

**SEALINK INTERNATIONAL BERHAD (800981-X)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2016**

	Individual 3 months ended		Cumulative 12 months ended	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Revenue	13,119	25,421	122,859	141,504
Cost of sales	(19,024)	(15,557)	(135,931)	(111,176)
Gross (loss) / profit	(5,905)	9,864	(13,072)	30,328
Other operating income	6,887	8,006	12,456	11,222
Other operating expenses	(31,265)	(9,609)	(31,402)	(13,774)
Administrative expenses	(3,948)	(13,969)	(16,914)	(27,595)
Finance expenses	(2,739)	(5,273)	(12,380)	(15,643)
Share of result of an associate	(200)	(354)	(1,371)	(343)
Share of result of jointly controlled entities	524	704	524	(1,256)
Loss before tax	(36,646)	(10,631)	(62,159)	(17,061)
Income tax expense	605	4,527	3,736	9,532
Loss for the period	(36,041)	(6,104)	(58,423)	(7,529)
Loss attributable to:				
Owners of the Parent	(36,041)	(6,104)	(58,423)	(7,529)
	(36,041)	(6,104)	(58,423)	(7,529)
Earnings per share (sen)				
- Basic EPS	(7.21)	(1.22)	(11.68)	(1.51)
- Diluted EPS	(7.21)	(1.22)	(11.68)	(1.51)

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2016

(CONTINUED)

	Individual 3 months ended		Cumulative 12 months ended	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Loss for the period	(36,041)	(6,104)	(58,423)	(7,529)
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	19,909	(6,208)	11,099	47,074
Total Comprehensive Income for the year, net of tax	<u>(16,132)</u>	<u>(12,312)</u>	<u>(47,324)</u>	<u>39,545</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>(16,132)</u>	<u>(12,312)</u>	<u>(47,324)</u>	<u>39,545</u>
	<u>(16,132)</u>	<u>(12,312)</u>	<u>(47,324)</u>	<u>39,545</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	As at 31 Dec 2016 RM'000 (Unaudited)	As at 31 Dec 2015 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	609,639	658,192
Land use rights	11,235	11,814
Investment in an associate	4,725	6,003
Investment in a joint venture	7,638	9,153
Other receivables	4,992	3,916
	638,229	689,078
Current Assets		
Inventories	49,904	84,289
Trade and other receivables	33,780	50,352
Investment securities	63	329
Tax recoverable	1,015	1,419
Cash and cash equivalents	42,298	78,659
	127,060	215,048
Total Assets	765,289	904,126
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	51,563	109,986
Other components of equity	71,648	60,549
Total Equity	452,298	499,622
Non-Current Liabilities		
Loans and borrowings	119,585	155,039
Deferred tax liabilities	31,090	34,823
	150,675	189,862
Current Liabilities		
Loans and borrowings	132,000	169,028
Trade and other payables	30,265	44,593
Provision for taxation	51	1,021
	162,316	214,642
Total Liabilities	312,991	404,504
Total Equity and Liabilities	765,289	904,126
Net asset per share (sen)	90.46	99.92

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2016

	Attributable to Owners of the Parent					Total Equity (Audited)
	Share Capital	Share Premium	Retained Earnings	Foreign currency translation reserve	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2015	250,000	79,087	117,515	13,475	460,077	460,077
Total comprehensive income for the period	-	-	(7,529)	47,074	39,545	39,545
Balance as at 31 December 2015	250,000	79,087	109,986	60,549	499,622	499,622

	Attributable to Owners of the Parent					Total Equity (Unaudited)
	Share Capital	Share Premium	Retained Earnings	Foreign currency translation reserve	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2016	250,000	79,087	109,986	60,549	499,622	499,622
Total comprehensive income for the period	-	-	(58,423)	11,099	(47,324)	(47,324)
Balance as at 31 December 2016	250,000	79,087	51,563	71,648	452,298	452,298

