLRRENT         PERCEDNO           31-Dec-16         31-Dec-16           31-Dec-16         31-Dec-16           RM 000         RM 00           Cash Flow From Operating Activities         (496.298)         (1,196.24           Depreciation and amortisation         29,000         46,32           Loss (gain) on disposal of property, plant and equipment         1,258         (29           Unrealised foreign exchange (gain)/loss         187         59           Reversal of a lability         -         105,67           Interest income         (1,066)         (47           Finance costs         16,104         12,27           Share of results of on associate         325,070         106,11           Inpairment loss on associate         322,070         106,12           Inpairment loss on associate         323,04         485,77           Share of results of joint ventures         (3,0900)         (60,07           Working capital changes:         (3,0900)         (60,07           Consumable stores         (3,510)         2,58           Receivables and other current labilities         16,620         7.04           Derivatives         (1,097)         (1,037)           Cash used in operating activities         (		CUMULAT	
31-Dec.16         31-Dec.16         RM 00           Cash Flow From Operating Activities         (496.298)         (1,196.24           Loss before taxation         (29,000)         46.32           Depreciation and amortisation         22,000         46.32           Unrealised foreign exchange (gain)/loss         137         59           Unrealised foreign exchange (gain)/loss         137         59           Reversal of a liability         - 6.04         105.67           Not change in onerous contracts provision         - 105.67         116.64         12.77           Impairment loss on vassels         50.457         295.77         106.64         12.77           Share of results of an associate         33.304         495.77         50.845         16.104         12.77           Share of results of joint ventures         4.157         78.99         0.906         (60.97         106.61         2.58           Consumable stores         (3.306)         (60.97         106.96         10.225         106.41         2.27           Share of results of joint ventures         (3.144)         6.23         7.44         10.422         10.627         10.63.97           Operating loss before working capital changes         (3.906)         (60.97         10.275 <th></th> <th>CURRENT</th> <th>PRECEDING</th>		CURRENT	PRECEDING
Cash Flow From Operating Activities         (496.298)         (1,196.24           Loss before taxation         29,000         46,32           Depreciation and amortisation         29,000         46,32           Loss/(gain) on disposal of property, plant and equipment         1,258         (29           Unrealised foreign exchange (gain)/loss         187         59           Reversal of a liability         -         (5,64           Net change in onerous contracts provision         -         105,67           Interest income         (1,066)         (87           Finance costs         16,104         12,77           Share of results of an associate         39,304         495,77           Share of results of joint ventures         4,157         78,99           Operating loss before working capital changes         (30,906)         (60,97           Working capital changes:         (3,144)         52,59           Consumable stores         (3,144)         52,49           Payables and other current liabilities         11,96,71         (4,320           Payables and other current liabilities         (1,027)         (1,037)           Cash used in operating activities         (1,027)         (1,037)           Cash used in operating activities         (1,027) <th></th> <th></th> <th>31-Dec-15</th>			31-Dec-15
Loss before taxation(496.298)(1,196.24Adjustments for:29.0046.32Less(gain) on disposal of property, plant and equipment1,258(29Provision for doubtful debis9211Unnealised toreign exchange (gain)/loss19759Reversal of a liability-(5,04Net change in onerous contracts provision-105.67Interest income(1,066)(67Finance costs16,10412,77Impairment loss on vessels50.447285,77Share of results of an associate39,304495,77Share of results of an associate39,304495,77Share of results of join ventures4,15778,99Operating loss before working capital changes(30,906)(60,97Working capital changes:(33,510)2,58Receivables and other current assets(3,514)2,58Receivables and other current assets(3,514)2,58Receivables and other current liabilities18,6207,04Derivatives(1,27)(1,03Tax paid(1027)(1,03Net cast used in operating activities(19,967)(4,32)Cash Loss of nonesals(67,934)(96,25Purchase of other assets(2,54)(2,56)Purchase of other assets(2,58)(5,64)Dividend from an associate5,589(5,64)Dividend from an associate5,589(5,64)Dividend from an associate5,589(16,04)Dividend		RM '000	RM '000
Adjustments for:29,00046,32Depreciation and amortisation29,00046,32Loss/(gain) on disposal of property, plant and equipment1,258(29Unrealised foreign exchange (gain)/loss18759Reversal of a liability18759Reversal of a liability105,67Interest income(1,066)(67Finance costs16,10412,77Impairment loss on vessels30,467295,17Share of results of an associate33,304485,77The of results of an associate33,304485,77Share of results of inventures4,15778,399Operating loss before working capital changes(33,096)(60,97Working capital changes:(33,030)(60,97Consumable stores3,3146,23Payables and other current liabilities18,8607,04Derivatives2,91Cash used in operating activities(11,027)(11,027)Construction cost and purchase of vessels(11,027)(10,027)Purchase of new equipment and capitalisation of dry docking(67,934)(96,25Purchase of other assets(33,68)10,06687Purchase of other sestes5,58915,614(13,68)Dividend from an associate5,58915,614(13,68)Dividend from an associate5,58915,614(13,68)Dividend from an associate5,58915,614(13,68)Dividend stropsal of property, plant and equipment	Cash Flow From Operating Activities		
