

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-16 RM '000	PRECEDING YEAR QUARTER 31-Dec-15 RM '000	CURRENT YEAR TO DATE 31-Dec-16 RM '000	PRECEDING YEAR TO DATE 31-Dec-15 RM '000
Revenue	64,156	64,746	225,505	241,501
Voyage expenses	<u>(18,079)</u>	<u>(23,339)</u>	<u>(59,782)</u>	<u>(80,559)</u>
Operating expenses	<u>46,077</u> <u>(47,385)</u>	<u>41,407</u> <u>(79,434)</u>	<u>165,723</u> <u>(217,790)</u>	<u>160,942</u> <u>(261,088)</u>
Net change in onerous contracts provision	(1,308)	(38,027)	(52,067)	(100,146)
Impairment loss on vessels	<u>0</u> <u>(50,347)</u>	<u>(108,018)</u> <u>(295,172)</u>	<u>0</u> <u>(50,457)</u>	<u>(105,672)</u> <u>(295,172)</u>
Other operating income, net	(51,655)	(441,217)	(102,524)	(500,990)
Administrative expenses	<u>622</u> <u>(2,593)</u>	<u>503</u> <u>75</u>	<u>255</u> <u>(9,394)</u>	<u>7,623</u> <u>(9,163)</u>
Finance costs	(53,626)	(440,639)	(111,663)	(502,530)
Share of results of an associate	(4,316)	(3,657)	(16,104)	(12,773)
Impairment loss on associate	(302,399)	(120,756)	(325,070)	(106,181)
Share of results of joint ventures	<u>(39,304)</u> <u>(540)</u>	<u>(495,774)</u> <u>(76,671)</u>	<u>(39,304)</u> <u>(4,157)</u>	<u>(495,774)</u> <u>(78,990)</u>
Loss before taxation	(400,185)	(1,137,497)	(496,298)	(1,196,248)
Income tax expense	<u>(237)</u>	<u>(272)</u>	<u>(822)</u>	<u>(1,115)</u>
Loss for the year	<u>(400,422)</u>	<u>(1,137,769)</u>	<u>(497,120)</u>	<u>(1,197,363)</u>
Attributable to:				
Equity holders of the parent	(396,086)	(1,119,085)	(491,306)	(1,177,153)
Non-controlling interests	<u>(4,336)</u>	<u>(18,684)</u>	<u>(5,814)</u>	<u>(20,210)</u>
	<u>(400,422)</u>	<u>(1,137,769)</u>	<u>(497,120)</u>	<u>(1,197,363)</u>
(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		CUMULATIVE	
	CURRENT YEAR QUARTER 31-Dec-16 RM '000	PRECEDING YEAR QUARTER 31-Dec-15 RM '000	CURRENT YEAR TO DATE 31-Dec-16 RM '000	PRECEDING YEAR TO DATE 31-Dec-15 RM '000
Loss for the year	(400,422)	(1,137,769)	(497,120)	(1,197,363)
Other comprehensive income/(loss):				
<u>Items that will be reclassified to profit or loss</u>				
Currency translation differences	75,411	(3,515)	12,741	429,594
Net change in cash flow hedges:				
-Net unrealised profit/(loss)	(32,863)	5,260	(17,395)	(78,581)
-Net realised (profit)/loss reclassified 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	<u>(312,540)</u>	<u>(1,134,120)</u>	<u>(477,998)</u>	<u>(769,985)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(310,475)	(1,115,821)	(470,751)	(762,806)
Non-controlling interests	<u>(2,065)</u>	<u>(18,299)</u>	<u>(7,247)</u>	<u>(7,179)</u>
	<u>(312,540)</u>	<u>(1,134,120)</u>	<u>(477,998)</u>	<u>(769,985)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	UNAUDITED	AUDITED
	AS AT END OF CURRENT QUARTER 31-Dec-16 RM '000	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-15 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	151,177	159,907
	<u>1,377,387</u>	<u>1,812,805</u>
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
	<u>129,822</u>	<u>234,973</u>
Non-current assets classified as held for sale	71,907	49,931
	<u>201,729</u>	<u>284,904</u>
TOTAL ASSETS	<u><u>1,579,116</u></u>	<u><u>2,097,709</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	250,000	250,000
Reserves	458,893	929,644
	<u>708,893</u>	<u>1,179,644</u>
Non-controlling interests	20,867	51,381
Total equity	<u>729,760</u>	<u>1,231,025</u>
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	-
	<u>642,926</u>	<u>527,889</u>
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
	<u>206,430</u>	<u>338,795</u>
Total liabilities	<u>849,356</u>	<u>866,684</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,579,116</u></u>	<u><u>2,097,709</u></u>

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

	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	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	-	-	-	-	(2,216)	416,563	(1,177,153)	(762,806)	(7,179)	(769,985)		
Dividends paid	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)		
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(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		
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	-	-	-	-	6,381	14,174	(491,306)	(470,751)	(7,247)	(477,998)		
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	(16,985)	(16,985)		
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(6,282)	(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		