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2016

	Year-to-date Ended	
	31 Dec 2016	31 Dec 2015
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows From Operating Activities		
Loss before tax	(62,159)	(17,061)
Adjustments for:		
Interest income	(2,694)	(2,592)
Interest expenses	12,380	14,134
Dividend income from investment securities	(3)	(7)
Amortisation of land use rights	579	579
Deposit written off	-	157
Depreciation of property, plant and equipment	46,128	45,059
Fair value gain on investment securities	-	(2)
(Loss) / Gain on disposal of property, plant and equipment	(20)	(271)
Impairment loss on trade and other receivables	90	742
Impairment loss on property, plant and equipment	30,489	6,974
Inventories written off	544	879
Inventories written down	-	2,596
Property, plant and equipment written off	279	134
Reversal of inventories written down in previous year	(3,794)	(1,570)
Reversal of impairment loss on trade and other receivables	(296)	-
Share of result of an associate	1,370	343
Share of result of joint controlled entities	(523)	1,256
Unrealised loss/(gain) on foreign exchange	1,144	14,383
Reversal of impairment on other current asset	(6,155)	-
Reserve on consolidation	(1,012)	-
Total adjustments	78,506	82,794
Operating profit before working capital changes	16,347	65,733
Changes in working capital		
(Increase)/Decrease in inventories	37,702	(1,459)
(Increase)/Decrease in trade and other receivables	18,980	857
Increase/(Decrease) in trade and other payables	(14,326)	(18,066)
Total changes in working capital	42,356	(18,668)
Cash flows from operations	58,703	47,065
Interest paid	(14,160)	(16,653)
Interest received	2,694	2,592
Income tax refund	464	996
Income tax paid	(957)	(2,469)
Net Cash Flows From Operating Activities	46,744	31,531
Cash Flows From Investing Activities		
Acquisition of investment in a joint venture	-	(8,900)
Net cash inflow on acquisition of a subsidiary	712	-
Purchase of property, plant and equipment	(854)	(2,961)
Proceeds from disposal of property, plant and equipment	45	18,262
Proceeds from disposal of investment	1,200	-
Net Cash Flows From Investing Activities	1,103	6,401

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2016

	Year-to-date Ended	
	31 Dec 2016 RM'000 (Unaudited)	31 Dec 2015 RM'000 (Audited)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	(313)	31
Net movement in cash at bank restricted in use	(926)	4,744
Net movements in trade financing	(2,100)	(22,300)
Net movement in investment securities	269	(61)
Proceeds from term loans	-	24,970
Repayments of finance leases	(52)	(41)
Repayment of term loans	(78,895)	(77,829)
Net Cash Flows Used In Financing Activities	(82,017)	(70,486)
Net Decrease in Cash and Cash Equivalents	(34,170)	(32,554)
Effect of changes in foreign exchange rates	(375)	10,387
Cash and Cash Equivalents at the beginning of financial year	30,608	52,775
Cash and Cash Equivalents at the end of financial period	(3,937)	30,608
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	42,298	78,659
Bank overdraft	(26,342)	(29,600)
	15,956	49,059
Less: Fixed deposits pledged and cash at bank restricted in use	(19,893)	(18,451)
	(3,937)	30,608

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A1. Basis of Preparation

The interim financial statements has been prepared on the historical cost basis, unless otherwise stated.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Boards ("MFRS") and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2015.

On 1 January 2016, the Group adopted the following new and amended MFRS and IC interpretations mandatory for annual financial period beginning on or after 1 January 2016.

- Annual Improvements to MFRSs 2012 - 2014 Cycle
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 10, MFRS 12 and MFRS 128: Investments Entities - Applying the Consolidation Exception
- Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 101: Disclosure Initiatives
- Amendments to MFRS 127: Equity Method in Separate Financial Statements
- MFRS 14: Regulatory Deferral Accounts

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRS effective for annual period beginning on or after 1 January 2018

- MFRS 9: Financial Instruments
- MFRS 15: Revenue from Contract with Customers
- MFRS 16: Leases

The adoption of above standards and amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company ("Sealink International Berhad") and its subsidiaries for the year ended 31 December 2015 were not qualified.