Depreciation and amortisation         29,000         46,32           Loss%(gain) on disposed of property, plant and equipment         1,258         (28)           Provision for doubtful debts         921         1           Unrealised foreign exchange (gain)/loss         187         59           Reversal of a liability         -         (5,04)           Net change in onerous contracts provision         -         105,67           Interest income         (1,066)         (67)           Finance costs         50,457         285,770           Inpairment loss on associate         39,304         495,77           Share of results of joint ventures         4,157         78,99           Operating loss before working capital changes:         (3,510)         2,58           Consumable stores         (3,510)         2,58           Receivables and other current lassitis         (1,42,20)         7,44           Derivatives         -         2,91         Cash used in operating activities         (19,967)           Cash used in operating activities         (19,967)         (43,23)         (24,22)         (24)           Cash used in operating activities         (19,967)         (43,23)         (24,22)         (24)         (26)         (27,50)		(496,298)	(1,196,248)
Loss/(gain) on disposal of property, plant and equipment         1,258         (28)           Provision for doubtiful debts         921           Unrealised foreign exchange (gain)/loss         187         59           Reversal of a liability         -         (5,04)           Net change in onerous contracts provision         105,67           Interest income         (1,066)         (87)           Finance costs         16,104         12,77           Trapairment loss on vessels         50,457         295,77           There of results of an associate         325,070         106,18           Impairment loss on associate         325,070         106,18           Unrealised tore working capital changes         (30,906)         (60,97)           Working capital changes:         (3,510)         2,58           Consumable stores         (3,510)         2,58           Receivables and other current lassets         (3,640)         (42,20)           Cash used in operating activities         18,620         7,04           Derivatives         -         2,91           Cash Lose of new equipment and capitalisation of dry docking         (10,00)         (9,32)           Purchase of other assets         (67,934)         (96,25)           Purchase of o			
Provision for doubtful debts         921           Unrealised foreign exchange (gain)/loss         187         59           Reversal of a liability         -         (5,04)           Net change in onerous contracts provision         -         105,67           Interest income         (1,066)         (67)           Finance costs         50,457         295,17           Share of results of an associate         32,304         495,77           Share of results of joint ventures         4,157         7,899           Operating loss before working capital changes         (3,0,906)         (60,97)           Consumable stores         (3,144)         6,239           Receivables and other current assets         (3,144)         (4,220)           Cash used in operating activities         (1,027)         (1,03)           Cash used in operating activities         (19,967)         (43,23)           Purchase of oher acsets         (67,934)         (96,25)           Purchase of oher acsets         (14,440)         (33,68)           Dividend from an associate         5,589         15,641           Dividend from an associate         5,589         15,641           Dividend from onit oneutures         10,265         27,500           Purchase of	•		46,327
Unrealised foreign exchange (gain)/loss         187         58           Reversal of a liability         -         (5.04)           Net change in onerous contracts provision         -         105,67           Interest income         (1,066)         (07,7)           Finance costs         16,104         12,77           Timpairment loss on vessels         325,070         106,18           Impairment loss on associate         339,304         495,77           Share of results of ion twentures         4,157         78,99           Operating loss before working capital changes         (30,906)         (60,97)           Working capital changes:         (3,510)         2,58           Consumable stores         (3,344)         6,23           Payables and other current lassets         (3,414)         6,23           Payables and other current lassets         (1,627)         (1,02           Cash used in operating activities         (16,540)         (42,20           Cash used in operating activities         (16,734)         (96,25           Construction cost and purchase of vessels         (67,934)         (96,25           Purchase of other assets         (24,20)         (24,20)           Cash Hows From Investing Activities         10,265         27,50<			(292)
Reversal of a liability         -         (6,04)           Net change in onerous contracts provision         -         105,67           Interest income         (1,066)         (87, 10, 10, 10, 10, 10, 10, 10, 10, 10, 10			-
Net change in onerous contracts provision         -         105.67           Interest income         (1.066)         (87           Finance costs         16,104         12.77           Impairment loss on vessels         50,457         295,17           Type         39,304         495,77           Share of results of joint ventures         4,157         78,899           Operating loss before working capital changes         (30,906)         (60,97           Working capital changes:         (3,510)         2,58           Consumable stores         (3,510)         2,58           Receivables and other current laselts         (3,144)         6,23           Payables and other current laselts         18,820         7,04           Derivatives         -         2,91           Cash used in operating activities         (18,940)         (42,20)           Tax paid         (10,027)         (1,33)           Net cash used in operating activities         (19,967)         (43,23)           Cash Flows From Investing Activities         (67,934)         (96,25           Purchase of other associate         5,589         15,61           Dividend from an associate         5,589         15,61           Dividend from associate         <		- 187	