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

	CUMULATIVE	
	CURRENT YEAR 31-Dec-16 RM '000	PRECEDING YEAR 31-Dec-15 RM '000
Cash Flow From Operating Activities		
Loss before taxation	(496,298)	(1,196,248)
Adjustments for:		
Depreciation and amortisation	29,000	46,327
Loss/(gain) on disposal of property, plant and equipment	1,258	(292)
Provision for doubtful debts	921	-
Unrealised foreign exchange (gain)/loss	187	592
Reversal of a liability	-	(5,040)
Net change in onerous contracts provision	-	105,672
Interest income	(1,066)	(872)
Finance costs	16,104	12,773
Impairment loss on vessels	50,457	295,172
Share of results of an associate	325,070	106,181
Impairment loss on associate	39,304	495,774
Share of results of joint ventures	4,157	78,990
Operating loss before working capital changes	<u>(30,906)</u>	<u>(60,971)</u>
Working capital changes:		
Consumable stores	(3,510)	2,586
Receivables and other current assets	(3,144)	6,230
Payables and other current liabilities	18,620	7,041
Derivatives	-	2,910
Cash used in operating activities	<u>(18,940)</u>	<u>(42,204)</u>
Tax paid	<u>(1,027)</u>	<u>(1,033)</u>
Net cash used in operating activities	<u>(19,967)</u>	<u>(43,237)</u>
Cash Flows From Investing Activities		
Construction cost and purchase of vessels	(67,934)	(96,258)
Purchase of new equipment and capitalisation of dry docking	(100)	(9,037)
Purchase of other assets	(824)	(280)
Deposit paid for vessels	(14,440)	(33,680)
Dividend from an associate	5,589	15,614
Dividends from joint ventures	10,265	27,502
Interest received	1,066	872
Proceeds from disposal of property, plant and equipment	122,222	292
Loan to a joint venture	-	(17,824)
Advances to joint ventures	-	(881)
Net cash generated from/(used in) investing activities	<u>55,844</u>	<u>(113,680)</u>
Cash Flows From Financing Activities		
Drawdown of borrowings	92,571	171,074
Finance costs paid	(15,009)	(11,557)
Repayment of borrowings	(160,746)	(15,513)
Dividends paid to shareholders	-	(10,000)
Capital repayment to non-controlling interests	(16,985)	-
Dividend paid to non-controlling interests	(6,282)	(5,072)
Net cash (used in)/generated from financing activities	<u>(106,451)</u>	<u>128,932</u>
Net change in cash and cash equivalents	(70,574)	(27,985)
Effects of foreign exchange rate changes	(281)	17,021
Cash and cash equivalents at the beginning of the year	140,496	151,460
Cash and cash equivalents at the end of the year	<u>69,641</u>	<u>140,496</u>
Cash and cash equivalents comprise:		
Short term deposits	500	-
Cash and bank balances	69,141	140,496
	<u>69,641</u>	<u>140,496</u>

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 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.

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
<u>12 months ended 31 December 2016</u>						
Revenue						
Group	168,227	50,696	7,871	-	(1,289)	225,505
Inter-segment	-	-	(1,289)	-	1,289	-
External revenue	<u>168,227</u>	<u>50,696</u>	<u>6,582</u>	<u>-</u>	<u>-</u>	<u>225,505</u>
TCE earnings	<u>116,239</u>	<u>42,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,141</u>
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	<u>(107,727)</u>	<u>(16,842)</u>	<u>949</u>	<u>(372,678)</u>	<u>-</u>	<u>(496,298)</u>
<u>12 months ended 31 December 2015</u>						
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	(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	-	-	-	-	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	<u>(583,107)</u>	<u>(4,328)</u>	<u>2,033</u>	<u>(610,846)</u>	<u>-</u>	<u>(1,196,248)</u>

A9. VALUATION OF SHIPS, PROPERTY AND EQUIPMENT

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

A10. SIGNIFICANT 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.

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

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 assets.

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.

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)
	<u>237</u>	<u>822</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-16 RM'000	As at 31-Dec-15 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)
	<u>(574,242)</u>	<u>664,023</u>
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)
	<u>(369,223)</u>	<u>(38,563)</u>
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)
	<u>(39,832)</u>	<u>(25,410)</u>
Add: Consolidation adjustments	685,489	(406,552)
Total Group retained profits as per consolidated accounts	<u>(297,808)</u>	<u>193,498</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	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

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.

	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
Loss attributable to equity holders 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)

B13. COMMITMENTS

Commitments 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	117,200
Due later than 1 year and not later than 5 years	380,354
Due later than 5 years	41,831
	539,385
(iii) Vessel operating lease commitments - as lessor	
Due within 1 year	
- the Group	27,539
- Share of joint ventures' commitments	8,153
Due later than 1 year and not later than 5 years	
- the Group	25,553
	61,245