GMV
Global Maritime Ventures

ANNUAL REPORT
2015

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VISION

"To be a premier venture capital provider in leading the development of high quality and competitive maritime transportation services, while ensuring value creation for our stakeholders".

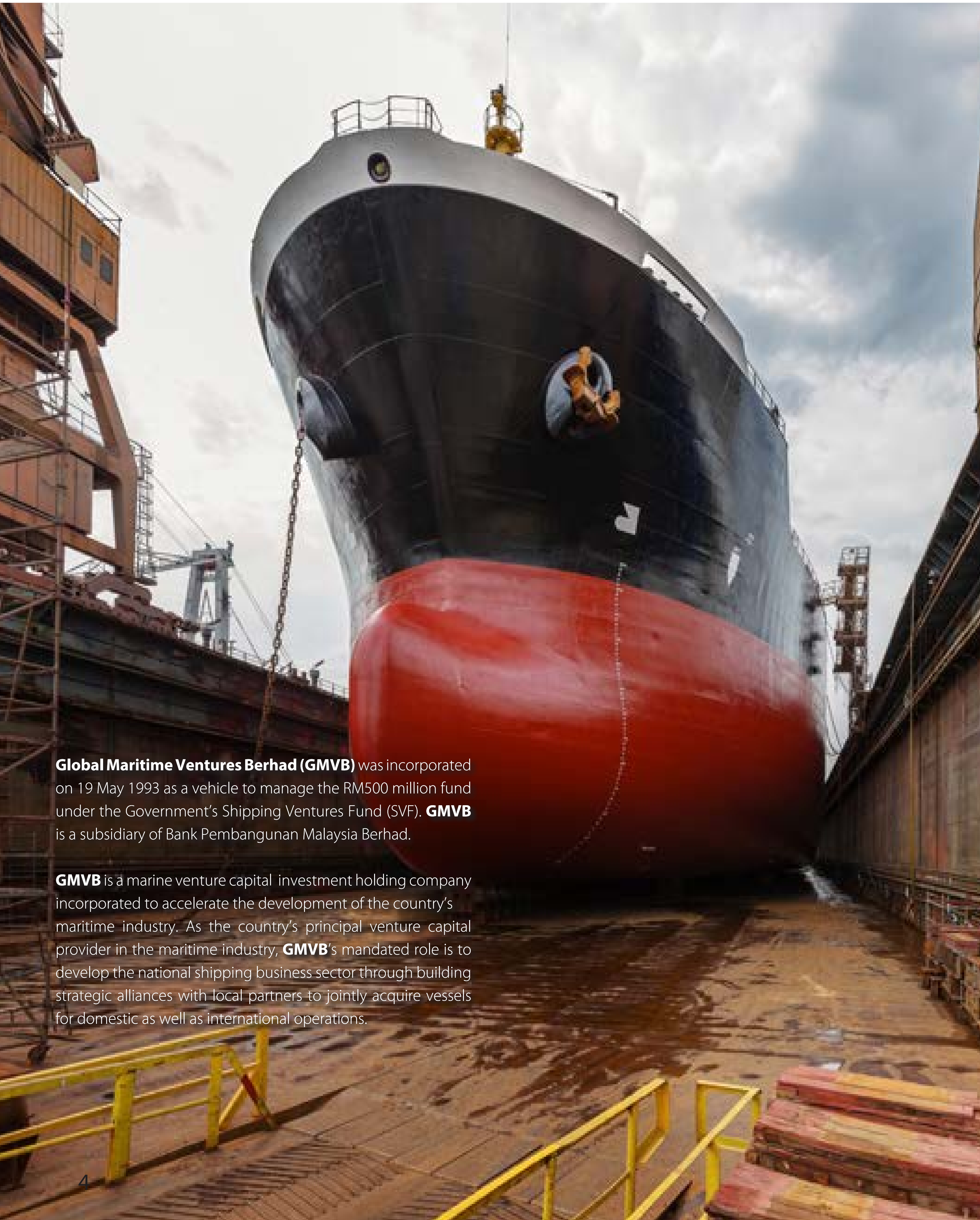
MISSION

"To be a catalyst in spearheading the physical and economic development of Malaysian maritime transportation services through joint ventures, in a professional, fair, efficient and transparent manner for all the stakeholders".

