

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

QUARTERLY REPORT

This is a quarterly report on consolidated results for the year ended 31 December 2015

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-15 RM '000	PRECEDING YEAR QUARTER 31-Dec-14 RM '000	CURRENT YEAR TO DATE 31-Dec-15 RM '000	PRECEDING YEAR TO DATE 31-Dec-14 RM '000
Revenue	64,746	59,567	241,501	255,724
Voyage expenses	<u>(23,339)</u>	<u>(18,823)</u>	<u>(80,559)</u>	<u>(84,038)</u>
Operating expenses	41,407	40,744	160,942	171,686
Provision for onerous contracts	(79,434)	(52,651)	(261,088)	(205,804)
- utilised during the period	0	0	5,155	0
- charge during the period	(108,018)	(5,155)	(110,827)	(5,155)
Impairment loss on vessels	(295,172)	0	(295,172)	0
Other operating income/(loss), net	503	10,432	7,623	35,997
Administrative expenses	<u>75</u>	<u>(2,587)</u>	<u>(9,163)</u>	<u>(10,063)</u>
Loss from operations	(440,639)	(9,217)	(502,530)	(13,339)
Finance costs	(3,657)	(2,614)	(12,773)	(5,396)
Share of results of an associate	(120,756)	(6,809)	(106,181)	36,727
Impairment loss on associate	(495,774)	0	(495,774)	0
Share of results of joint ventures	<u>(76,671)</u>	<u>(3,065)</u>	<u>(78,990)</u>	<u>341</u>
(Loss)/profit before taxation	(1,137,497)	(21,705)	(1,196,248)	18,333
Income tax expense	<u>(272)</u>	<u>(158)</u>	<u>(1,115)</u>	<u>(873)</u>
(Loss)/profit for the year	<u>(1,137,769)</u>	<u>(21,863)</u>	<u>(1,197,363)</u>	<u>17,460</u>
Attributable to:				
Equity holders of the parent	(1,119,085)	(21,782)	(1,177,153)	12,153
Non-controlling interests	<u>(18,684)</u>	<u>(81)</u>	<u>(20,210)</u>	<u>5,307</u>
	<u>(1,137,769)</u>	<u>(21,863)</u>	<u>(1,197,363)</u>	<u>17,460</u>
(Loss)/earnings per share attributable to equity holders of the parent (sen)				
- Basic	(111.91)	(2.18)	(117.72)	1.22