A3. Seasonal or cyclical factors

The Group's performance is affected by the oil and gas industry. The demand for our vessels are closely associated with the cyclical fluctuations of the oil and gas industry.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A4. Items of unusual nature and amount

There was no item that affect assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence during the current quarter under review, other than those stated below:

The Group performed an assessment during the quarter on the recoverable amount on the vessels to determine whether the carrying value of these vessels are recoverable. The review was carried out in accordance with MFRS 136 "Impairment of Assets". In such evaluation, the estimated recoverable amount is determined based on the higher of an asset's value-in-use ("VIU") or fair value less costs to sell ("FV"). The recoverable amount was compared to the carrying value of each similar asset with identified impairment triggers.

If the recoverable amount is lower, the carrying value of the asset is reduced to its estimated recoverable amount and the difference is regarded as an impairment loss.

The Group considered each vessel as a cash-generating unit ("CGU"), however, they are grouped together for disclosure purposes. Value in use is the present value of the future cash flows expected to be derived from the CGU. The FV represents an estimate of the amount received in the event the vessel is sold on a willing buyer and a willing seller basis. The FV on the vessels was based on valuation by independent valuer.

The Group has reviewed the carrying value of all the vessels owned by the group during the financial period YTD 2016 and has made a non cash impairment charge of RM30.5 million. The impairment loss was recognized in the Condensed Consolidated Statement of Profit and Loss.

A5. Material changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter under review.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

A7. Dividends Paid

No dividend was paid in the current financial quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING

A8. Segmental information

The results and other information of the Group as at 31 December 2016 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	61,034	61,825	-	-	122,859
Inter-segment sales	5,252	20,537	-	(25,789)	-
Total revenue	66,286	82,362	-	(25,789)	122,859
Segment loss (Note A)	(8,608)	(50,525)	(1,405)	(1,621)	(62,159)

Note A

The following items are added to/(deducted from) segment loss to arrive at "Loss before tax from continuing operations" presented in the condensed consolidated income statements:

Segment Loss	(60,538)
Dividend from jointly controlled entities	(578)
Reserve on consolidation	1,012
Loss from inter-segment sales	(1,018)
Share of result of an associate	(1,371)
Share of results of jointly controlled entities	524
Finance costs	6,881
Unallocated corporate expenses	(7,071)
Loss before tax	(62,159)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	200,143	844,693	127,449	(406,996)	765,289
Segment liabilities	133,455	388,810	122,690	(331,964)	312,991
Net assets	66,688	455,883	4,759	(75,032)	452,298
Other segmental information					
Depreciation	5,313	28,824	15,085	(3,094)	46,128
Amortisation of land use rights	105	425	49	-	579

A9. Capital commitments

Capital commitments are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Property, plant and equipment	-	126,969

A10. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the interim period reported which have not been reflected under the current quarter.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 31 December 2016.

A12. Contingent liabilities

The following is the contingent liability since the last annual balance sheet date:

	As at 31 Dec 2016 RM'000	As at 31 Dec 2015 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to a jointly controlled entity	-	7,903

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Dec 2016 RM	Current Year-to-date 31 Dec 2016 RM
(i) Transactions with companies in which certain Directors of the Company have substantial interest :		
Ming Kiong Agencies (Singapore) Pte Ltd		
- Rental of office at Far East shopping centre, Singapore	19,780	78,217
Manmohan's (Labuan) Sdn Bhd		
- Rental of office at Lot 20, Labuan	3,000	12,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd		
- Lease of office at Lot 1035, Piasau	30,000	120,000
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	52,500	210,000
- Sale of second hand motor vehicle	-	(41,000)
- Manpower supply for maintenance work	-	(1,106)
Rajah & Tann		
- Provision of legal services	234,079	234,079
Khoo & Co, Advocates and Solicitors		
- Provision of legal services	1,770	7,890
Yong Foh Choi & Sons Enterprise Sdn Bhd		
- Manpower supply for maintenance work	-	(6,376)
(ii) Transactions with Director :		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,200	3,900
	<u>342,329</u>	<u>617,604</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favorable than those transacted with unrelated parties.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

(a) Current quarter compared with corresponding quarter of the previous financial year (4Q 2016 Vs. 4Q 2015)

The Group's performance for the current quarter under review compared to 4Q 2015 is as follow:

Revenue

	Shipbuilding RM'000	Ship charter RM'000	Consolidated Total RM'000
Revenue (4Q 2016)	916	12,203	13,119
Revenue (4Q 2015)	1,753	23,668	25,421
Variance	(837)	(11,465)	(12,302)
Variance (%)	-48%	-48%	-48%

For the quarter ended 31 December 2016, the Group recorded revenue of RM13.1 million reduced by 48% compared to corresponding quarter of the previous year.