Interest income         (1,066)         (67)           Finance costs         16,104         12,77           Impairment loss on vessels         50,457         295,17           Share of results of an associate         325,070         106,18           Impairment loss on associate         39,304         495,77           Share of results of joint ventures         4,157         78,99           Operating loss before working capital changes:         (30,906)         (60,37)           Consumable stores         (3,510)         2,58           Receivables and other current sests         (3,144)         6,23           Payables and other current liabilities         18,620         7,04           Derivatives         -         -         2,91           Cash used in operating activities         (19,967)         (43,23           Cash used in operating activities         (19,967)         (43,23           Cash used in operating activities         (10,010)         (9,03           Purchase of onew equipment and capitalisation of dry docking         (100)         (96,25           Purchase of onew equipment and capitalisation of dry docking         (100)         (96,25           Purchase of onew equipment and capitalisation of dry docking         (10,026)         (27,50)	-	-	( , ,
Finance costs         16,104         12,77           Impairment loss on vessels         50,457         225,17           Share of results of an associate         325,070         106,18           Impairment loss on associate         33,304         4495,77           Share of results of joint ventures         4,157         78,99           Operating loss before working capital changes:         (3,510)         2,59           Consumable stores         (3,510)         2,59           Receivables and other current assets         (3,144)         6,23           Payables and other current assets         (16,840)         (42,20)           Cash used in operating activities         (16,940)         (42,20)           Tax paid         (10,27)         (1,03)           Net cash used in operating activities         (19,967)         (43,23)           Construction cost and purchase of vessels         (67,934)         (96,25)           Purchase of new equipment and capitalisation of dry docking         (100)         (9,03)           Purchase of new equipment and capitalisation of dry docking         (14,440)         (3,26)           Dividend from an associate         5,589         15,61         Dividend from anasociate         5,589           Dividends from joint ventures         10,265	-	(1.066)	(872)
Impairment loss on vessels         50.457         295.17           Share of results of an associate         325.070         106.18           Impairment loss on associate         39.304         495.77           Share of results of joint ventures         4.157         78.99           Operating loss before working capital changes         (30.906)         (60.97           Working capital changes:         (3.510)         2.58           Consumable stores         (3.144)         6.23           Payables and other current lasbitises         18.620         7.04           Derivatives         -         2.91           Cash used in operating activities         (1.027)         (1.03           Net cash used in operating activities         (19.967)         (43.23           Cash Used in operating activities         (10.09)         (9.33           Cash Flows From Investing Activities         (10.00)         (9.03           Construction cost and purchase of vessels         (67.934)         (96.25           Purchase of new equipment and capitalisation of dry docking         (10.00)         (9.03           Dividend from joint ventures         10.265         27.50           Interest received         1,066         87           Proceeds from disposal of property, plant and equipm			12,773
Share of results of an associate         325,070         106,18           Impairment loss on associate         39,304         495,77           Share of results of joint ventures         4,157         78,99           Operating loss before working capital changes:         (30,906)         (60,97           Working capital changes:         (3,510)         2,58           Consumable stores         (3,510)         2,58           Receivables and other current assets         (3,144)         6,23           Payables and other current inibilities         18,620         7,04           Derivatives         -         2,91           Cash used in operating activities         (11,027)         (1,032)           Vet cash used in operating activities         (19,967)         (43,23)           Construction cost and purchase of vessels         (67,934)         (96,25)           Purchase of other assets         (824)         (28)           Deposit paid for vessels         (14,440)         (33,68)           Dividend from jant exociate         5,589         15,61           Dividend from jant associate         1,0265         27,50           Interest received         1,066         87           Proceeds from disposal of property, plant and equipment         122,222			295,172
Share of results of joint ventures4,15778,99Operating loss before working capital changes:(30,906)(60,97Working capital changes:(3,510)2,58Receivables and other current assets(3,144)6,23Payables and other current liabilities18,6207,04Derivatives-2,21Cash used in operating activities(10,27)(1,03)Net cash used in operating activities(10,27)(1,03)Cash Flows From Investing Activities(67,934)(96,25)Purchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of other assets(824)(28)Deposit paid for vessels(14,440)(33,68)Dividends from joint ventures10,26527,500Interest received10,26527,500Interest received10,26627,500Interest received10,26627,500Dividends from lonsonal of property, plant and equipment122,222			106,181
Operating loss before working capital changes(30,906)(60,97Working capital changes: Consumable stores(3,510)2,58Receivables and other current assets(3,144)6,23Payables and other current liabilities18,6207,04Derivatives(18,940)(42,20)Tax paid(19,977)(10,27)Net cash used in operating activities(19,967)(43,23)Cash used in operating activitiesConstruction cost and purchase of vesselsConstruction cost and purchase of vessels(67,934)(96,25)Purchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of new equipment and capitalisation of dry docking(14,440)(33,68)Dividend from an associate5,58915,61Dividend from an associate5,58915,61Dividend from associate10,6687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint ventures-(13,68)Net cash generated from/(used in) investing activities55,844(113,68)Drawdown of borrowings92,571171,07Finance costs paid(160,746)(15,51)Dividend paid to non-controlling interests(6,282)(5,07)Net cash generated from financing activities(16,385)(10,00)Dividend paid to non-controlling interests(6,282)(5,07)Net cas	Impairment loss on associate	39,304	495,774