QUARTERLY REPORT

This is a quarterly report on consolidated results for the year ended 31 December 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-15 RM '000	PRECEDING YEAR QUARTER 31-Dec-14 RM '000	CURRENT YEAR TO DATE 31-Dec-15 RM '000	PRECEDING YEAR TO DATE 31-Dec-14 RM '000
(Loss)/profit for the year	(1,137,769)	(21,863)	(1,197,363)	17,460
Other comprehensive income/(loss):				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	(3,515)	176,074	429,594	117,937
Realisation of reserves on liquidation of subsidiaries	-	(443)	-	(443)
Net change in cash flow hedges:				
-Net unrealised loss	5,260	(31,611)	(78,581)	(31,611)
-Net realised loss reclassified to the income statement	1,904	29,051	76,365	29,051
Total comprehensive income/(loss) for the year	<u>(1,134,120)</u>	<u>151,208</u>	<u>(769,985)</u>	<u>132,394</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(1,115,821)	145,811	(762,806)	123,709
Non-controlling interests	<u>(18,299)</u>	<u>5,397</u>	<u>(7,179)</u>	<u>8,685</u>
	<u>(1,134,120)</u>	<u>151,208</u>	<u>(769,985)</u>	<u>132,394</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 31-Dec-15 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-14 RM '000
ASSETS		
Non-current assets		
Intangible assets	699	1,263
Property, plant and equipment	648,422	750,672
Associate	1,003,777	1,334,026
Joint ventures	159,907	204,376
	<u>1,812,805</u>	<u>2,290,337</u>
Current Assets		
Consumable stores	8,229	7,855
Receivables and other current assets	86,248	53,049
Derivative financial assets	-	2,948
Short term deposits	-	1,363
Cash and bank balances	140,496	150,097
	<u>234,973</u>	<u>215,312</u>
Non-current assets classified as held for sale	49,931	-
	<u>284,904</u>	<u>215,312</u>
TOTAL ASSETS	<u><u>2,097,709</u></u>	<u><u>2,505,649</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	250,000	250,000
Reserves	929,644	1,702,450
	<u>1,179,644</u>	<u>1,952,450</u>
Non-controlling interests	51,381	63,632
Total equity	<u>1,231,025</u>	<u>2,016,082</u>
Non-current liabilities		
Borrowings	383,055	347,403
Derivative financial liabilities	110,192	31,611
Deferred tax liabilities	73	165
Provision for onerous contracts	34,569	-
	<u>527,889</u>	<u>379,179</u>
Current liabilities		
Payables and other current liabilities	37,643	36,900
Borrowings	224,585	68,153
Provision for taxation	319	180
Provision for onerous contracts	76,248	5,155
	<u>338,795</u>	<u>110,388</u>
Total liabilities	<u>866,684</u>	<u>489,567</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,097,709</u></u>	<u><u>2,505,649</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to Equity Holders of the Parent							Non-controlling Interests	Total Equity	
	Non-distributable					Distributable				
	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
12 MONTHS ENDED 31 DECEMBER 2014										
At 1 January 2014	250,000	48,791	13,209	40,000	-	114,375	1,392,366	1,858,741	54,947	1,913,688
Total comprehensive income/(loss) for the year	-	-	-	-	(2,560)	114,116	12,153	123,709	8,685	132,394
Dividends paid	-	-	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Liquidation of subsidiaries	-	-	(6,132)	-	-	-	6,132	-	-	-
At 31 December 2014	250,000	48,791	7,077	40,000	(2,560)	228,491	1,380,651	1,952,450	63,632	2,016,082
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	-	-	-	-	(2,216)	416,563	(1,177,153)	(762,806)	(7,179)	(769,985)
Dividends paid	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Dividend paid to minority shareholder of a subsidiary	-	-	-	-	-	-	-	-	(5,072)	(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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	CUMULATIVE	
	CURRENT YEAR 31-Dec-15 RM '000	PRECEDING YEAR 31-Dec-14 RM '000
Cash Flow From Operating Activities		
(Loss)/profit before taxation	(1,196,248)	18,333
Adjustments for:		
Depreciation and amortisation	46,327	30,540
Gain on disposal of property, plant and equipment	(292)	(16,159)
Gain on disposal of investments	-	(1,493)
Unrealised foreign exchange loss/(gain)	592	(94)
Fair value gain on forward foreign exchange contracts	-	(2,805)
Writeback of provision for doubtful debts	-	(310)
Reversal of a liability	(5,040)	-
Net change in onerous contract provision	105,672	5,155
Interest income	(872)	(1,371)
Finance costs	12,773	5,396
Realisation of reserves on liquidation of subsidiaries	-	(443)
Loss arising from liquidation of a subsidiary	-	22
Impairment loss on vessels	295,172	-
Share of results of an associate	106,181	(36,727)
Impairment loss on associate	495,774	-
Share of results of joint ventures	78,990	(341)
Operating loss before working capital changes	(60,971)	(297)
Working capital changes:		
Consumable stores	2,586	2,425
Derivatives	2,910	(2,980)
Receivables and other current assets	6,230	(14,264)
Payables and other current liabilities	7,041	993
Cash used in operating activities	(42,204)	(14,123)
Tax paid	(1,033)	(853)
Net cash used in operating activities	(43,237)	(14,976)
Cash Flows From Investing Activities		
Acquisition of intangible assets	-	(28)
Construction cost and purchase of vessels	(96,258)	(238,734)
Purchase of new equipment and capitalisation of dry docking	(9,037)	(1,497)
Purchase of other fixed assets	(280)	(58)
Deposit paid for vessels	(33,680)	-
Dividend from an associate	15,614	-
Dividends from joint ventures	27,502	-
Interest received	872	1,371
Proceeds from disposal of property, plant and equipment	292	45,831
Proceeds from disposal of investment	-	109,994
Investment in an associate	-	(218,421)
(Loan to)/loan repayment from joint ventures	(17,824)	12,776
Advances (to)/from joint ventures	(881)	864
Net cash used in investing activities	(113,680)	(287,902)
Cash Flows From Financing Activities		
Drawdown of borrowings	171,074	541,696
Finance costs paid	(11,557)	(3,680)
Repayment of borrowings	(15,513)	(208,694)
Dividends paid to shareholders	(10,000)	(30,000)
Dividend paid to non-controlling interests	(5,072)	-
Net cash generated from financing activities	128,932	299,322
Net change in cash and cash equivalents	(27,985)	(3,556)
Effects of foreign exchange rate changes	17,021	9,659
Cash and cash equivalents at the beginning of the period	151,460	145,357
Cash and cash equivalents at the end of the period	140,496	151,460
Cash and cash equivalents comprise:		
Short term deposits	-	1,363
Cash and bank balances	140,496	150,097
	140,496	151,460