PRINCIPAL ACTIVITY

Marine venture capital investment holding.

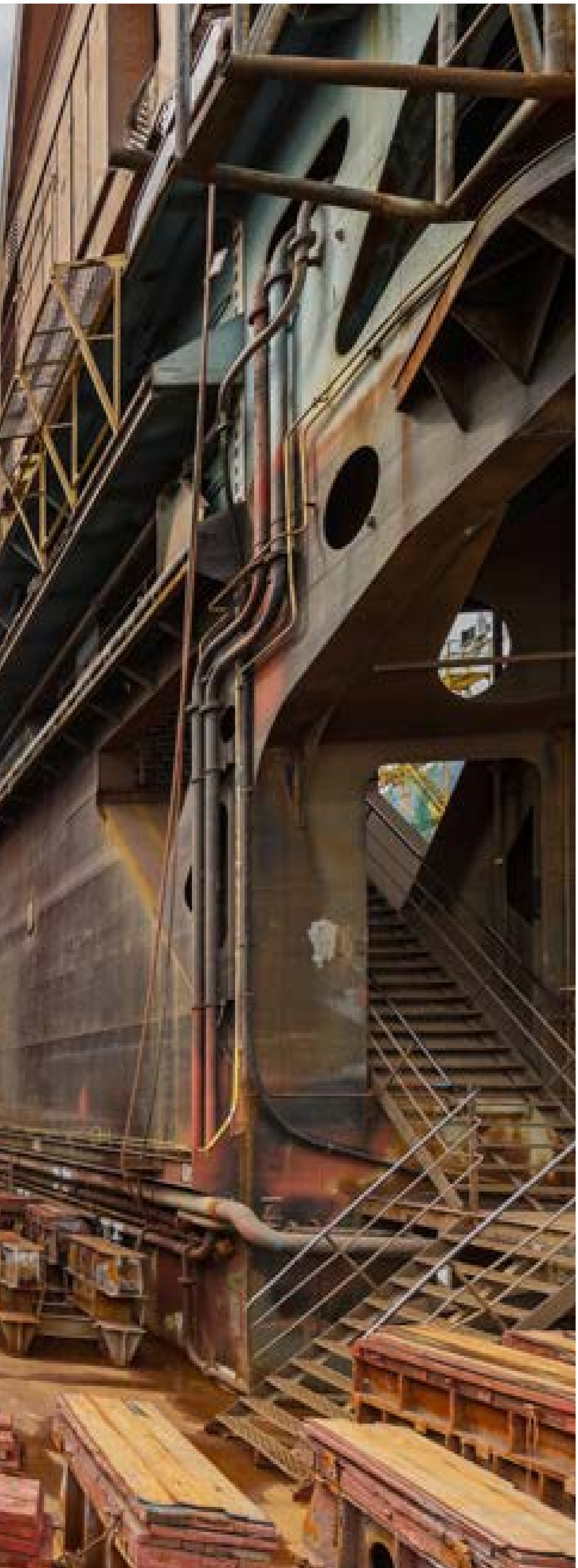
BUSINESS
PROFILE



Global Maritime Ventures Berhad (GMVB) was incorporated on 19 May 1993 as a vehicle to manage the RM500 million fund under the Government's Shipping Ventures Fund (SVF). **GMVB** is a subsidiary of Bank Pembangunan Malaysia Berhad.

GMVB is a marine venture capital investment holding company incorporated to accelerate the development of the country's maritime industry. As the country's principal venture capital provider in the maritime industry, **GMVB**'s mandated role is to develop the national shipping business sector through building strategic alliances with local partners to jointly acquire vessels for domestic as well as international operations.