Shipbuilding Division

Shipbuilding division recorded revenue of RM916,000 for the quarter also decreased by 48% compared to corresponding quarter of the previous year. Revenue of both quarter was mainly derived from ship repair services.

Ship Charter Division

Vessels utilisation rate drop further in the current quarter and has resulted in decreased revenue by RM11.4 million or 48% compared to 4Q 2015.

Profit /(Loss) Before Tax

	Shipbuilding RM'000	Ship charter RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
Profit/(loss) before tax (4Q 2016)	(2,416)	(35,212)	982	(36,646)
Profit/(loss) before tax (4Q 2015)	(3,906)	(7,316)	591	(10,631)
Variance (%)				245%

The group suffered a loss before tax of RM36.7 million for the quarter under review after taking up an impairment charge of RM31.3 million of which RM30.5 million was for vessels.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

(b) YTD 2016 compared with YTD 2015

The Group's performance for year 2016 compared with corresponding period in 2015 is as follows:-

Revenue

	Shipbuilding RM'000	Ship charter RM'000	Consolidated Total RM'000
Revenue (YTD 2016)	61,034	61,825	122,859
Revenue (YTD 2015)	22,240	119,264	141,504
Variance	38,794	(57,439)	(18,645)
Variance (%)	>100%	-48%	-13%

Despite increased revenue from shipbuilding the group's revenue for the current financial year reduced by RM18.6 million (13%) compared to year 2015, mainly due to significant drop in vessel charter hire income by 48% or RM57.4 million.

Shipbuilding

Shipbuilding segment recorded revenue of RM61.0 million for current financial year, increased by RM38.8 million attributed to the sale of three offshore support vessels to external clients during the year.

Ship Charter

Revenue dropped significantly by 48% due to reduced demand and surplus capacity in offshore support vessels.

The group recorded loss before tax of RM62.2 million in the current financial year against loss of RM17.1 million in the corresponding period of preceding year. The unfavourable results was mainly attributed to the drop in ship charter revenue and impairment recognized in the current financial year amounted to RM31.3 million. The group posted a gross loss of RM13.1 million against gross profit of RM30.3 million in the previous financial year, attributed to low margins and high fixed overheads (depreciation and amortization on non current assets) in total amounted to RM46.7 million .

Despite heavier losses suffered, cash flow from operation increased by RM11.6 Million to RM58.7 million compared to year 2015 attributed to the sale of three offshore support vessels delivered to buyer in the first half of 2016.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	4Q 2016	3Q 2016	Variance	%
	RM'000	RM'000	RM'000	
Revenue	13,119	13,857	(738)	-5%
Loss before tax	<u>(36,646)</u>	<u>(7,830)</u>	(28,816)	368%

Consolidated group revenue for the current quarter reduced slightly compared to last quarter attributed to further drop in vessel utilisation.

Loss before tax for the current quarter increased by RM28.8 million mainly due to impairment charge on inventories and assets in total amounted to RM31.3 million taken up in the current quarter.

B3. Commentary on prospects

Although the industry is still facing immense challenges due to the double impact of overcapacity and reduced oil and gas activities globally, the optimism for the upstream oil and gas industry has improved with the gradual recovery in oil prices. Several state-owned oil companies and IOCs are reported to be preparing to boost investments in offshore infrastructure and activities in the near future. With the current surplus of offshore support vessels, the Group is very selective in the type of vessels to be built. Our main emphasis is currently on enhancing our docking (ship repair) facility and optimising the utilisation of the Group's vessels. We are cautiously optimistic that demand for offshore support vessels will improve with increased expenditure in field development and maintenance work by the oil companies. With the ongoing initiatives in rationalizing costs and reduction in gearing, we believe the Group is well positioned to tide over the current business challenges.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B5. Loss before tax

Included in the loss before tax are the following items:

	12 months ended	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Other income	(2,279)	(1,700)
Interest income	(2,694)	(2,592)
Interest expense	12,380	14,134
Deposit written off	-	157
Depreciation of property, plant and equipment	46,128	45,059
Amortisation of land use rights	579	579
Impairment loss on trade and other receivables	90	742
Impairment loss on property, plant and equipment	30,489	6,974
Property, plant and equipment written off	279	134
Inventories written down	-	2,596
Inventories written off	544	879
(Gain) / loss on disposal of property, plant and equipment	(20)	(271)
Reversal of inventories written down in previous year	(1)	(1,570)
Reversal of impairment loss on trade receivables	(296)	-
Reversal of impairment on other current asset	(6,155)	-
Reverse on consolidation	(1,012)	-
Net foreign exchange (gain)/Loss	1,350	(3,580)

B6. Taxation

	Current Quarter 31 Dec 2016 RM'000	Current Year-to-date 31 Dec 2016 RM'000
Malaysian income tax	(411)	(3)
Deferred tax reversal	(194)	(3,733)
Total tax credit	(605)	(3,736)

The Group taken up tax credit of RM605,000 for the quarter and RM3.7 million for the financial year ended 31st December 2016 due to reversal of deferred tax relating to temporary differences and also on losses suffered.

B7. Profit from sale of unquoted investments and/or properties

There were no disposal of unquoted investment and properties for the current quarter and financial year to date.

B8. Quoted securities

There was no purchase or disposal of quoted securities for the current quarter and financial year to date.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B9. Status of corporate proposal

There is no corporate proposal announced but not completed as at end of the financial period under review.

B10. Group borrowings and debt securities

Total Group's borrowings as at 31 December 2016 were as follows:

1. <u>Total Borrowings</u>	Secured RM'000
Short-term borrowings	132,000
Long-term borrowings	119,585
	<u>251,585</u>
2. <u>Borrowings denominated in US Dollars</u>	Secured USD'000
Short-term borrowings	5,862
Long-term borrowings	19,608
	<u>25,470</u>

B11. Derivative Financial Instruments

There are no outstanding derivatives at the reporting period.

B12. Material litigation

On 7 December 2012, one of the subsidiaries of the Group initiated arbitration before the Kuala Lumpur Regional Centre for Arbitration (KLRC) against Boustead Penang Shipyard Sdn Bhd (BPS) under a shipbuilding contract dated 3 April 2008 to build two units of 7,000 DWT oil carriers/chemical carriers.

The subsidiary filed its statement of claim against BPS on 8 May 2013 for interest, damages, costs and expenses incurred by the company for breaches of the contract by BPS. BPS has filed a statement of defence and counterclaim on 7 June 2013.

On 12 October 2016, BPS proposed and the Subsidiary had accepted a settlement sum of USD1.5 million as full and final settlement of all claims and counterclaims arising out of the shipbuilding contract dated 3 April 2008, on the basis that each party is to bear its own legal costs in relation to the claims and counterclaims, including but not limited to the costs incurred in the arbitration under the Kuala Lumpur Regional Centre for Arbitration Rules 2013.

BPS paid the sum of USD1.5 million on 27 October 2016 as per terms of the settlement agreement.

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 31 December 2016.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B14. Earnings per Share

	3 months ended		12 months ended	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to Owners of the Parent (RM'000)	(36,041)	(6,104)	(58,423)	(7,529)
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	(7.21)	(1.22)	(11.68)	(1.51)
Diluted earnings per share (sen)	(7.21)	(1.22)	(11.68)	(1.51)

Basic earnings per share of the Company is calculated by dividing net (loss)/profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no new shares issued during the reporting period.

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 31 December 2016 and 31 December 2015 are analysed as follows:

	As at 31 Dec 2016 RM'000	As at 31 Dec 2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	296,735	395,746
- Unrealised	(32,234)	(45,710)
	264,501	350,036
Consolidation adjustments	(212,938)	(240,050)
Total Group retained profits as per consolidated accounts	51,563	109,986

B16. Authorisation For Issue

The interim report for the fourth quarter ended 31 December 2016 was authorised for issue by the Board resolution of the directors dated 23 February 2017.

By Order Of The Board

Yeo Puay Huang (f)
Company Secretary
23-February-2017