NOTES TO THE FINANCIAL REPORT

A1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost basis, except for investment securities and derivative financial instruments which are stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014.

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 2014, 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 2015. 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 2014 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 2015.

A8. SEGMENT REPORT

	Shipping Bulkers RM '000	Shipping Tankers RM '000	Ship brokerage & management RM '000	Investment holding & others RM '000	Elimination RM '000	Group RM '000
12 months ended 31 December 2015						
Revenue						
Group	176,685	57,707	8,554	-	(1,445)	241,501
Inter-segment	-	-	(1,445)	-	1,445	-
External revenue	<u>176,685</u>	<u>57,707</u>	<u>7,109</u>	<u>-</u>	<u>-</u>	<u>241,501</u>
TCE earnings	<u>105,705</u>	<u>48,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,833</u>
Segment results	(465,254)	8,512	2,473	(2,806)	-	(457,075)
Depreciation and amortisation	(33,022)	(12,297)	(449)	(559)	-	(46,327)
Interest income	457	-	23	392	-	872
Finance costs	(6,298)	(543)	(14)	(5,918)	-	(12,773)
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	<u>(583,107)</u>	<u>(4,328)</u>	<u>2,033</u>	<u>(610,846)</u>	<u>-</u>	<u>(1,196,248)</u>
12 months ended 31 December 2014						
Revenue						
Group	194,506	54,242	7,600	-	(624)	255,724
Inter-segment	-	-	(624)	-	624	-
External revenue	<u>194,506</u>	<u>54,242</u>	<u>6,976</u>	<u>-</u>	<u>-</u>	<u>255,724</u>
TCE earnings	<u>124,038</u>	<u>40,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,710</u>
Segment results	(12,364)	11,261	2,234	14,699	-	15,830
Depreciation and amortisation	(19,551)	(10,118)	(382)	(489)	-	(30,540)
Interest income	949	-	13	409	-	1,371
Finance costs	(2,019)	(484)	(10)	(2,883)	-	(5,396)
Share of results of an associate	-	-	-	36,727	-	36,727
Share of results of joint ventures	341	-	-	-	-	341
(Loss)/profit before tax	<u>(32,644)</u>	<u>659</u>	<u>1,855</u>	<u>48,463</u>	<u>-</u>	<u>18,333</u>

A9. VALUATION OF SHIPS, PROPERTY AND EQUIPMENT

The fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

A10. SUBSEQUENT MATERIAL EVENTS

On 19 January 2016, the Group signed a Memorandum of Agreement to dispose of a vessel to a third party.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

A wholly owned subsidiary, MBC Padu Sdn Bhd has commenced members' voluntary winding-up on 22 December 2015.

A12. CONTINGENT LIABILITIES

During the quarter, the Company has issued:

- (i) corporate guarantee of USD13,090,000 for the financing granted to a subsidiary; and
- (ii) letter of guarantee amounting to USD5,000,000 in favour of a charterer for the performance by its subsidiaries under the charter party.

B1. REVIEW OF PERFORMANCE

MBC Group posted its first ever annual loss of RM1,196.248 million in 2015, compared to a profit of RM18.333 million in 2014. Dry bulk segment's operating loss accounted for RM104.164 million.