Working capital changes: Consumable stores(3,510)2,58Receivables and other current liabilities(3,510)2,58Payables and other current liabilities18,6207,04Derivatives(18,940)(42,20Tax paid(1,027)(1,03Net cash used in operating activities(19,967)(43,23Cash used in operating activitiesConstruction cost and purchase of vesselsConstruction cost and purchase of vessels(67,934)(96,25Purchase of ow equipment and capitalisation of dry docking(100)(9,03)Purchase of other assets(824)(28)Deposit paid for vessels(14,440)(33,66)Dividend from an associate5,58915,61Dividend from point ventures10,26527,50Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint ventures-(18,09)Net cash generated from/(used in) investing activities55,844(113,68Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(160,746)(15,51)Dividend paid to shareholders-(10,00)Cash que di to shareholders-(10,02)Dividend paid to non-controlling interests(6,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,93Net cash (used in)/generated from financing activities	Share of results of joint ventures	4,157	78,990
Working capital changes: Consumable stores(3,510)2,58Receivables and other current liabilities(3,510)2,58Payables and other current liabilities18,6207,04Derivatives(18,940)(42,20Tax paid(1,027)(1,03Net cash used in operating activities(19,967)(43,23Cash used in operating activitiesConstruction cost and purchase of vesselsConstruction cost and purchase of vessels(67,934)(96,25Purchase of ow equipment and capitalisation of dry docking(100)(9,03)Purchase of other assets(824)(28)Deposit paid for vessels(14,440)(33,66)Dividend from an associate5,58915,61Dividend from point ventures10,26527,50Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint ventures-(18,09)Net cash generated from/(used in) investing activities55,844(113,68Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(160,746)(15,51)Dividend paid to shareholders-(10,00)Cash que di to shareholders-(10,02)Dividend paid to non-controlling interests(6,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,93Net cash (used in)/generated from financing activities	Operating loss before working capital changes	(30,906)	(60,971)
Consumable stores         (3,510)         2.88           Receivables and other current liabilities         (3,144)         6,23           Payables and other current liabilities         18,620         7,04           Derivatives         -         2,91           Cash used in operating activities         (18,940)         (42,20           Tax paid         (10,27)         (1,037)           Net cash used in operating activities         (19,967)         (43,23)           Cash used in operating activities         (100)         (9,03)           Cash used in operating activities         (100)         (9,03)           Cash used in operating activities         (100)         (9,03)           Purchase of new equipment and capitalisation of dry docking         (100)         (9,03)           Purchase of other assets         (67,934)         (96,25)           Purchase of other assets         (14,440)         (33,68)           Dividend from associate         5,589         15,641           Dividend from opint ventures         10,265         27,500           Interest received         10,265         27,500           Interest received         10,266         877           Proceeds from disposal of property, plant and equipment         122,222         29		(	(,,
Payables and other current liabilities18,6207,04Derivatives		(3,510)	2,586
Derivatives-2.91Cash used in operating activities(18,940)(42,20)Tax paid(19,967)(43,23)Net cash used in operating activitiesCash Flows From Investing ActivitiesConstruction cost and purchase of vessels(67,934)(96,25)Purchase of other assets(824)(28Deposit paid for vessels(14,440)(33,68)Dividend from an associate5,58910,26527,500Interest receivedProceeds from disposal of property, plant and equipment12,2222Dividends from joint ventures-(17,82Advances to joint ventures-(17,82Advances to joint venturesOrawdown of borrowings92,571171,077Finance costs paid(16,074)Oray down of borrowings92,571171,077Finance costs paid(16,074)(17,023)Oray down of borrowings92,571171,077 </td <td>Receivables and other current assets</td> <td></td> <td>6,230</td>	Receivables and other current assets		6,230
Cash used in operating activities(18,940)(42,20)Tax paid(1,027)(1,03)Net cash used in operating activities(19,967)(43,23)Cash Flows From Investing Activities(67,934)(96,25)Purchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of new equipment and capitalisation of dry docking(1000)(9,03)Purchase of other assets(824)(28)Deposit paid for vessels(14,440)(33,68)Dividend from an associate5,58915,641Dividends from joint ventures10,26527,500Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint ventures-(113,68)Net cash generated from/(used in) investing activities55,844(113,68)Cash Flows From Financing Activities92,571171,07Finance costs paid(16,0746)(15,51)Dividends paid to ron-controlling interests(16,985)(10,009)Dividend paid to non-controlling interests(16,885)(106,451)Dividend paid to non-controlling interests(106,451)128,933Net cash (used in)/generated from financing activities(106,451)128,933Net cash (used in)/generated from financing activities(281)17,02Dividend paid to non-controlling interests(16,282)(5,074)Dividend paid to non-controlling interests(282)(281)Dividend paid to non-controlling interests <t< td=""><td>Payables and other current liabilities</td><td>18,620</td><td>7,041</td></t<>	Payables and other current liabilities	18,620	7,041
Tax paid(1.027)(1.03)Net cash used in operating activities(1.027)(4.323)Cash Flows From Investing ActivitiesConstruction cost and purchase of vessels(67,934)(96,25)Purchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of other assets(824)(28)Deposit pail for vessels(14,440)(33,68)Dividend from an associate5,58915,61Dividends from joint ventures10,26527,500Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint ventures-(18,88)Net cash generated from/(used in) investing activities55,844(113,68)Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(16,0746)(15,51)Dividend paid to non-controlling interests(16,885)(10,009)Dividend paid to non-controlling interests(62,822)(5,07)Net cash (used in)/generated from financing activities(10,6451)128,933Net cash (used in)/generated from financing activities(106,451)128,93Dividend paid to non-controlling interests(281)17,02Dividend paid to non-controlling interests(281)17,02Dividend paid to non-controlling interests(282)(5,07)Net cash (used in)/generated from financing activities(26,451)128,93Dividend paid to non-cont			2,910