The balance of the annual loss was due to impairment provisions as follows:-

- (i) Impairment loss on vessels (including JVs) (RM368.116 million)
- (ii) Impairment loss on investment in associate (RM495.774 million)
- (iii) Provision for onerous contracts (including JVs) (2015: RM110.827 million, 2014: RM7.368 million); and

negative contribution from associate, POSH (2015: a loss of RM106.181 million versus 2014's profit of RM36.727 million)

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

	Average TCE/day		Hire days	
	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
	USD	USD	Days	Days
Dry bulk	6,407	9,287	6,823	6,379
Tanker	13,675	12,585	965	1,015
Total fleet	7,308	9,740	7,788	7,394

The performance of the respective segments in 2015 as compared to last year is as follows:-

(1) Dry bulk segment

Dry bulk segment reported a loss of RM583.107 million in 2015, a decline of RM550.463 million compared to RM32.644 million a year ago mainly due to impairment loss on vessels, provision for onerous contracts, and the non-recurrence of last year's gain on disposal of vessel. Excluding these items, net loss was RM104.164 million in 2015 versus RM41.429 million in 2014 mostly due to lower charter rates earned and scheduled dockings for the vessels (which lost 183 revenue days and incurred docking costs).

In view of the continued deterioration in the dry bulk market, the Group wrote down the value of its vessels by RM368.116 million and provided RM110.827 million for estimated losses on its long term chartered-in vessels for the next 18 months.

(2) Tanker segment

Tanker segment posted a loss of RM4.328 million in 2015, compared with a profit of RM0.659 million in the previous year mostly due to scheduled dockings of the vessels. Tanker rates improved by 9% to USD13,675/day in 2015.

(3) Ship brokerage and management

Profit from this segment increased marginally by RM0.178 million due to lower operating expenses.

(4) Investment holding and others

POSH reported a loss of USD131.0 million in 2015, against a profit of USD53.2 million in 2014 mostly due to impairment loss on goodwill and vessels. Excluding impairments and one-off items, net profit was USD13.6 million in 2015 versus USD9.7 million in 2014.

Our share of POSH results was a loss of RM106.181 million in 2015, against a profit of RM36.727 million in 2014.

In view of the drastic drop in oil prices and the weak outlook of the offshore support service sector, the Group has completed an impairment test and has booked a USD115.6 million (RM495.774 million) write-down on the value of its investment in POSH.

All in, the attributable loss was RM1,177.153 million in 2015, compared with a gain of RM12.153 million last year.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Individual Quarter		
	Oct-Dec 15 RM'000	Jul-Sep 15 RM'000	Variance RM'000
Revenue	64,746	66,872	(2,126)
Voyage expenses	(28,494)	(16,875)	(11,619)
	36,252	49,997	(13,745)
Operating expenses	(74,279)	(64,127)	(10,152)
	(38,027)	(14,130)	(23,897)
Other operating income/(loss), net	(402,687)	(1,324)	(401,363)
Administrative expenses	75	(2,925)	3,000
Profit from operations	(440,639)	(18,379)	(422,260)
Finance costs	(3,657)	(3,365)	(292)
Share of results of an associate	(120,756)	9,909	(130,665)
Impairment loss on associate	(495,774)	0	(495,774)
Share of results of joint ventures	(76,671)	(2,494)	(74,177)
Profit before taxation	(1,137,497)	(14,329)	(1,123,168)
Income tax expense	(272)	(323)	51
Profit for the period	<u>(1,137,769)</u>	<u>(14,652)</u>	<u>(1,123,117)</u>
Attributable to:			
Equity holders of the parent	(1,119,085)	(14,194)	(1,104,891)
Non-controlling interests	(18,684)	(458)	(18,226)
	<u>(1,137,769)</u>	<u>(14,652)</u>	<u>(1,123,117)</u>

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

Operating loss increased by RM23.897 million to RM38.027 million in Q4 2015, from RM14.130 million in Q3 2015 mainly due to lower rates earned by dry bulk vessels and higher docking cost.

Net other operating loss of RM402.687 million mainly consists of onerous contracts provision and impairment loss on vessels. Administrative expenses declined by RM3.0 million due to an over-provision in previous quarters.

POSH recorded a net loss of USD149.7 million in Q4 2015 after writing down the value of goodwill and vessels by USD148.4 million. Excluding impairments, net loss was USD1.3 million in Q4 2015, compared with a profit of USD12.6 million in Q3 2015.