Net cash used in operating activities(19,967)(43,23)Cash Flows From Investing Activities(67,934)(96,25)Curchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of other assets(824)(28)Deposit paid for vessels(14,440)(33,68)Dividend from an associate5,58915,611Dividends from joint ventures10,26527,500Interest received1,06687.Proceeds from disposal of property, plant and equipment122,22229Loan to a joint ventures-(17,82)Advances to joint ventures-(88)Net cash generated from/(used in) investing activities55,844(113,68)Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(15,009)(11,551)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(6,282)(5,07)Dividend paid to on-controlling interests(6,282)(5,07)Dividend paid to non-controlling interests(106,451)128,93Net cash (used in)/generated from financing activities(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents(281)17,02Cash and cash equivalents(281)17,02Cash and cash equivalents(281) <t< td=""><td></td><td></td><td>(42,204)</td></t<>			(42,204)
Cash Flows From Investing Activities         Construction cost and purchase of vessels       (67,934)       (96,25)         Purchase of new equipment and capitalisation of dry docking       (100)       (9,03)         Purchase of other assets       (824)       (28)         Deposit paid for vessels       (14,440)       (33,68)         Dividends from joint ventures       10,265       27,500         Interest received       1,066       87.         Proceeds from disposal of property, plant and equipment       122,222       29         Loan to a joint venture       -       (17,82)         Advances to joint ventures       -       (188)         Net cash generated from/(used in) investing activities       55,844       (113,68)         Cash Flows From Financing Activities       -       (160,746)       (15,51)         Drawdown of borrowings       92,571       171,07       Finance costs paid       -       (10,00)         Capital repayment to non-controlling interests       (6,282)       (5,07)       (16,985)       0         Dividend spaid to non-controlling interests       (6,282)       (5,07)       (16,6451)       128,93         Net cash (used in)/generated from financing activities       (106,451)       128,93       (281)       17,02			(1,033)
Construction cost and purchase of vessels(67,934)(96,25Purchase of new equipment and capitalisation of dry docking(100)(9,03)Purchase of other assets(824)(28)Deposit paid for vessels(14,440)(33,68)Dividend from an associate5,58915,61.Dividend from joint ventures10,26527,50.Interest received1,06687.Proceeds from disposal of property, plant and equipment122,22229.Loan to a joint venture-(17,82)Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68)Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07.Finance costs paid(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,985)Dividend paid to non-controlling interests(106,451)128,93Net cash (used in)/generated from financing activities(106,451)128,93Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,46	Net cash used in operating activities	(19,967)	(43,237)
Purchase of new equipment and capitalisation of dry docking(100)(9,03Purchase of other assets(14,440)(33,68)Deposit paid for vessels(14,440)(33,68)Dividend from an associate5,58915,61Dividends from joint ventures10,26527,50Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint venture-(17,82Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68)Drawdown of borrowings92,571171,07Finance costs paid(16,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment of non-controlling interests(16,985)Dividend paid to non-controlling interests(16,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,93Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,46	Cash Flows From Investing Activities		
Purchase of other assets(824)(28Deposit pail for vessels(14,440)(33,68)Dividend from an associate5,58915,61Dividends from joint ventures10,26527,500Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint venture-(17,82Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68)Drawdown of borrowings92,571171,07Finance costs paid(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,885)Dividend paid to non-controlling interests(16,885)Dividend paid to non-controlling interests(10,6451)Net cash (used in)/generated from financing activities(70,574)Net change in cash and cash equivalents(70,574)Cash and cash equivalents at the beginning of the year140,496Discourd140,496Discourd140,496	Construction cost and purchase of vessels	(67,934)	(96,258)
Deposit paid for vessels(14,440)(33,68)Dividend from an associate5,58915,61Dividends from joint ventures10,26527,50Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint venture-(17,82Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,985)Dividend paid to non-controlling interests(106,451)128,93Net cash (used in)/generated from financing activities(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460	Purchase of new equipment and capitalisation of dry docking	(100)	(9,037)
Dividend from an associate5,58915,61Dividends from joint ventures10,26527,50Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint venture-(17,82Advances to joint ventures-(17,82Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(15,009)(11,55Repayment of borrowings-(10,000)Capital repayment to non-controlling interests(16,985)Dividend paid to non-controlling interests(6,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,93Net change in cash and cash equivalents(70,574)(27,98Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460		(824)	(280)
Dividends from joint ventures10,26527,50Interest received1,06687Proceeds from disposal of property, plant and equipment122,22229Loan to a joint venture-(17,82Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(15,009)(11,55)Repayment of borrowings-(160,746)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,282)(5,07)Dividend paid to non-controlling interests(106,451)128,93Net cash (used in)/generated from financing activities(106,451)128,93Net change in cash and cash equivalents(70,574)(27,98Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,46	• •		(33,680)
Interest received1,06687.Proceeds from disposal of property, plant and equipment122,22229.Loan to a joint venture-(17.82.Advances to joint ventures-(88.Net cash generated from/(used in) investing activities55,844(113,68.Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07.Finance costs paid(15,009)(11,55.Repayment of borrowings(160,746)(15,51.Dividends paid to shareholders-(10,00.Capital repayment to non-controlling interests(16,985)Dividend paid to non-controlling interests(106,451)128,93.Net cash (used in)/generated from financing activities(10,574)(27,98.Effects of foreign exchange rate changes(281)17,02.Cash and cash equivalents(281)17,02.Cash and cash equivalents at the beginning of the year140,496151,46.			15,614
Proceeds from disposal of property, plant and equipment122,22229.Loan to a joint venture-(17,82Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68)Cash Flows From Financing Activities92,571171,07Finance costs paid(15,009)(11,55)Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders-(10,000)Capital repayment to non-controlling interests(16,985)Dividend paid to non-controlling interests(16,985)Net cash (used in)/generated from financing activities(106,451)Net cash (used in)/generated from financing activities(70,574)Net change in cash and cash equivalents(70,574)Effects of foreign exchange rate changes(281)Cash and cash equivalents at the beginning of the year140,496140,496151,460			
Loan to a joint venture-(17,82Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68Cash Flows From Financing Activities92,571171,07Finance costs paid(15,009)(11,55)Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(166,885)Dividend paid to non-controlling interests(166,885)Dividend paid to non-controlling interests(106,451)Net cash (used in)/generated from financing activities(70,574)Net change in cash and cash equivalents(70,574)Effects of foreign exchange rate changes(281)Cash and cash equivalents at the beginning of the year140,496140,496151,466			
Advances to joint ventures-(88Net cash generated from/(used in) investing activities55,844(113,68)Cash Flows From Financing Activities92,571171,07Drawdown of borrowings92,571171,07Finance costs paid(15,009)(11,55)Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,985)(16,985)Dividend paid to non-controlling interests(16,451)128,933Net cash (used in)/generated from financing activities(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460		122,222	
Net cash generated from/(used in) investing activities55,844(113,68)Cash Flows From Financing Activities92,571171,07Drawdown of borrowings92,571171,07Finance costs paid(15,009)(11,55)Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders-(10,000)Capital repayment to non-controlling interests(16,985)(106,074)Dividend paid to non-controlling interests(16,985)(106,451)Dividend paid to non-controlling interests(106,451)128,933Net cash (used in)/generated from financing activities(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460		-	
Cash Flows From Financing ActivitiesDrawdown of borrowings92,571171,07Finance costs paid(15,009)(11,55)Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders(160,746)(15,51)Capital repayment to non-controlling interests(16,985)(10,00)Dividend paid to non-controlling interests(16,985)(10,00)Net cash (used in)/generated from financing activities(106,451)128,933Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460	-		
Drawdown of borrowings92,571171,07Finance costs paid(15,009)(11,55)Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,985)(16,985)Dividend paid to non-controlling interests(16,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,93Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,46	Net cash generated from (used in) investing activities	55,644	(113,000)
Finance costs paid(15,009)(11,55)Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,985)(16,985)Dividend paid to non-controlling interests(16,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,933Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460	Cash Flows From Financing Activities		
Repayment of borrowings(160,746)(15,51)Dividends paid to shareholders-(10,00)Capital repayment to non-controlling interests(16,985)(16,985)Dividend paid to non-controlling interests(6,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,93Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460		92,571	171,074
Dividends paid to shareholders-(10,00Capital repayment to non-controlling interests(16,985)(16,985)Dividend paid to non-controlling interests(6,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,933Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460	Finance costs paid	(15,009)	(11,557)
Capital repayment to non-controlling interests(16,985)Dividend paid to non-controlling interests(6,282)Net cash (used in)/generated from financing activities(106,451)Net change in cash and cash equivalents(70,574)Effects of foreign exchange rate changes(281)Cash and cash equivalents at the beginning of the year140,496		(160,746)	(15,513)
Dividend paid to non-controlling interests(6,282)(5,07)Net cash (used in)/generated from financing activities(106,451)128,930Net change in cash and cash equivalents(70,574)(27,98)Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,460		-	(10,000)
Net cash (used in)/generated from financing activities(106,451)128,933Net change in cash and cash equivalents(70,574)(27,983)Effects of foreign exchange rate changes(281)17,023Cash and cash equivalents at the beginning of the year140,496151,460			-
Net change in cash and cash equivalents(70,574)(27,98Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,46	Dividend paid to non-controlling interests	(6,282)	(5,072)
Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,46	Net cash (used in)/generated from financing activities	(106,451)	128,932
Effects of foreign exchange rate changes(281)17,02Cash and cash equivalents at the beginning of the year140,496151,46	Net change in cash and cash equivalents	(70 574)	(27,985)
Cash and cash equivalents at the beginning of the year140,496151,46			17,021
			151,460
Cash and cash equivalents at the end of the year69,641140,49	Cash and cash equivalents at the end of the year	69,641	140,496
	Cook and cook aquivalante commission		
Cash and cash equivalents comprise:		F00	
Short term deposits 500			-
	Cash and Dank Dalances		140,496
<u> </u>		09,041	140,496