Our share of POSH results was a loss of RM120.756 million in Q4 2015, compared to a profit of RM9.909 million in Q3 2015.

The Group's attributable loss was RM1,119.085 million in Q4 2015, compared to RM14.194 million in the preceding quarter.

B3. PROSPECTS

The dry bulk market had a grim start in 2016 with the Baltic Dry Index sliding to new record lows. Year-to-date 2016 Panamax daily time charter average fell to USD2,811 from 2015's average of USD5,560, Supramax to USD3,479/day (2015: USD6,966) and Handysize USD3,255 (2015: USD5,381) (Source: Baltic Exchange as of 24 February 2016).

Dry bulk trade was static in 2015 largely due to slower Chinese economic growth. Looking forward, China's seaborne coal imports are expected to decline further in 2016. The increase in demolition activity, reduced drybulk deliveries and increasing lay-ups should help to reduce tonnage overcapacity.

2016 is expected to be yet another challenging year for dry bulk shipping.

B4. VARIANCE OF PROFIT FORECAST AND PROFIT GUARANTEE

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

B5. TAXATION

	Current quarter RM'000	Current financial year-to-date RM'000
Income tax charge		
-current period	279	1,110
-prior year	(7)	5
	<u>272</u>	<u>1,115</u>

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

B6. RETAINED PROFITS

	Group	
	As at 31-Dec-15 RM'000	As at 31-Dec-14 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	872,589	1,138,355
- Unrealised	(105,152)	(2,091)
Less: Effects of adoption of MFRS 1*	<u>(103,414)</u>	<u>(103,414)</u>
	664,023	1,032,850
Total share of retained profits from an associate:		
- Realised	76,706	198,694
- Unrealised	165	(28)
Less: Effects of adoption of MFRS 1*	<u>(115,434)</u>	<u>(115,434)</u>
	(38,563)	83,232
Total share of retained profits from joint ventures		
- Realised	(13,920)	94,757
- Unrealised	(21)	(2,206)
Less: Effects of adoption of MFRS 1*	<u>(11,469)</u>	<u>(11,469)</u>
	(25,410)	81,082
Add: Consolidation adjustments	(406,552)	183,487
Total Group retained profits as per consolidated accounts	<u>193,498</u>	<u>1,380,651</u>

* 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	225	872
Finance costs	(3,657)	(12,773)
Depreciation and amortisation	(13,576)	(46,327)
Impairment loss on vessels	(295,172)	(295,172)
Impairment loss on associate	(495,774)	(495,774)
Net change in onerous contract provision	(105,077)	(105,672)
Unrealised exchange loss	(95)	(592)

B8. STATUS OF CORPORATE PROPOSALS

There were no other outstanding corporate proposals submitted by the Group as at 31 December 2015

B9. BORROWINGS

The Group borrowings as at 31 December 2015 are as follows:

Currency	Current RM '000	Non-current RM '000
USD	224,585	86,570
RM	-	296,485
	<u>224,585</u>	<u>383,055</u>

B10. MATERIAL LITIGATION

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group.

B11. DIVIDENDS

The Directors do not recommend any dividend for the current quarter ended 31 December 2015.

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.

	CURRENT YEAR QUARTER 31-Dec-15	PRECEDING YEAR QUARTER 31-Dec-14	CURRENT YEAR TO DATE 31-Dec-15	PRECEDING YEAR TO DATE 31-Dec-14
(Loss)/profit attributable to equity holders of the parent (RM'000)	(1,119,085)	(21,782)	(1,177,153)	12,153
Number of ordinary shares in issue('000)	1,000,000	1,000,000	1,000,000	1,000,000
(Loss)/earnings per share attributable to equity holders of the parent (sen)	<u>(111.91)</u>	<u>(2.18)</u>	<u>(117.72)</u>	<u>1.22</u>

B13. COMMITMENTS

Commitments as at 31 December 2015 are as follows:

(i) Capital commitments	RM'000 410,345
(ii) Non-cancellable charter-in commitments	
Due within 1 year	112,103
Due later than 1 year and not later than 5 years	449,441
Due later than 5 years	91,702
	<u>1,063,591</u>