#### MALAYSIAN BULK CARRIERS BERHAD (Company No.: 175953-W)

### 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 conjuction with the audited financial statements of the Group for the year ended 31 December 2015.

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 2015, except for the adoption of the new Malaysian Financial Reporting Standards (MFRSs), Amendments to MFRSs and IC Interpretations which are effective for annual periods beginning on 1 January 2016. The adoption of these FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial results of the Group.

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

The financial statements for the year ended 31 December 2015 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 2016.

Page 6 of 11

### A8. SEGMENT REPORT

12 months ended 31 December 2016	Shipping Bulkers RM '000	Shipping Tankers RM '000	Ship brokerage & management RM '000	Investment holding & others RM '000	Elimination RM '000	Group RM '000
Revenue						
Group	168,227	50,696	7,871	-	(1,289)	225,505
Inter-segment	-	-	(1,289)	-	1,289	-
External revenue	168,227	50,696	6,582		-	225,505
TCE earnings	116,239	42,902			-	159,141
Segment results	(55,037)	23,894	1,360	(1,310)	-	(31,093)
Depreciation and amortisation	(20,202)	(7,793)	(434)	(571)	-	(29,000)
(Gain)/loss on disposal of property,						
plant and equipment	(4,478)	3,220	-	-	-	(1,258)
Impairment loss on vessels	(14,887)	(35,570)	-	-	-	(50,457)
Interest income	367	-	34	665	-	1,066
Finance costs	(8,412)	(593)	(11)	(7,088)	-	(16,104)
Provision for doubtful debts	(921)	-	-	-	-	(921)
Share of results of an associate	-	-	-	(325,070)	-	(325,070)
Impairment loss on associate	-	-	-	(39,304)	-	(39,304)
Share of results of joint ventures	(4,157)				-	(4,157)
(Loss)/profit before tax	(107,727)	(16,842)	949	(372,678)	-	(496,298)
12 months ended 31 December 2015 Revenue Group Inter-segment	176,685	57,707	8,554 (1,445)	-	(1,445) 1,445	241,501
External revenue	176,685	57,707	7,109		-	241,501
TCE earnings	105,705	48,128		<u> </u>	-	153,833
Segment results	(69,450)	8,512	2,473	(3,098)	-	(61,563)
Depreciation and amortisation	(33,022)	(12,297)	(449)	(559)	-	(46,327)
Net change in onerous contracts provision	(105,672)	-	-	-	-	(105,672)
Impairment loss on vessels	(295,172)	-	-	-	-	(295,172)
Gain on disposal of property, plant and equipment	_	-	_	292	-	292
Interest income	457	-	23	392	-	872
Finance costs	(6,298)	(543)	(14)	(5,918)	-	(12,773)
Reversal of a liability	5,040	(0,0)	(14)	(0,0.0)	-	5,040
Share of results of an associate	-	-	-	(106,181)	-	(106,181)
Impairment loss on associate	-	-	-	(495,774)	-	(495,774)
Share of results of joint ventures	(78,990)	_	-		-	(78,990)
(Loss)/profit before tax	(583,107)	(4,328)	2,033	(610,846)		(1,196,248)
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### A9. VALUATION OF SHIPS, PROPERTY AND EQUIPMENT

The property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

### A10. SIGNIFICANT EVENTS

There were no material events subsequent to the current quarter ended 31 December 2016 up to the date of this report.

# A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

### A12. CONTINGENT LIABILITIES

During the quarter, the Company has issued corporate guarantees totaling USD32,200,000 to a bank for the financing granted to its subsidiaries.

#### Page 8 of 11

#### **B1. REVIEW OF PERFORMANCE**

MBC Group reported a loss of RM496.298 million in 2016, compared to previous year's loss of RM1.196 billion mainly due to lower impairment loss.

The table below summarizes the average time charter equivalent (TCE) for MBC's dry bulk (including jointly owned) and tanker fleet.

	Average TCE/day		Average TCE/day Hire days		days
	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2015	
	USD	USD	Days	Days	
Dry bulk	5,388	6,407	7,011	6,823	
Tanker	14,651	13,675	697	965	
Total fleet	6,226	7,308	7,708	7,788	

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

#### (1) Dry bulk segment

Excluding impairment and onerous contracts, the dry bulk segment's underlying loss decreased by RM27.564 million to RM89.008 million in 2016 mainly due to lower depreciation and docking cost. Charter rates dropped by 16% to USD5,388 in 2016 (2015: USD6,407).

The Group and a joint venture disposed of a vessel each and recorded a loss of USD1.1 million and USD1.9 million respectively.

#### (2) Tanker segment

Excluding impairment, tanker segment's underlying profit was RM15.508 million in 2016, compared to a loss of RM4.328 million mainly due to improved charter rates, and lower docking time and cost.

The Group disposed of 2 tankers for a net gain of USD0.8 million.

### (3) Investment holding and others

The associate, PACC Offshore Services Holdings Ltd (POSH) reported a net attributable loss of USD371.4 million after providing for USD310.1 million on non-cash impairments (goodwill USD111.2 million, fixed assets USD198.9 million). However, it generated positive net operating cash flows of USD38.2 million.

The Group's share of POSH results was a loss of RM325.070 million in 2016, against RM106.181 million in 2015. In addition, the Group recognised an impairment loss of RM39.304 million in 2016 (2015: RM495.774 million) on its investment in POSH.

The Group's attributable loss decreased by 58% to RM491.306 million in 2016 (2015: RM1.177 billion).

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

	Individual Quarter			
	Oct-Dec 16	Jul-Sep 16	Variance	
	RM'000	RM'000	RM'000	
Revenue	64,156	52,498	11,658	
Voyage expenses	(18,079)	(12,299)	(5,780)	
Operating expenses	46,077	40,199	5,878	
	(47,385)	(53,202)	5,817	
<b>Operating loss</b>	(1,308)	(13,003)	<b>11,695</b>	
Impairmentloss on vessels	(50,347)	0	(50,347)	
Other operating income/(loss), net Administrative expenses	(51,655) 622 (2,593)	(13,003) (293) (2,869)	(38,652) 915 276	
Finance costs Share of results of an associate Impairment loss on associate Share of results of joint ventures	(53,626) (4,316) (302,399) (39,304) (540)	(16,165) (3,847) (11,186) 0 (62)	(37,461) (469) (291,213) (39,304) (478)	
(Loss)/profit before taxation	(400,185)	(31,260)	(368,925)	
Income tax expense	(237)	42	(279)	
(Loss)/profit for the period	(400,422)	(31,218)	(369,204)	
<u>Attributable to:</u>	(396,086)	(30,807)	(365,279)	
Equity holders of the parent	(4,336)	(411)	(3,925)	
Non-controlling interests	(400,422)	(31,218)	(369,204)	

The Group's operating loss (before impairments and onerous contracts) was RM1.308 million in Q4 2016, compared to Q3 2016's loss of RM13.003 million mainly due to improved charter rates.

In current quarter, the Group recognised an impairment loss on vessels of RM50.347 million.

Other net operating income was RM0.622 million in Q4 2016 compared to a loss of RM0.293 million in Q3 2016. Administrative expenses decreased by RM0.276 million to RM2.593 million in Q4 2016 (Q3 2016: RM2.869 million). Finance costs increased by RM0.469 million to RM4.316 million in Q4 2016 (Q3 2016: RM3.847 million) due to increased borrowings.

The associate, POSH, recorded a net loss of USD345.465 million in Q4 2016, compared to USD12.952 million in Q3 2016 mainly due to impairment loss on goodwill and fixed assts.

In current quarter, the Group recognised an impairment loss of RM39.304 million on its investment in POSH.

Share of joint ventures' results was a loss of RM0.540 million in Q4 2016, compared to RM0.062 million in Q3 2016 mainly due to lower charter rates.

The Group's attributable loss increased by RM365.279 million to RM396.086 million in Q4 2016 (Q3 2016: RM30.807 million).

#### **B3. PROSPECTS**

As we head into 2017, supply side concerns are starting to recede. Apart from subdued market conditions, regulatory requirements may hasten scrapping (there are 114.94 million DWT or 14.54% of the existing dry bulk fleet as of 1st January 2017 that are over 15 years of age).

Dry bulk shipping appears to have bottomed out but any market recovery is expected to be slow.

The outlook for the oil and gas sector continues to remain depressed and the timing of recovery is uncertain. Whilst OPEC had reached an agreement to cut oil production in November 2016, supply and demand balances are still slow to return to equilibrium. Offshore oilfield development capex remains subdued.

The Board expects 2017 to remain challenging.

### Page 10 of 11

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

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

### **B5. TAXATION**

	Current quarter RM'000	Current financial year-to-date RM'000
Income tax charge -current year	237	833
-prior year		(11)
	237	822

The shipping income of the Group that is derived from the operations of sea-going Malaysian registered ships and Singapore registered ships is tax exempt under Section 54A of the Malaysian Income Tax Act, 1967 and Section 13A of the Singapore Income Tax Act respectively. The taxation charge for the Group is attributable to tax in respect of non-tax exempt activities of the Group.

### **B6. RETAINED PROFITS**

	Gro	up
	As at	As at
	31-Dec-16	31-Dec-15
	RM'000	RM'000
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- Realised	(354,839)	873,774
- Unrealised	(115,989)	(106,337)
Less: Effects of adoption of MFRS 1*	(103,414)	(103,414)
	(574,242)	664,023
Total share of (accumulated losses)/retained profits from an associate:		
- Realised	(253,563)	76,706
- Unrealised	(226)	165
Less: Effects of adoption of MFRS 1*	(115,434)	(115,434)
	(369,223)	(38,563)
Total share of (accumulated losses)/retained profits from joint ventures		
- Realised	(28,374)	(13,920)
- Unrealised	11	(21)
Less: Effects of adoption of MFRS 1*	(11,469)	(11,469)
	(39,832)	(25,410)
Add: Consolidation adjustments	685,489	(406,552)
Total Group retained profits as per consolidated accounts	(297,808)	193,498

\* At the date of transition to MFRS, the Group's cumulative currency translation differences were adjusted to retained earnings.

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

### B7. NOTES TO CONDENSED CONSOLIDATED INCOME STATEMENT

	Current quarter RM'000	Current financial year-to-date RM'000
Interest income	165	1,066
Finance costs	(4,316)	(16,104)
Depreciation and amortisation	(7,076)	(29,000)
Impairment loss on vessels	(50,347)	(50,457)
Loss on disposal of property, plant and equipment	-	(1,258)
Impairment loss on associate	(39,304)	(39,304)
Provision for doubtful debts	(53)	(921)
Unrealised exchange gain	(244)	(187)

# B8. STATUS OF CORPORATE PROPOSALS

There were no other outstanding corporate proposals submitted by the Group as at 31 December 2016.

### **B9. BORROWINGS**

The Group borrowings as at 31 December 2016 are as follows:

Currency	Current RM '000	Non-current RM '000
USD	77,610	169,048
RM	27,733	269,478
	105,343	438,526

### **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**

B13.

The Directors do not recommend any dividend for the current year ended 31 December 2016.

### **B12. EARNINGS PER SHARE**

The basic 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.

	Loss attributable to equity holders	CURRENT YEAR QUARTER 31-Dec-16	PRECEDING YEAR QUARTER 31-Dec-15	CURRENT YEAR TO DATE 31-Dec-16	PRECEDING YEAR TO DATE 31-Dec-15
	of the parent (RM'000)	(396,086)	(1,119,085)	(491,306)	(1,177,153)
	Number of ordinary shares in issue('000)	1,000,000	1,000,000	1,000,000	1,000,000
	Loss per share attributable to equity holders of the parent (sen)	(39.61)	(111.91)	(49.13)	(117.72)
COMMITMENTS					
Co	nmitments as at 31 December 2016 are as follows:				RM'000
(i)	Capital commitments				339,973
(ii)	Vessel operating lease commitments - as lessee Due within 1 year Due later than 1 year and not later than 5 years Due later than 5 years				117,200 380,354 41,831 539,385
(iii)	Vessel operating lease commitments - as lessor Due within 1 year - the Group - Share of joint ventures' commitments				27,539 8,153
	Due later than 1 year and not later than 5 years - the Group				25,553
					61,245