CORPORATE
PROFILE



BOARD OF DIRECTORS

YM Raja Datuk Zaharaton binti Raja Zainal Abidin
Non-Executive Chairman

Mohammed Rafidz bin Ahmed Rasiddi
President/Group Managing Director
(appointed w.e.f 29 July 2015)

Dato' Ir Abdul Rahim bin Abu Bakar
Independent Non-Executive Director
(resigned w.e.f 3 June 2016)

Taufiq Ahmad @ Ahmad Mustapha bin Ghazali
Independent Non-Executive Director
(resigned w.e.f 27 June 2016)

Datin Rashidah binti Mohd Sies
Non-Independent Non-Executive Director

Rosli bin Abdullah
Non-Independent Non-Executive Director
(resigned w.e.f 8 March 2016)

Dato' Capt. Haji Ahmad bin Othman
Non-Independent Non-Executive Director
(appointed w.e.f 30 July 2015)

Datuk Wan Azhar Wan Ahmad
Non-Independent Non-Executive Director
(appointed w.e.f 21 April 2016)

COMPANY SECRETARY
Razali Hassan
(LS 05531)

AUDITORS
Ernst & Young (AF:0039)

REGISTERED OFFICE
Aras 16, Menara Bank Pembangunan
Bandar Wawasan
No. 1016, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

PRINCIPAL PLACE OF BUSINESS
Level 15, Menara Bank Pembangunan
Bandar Wawasan
No. 1016, Jalan Sultan Ismail
50250 Kuala Lumpur

BANKER
CIMB Bank Berhad

WEBSITE
www.gmv.com.my

NOTICE IS HEREBY GIVEN THAT the Twenty Third Annual General Meeting of **Global Maritime Ventures Berhad** will be held at Dewan Utama, Level 6, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 27 June 2016 at 11:30 a.m. for the following purposes: -

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. **Resolution 1**

2. Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali who retires in accordance with Article 63 of the Company's Articles of Association has given notice that he will not be seeking re-election. Hence, he will retain office until the close of the Twenty Third Annual General Meeting.

3. To re-elect the following Directors retiring pursuant to Article 68 of the Articles of Association of the Company and being eligible have offered themselves for re-election: -

   (i) Encik Mohammed Rafidz bin Ahmed Rasiddi; **Resolution 2**

   (ii) YBhg. Dato' Capt. Haji Ahmad bin Othman; and **Resolution 3**

   (iii) YBhg. Datuk Wan Azhar bin Wan Ahmad. **Resolution 4**

4. To approve Directors' fees for the year ended 31 December 2015. **Resolution 5**

5. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorize the Board of Directors to fix their remuneration. **Resolution 6**

6. To transact any other business for which due notice has have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

By Order of the Board,

Razali Hassan (LS 05531)
Company Secretary

Kuala Lumpur
3 June 2016

Fleet Tonnage

As at 31 December 2015

NO.	NAME OF VESSEL	VESSEL TYPE	YEAR BUILT	GRT	BHP
CORPORATE INVESTMENT IN SYARIKAT BORCOS SHIPPING SDN. BHD. (100%)					
1.	MV Borcos Firdaus 1	Super Fast Crew Boat	2005	238	4,500
2.	MV Borcos Firdaus 2	Super Fast Crew Boat	2005	238	4,500
3.	MV Borcos Firdaus 3	Super Fast Crew Boat	2007	238	4,500
4.	MV Borcos Firdaus 4	Super Fast Crew Boat	2006	238	4,500
5.	MV Borcos Firdaus 5	Super Fast Crew Boat	2007	238	4,500
6.	MV Borcos Firdaus 6	Super Fast Crew Boat	2007	238	4,500
7.	MV Borcos Firdaus 7	Super Fast Crew Boat	2008	238	4,500
8.	MV Borcos Firdaus 8	Super Fast Crew Boat	2008	238	4,500
9.	MV Borcos Firdaus 9	Super Fast Crew Boat	2008	238	4,500
10.	MV Borcos Firdaus 10	Super Fast Crew Boat	2012	238	4,500
11.	MV Borcos Firdaus 11	Super Fast Crew Boat	2012	238	4,500
12.	MV Borcos Tasneem 3	Anchor Handling Tug & Supply	2007	1,419	5,444
13.	MV Borcos Tasneem 4	Anchor Handling Tug & Supply	2007	1,706	5,220
14.	MV Borcos Tasneem 5	Anchor Handling Tug & Supply	2007	1,706	5,220
15.	MV Borcos Tasneem 6	Anchor Handling Tug & Supply	2009	1,695	5,444
16.	MV Borcos Tasneem 7	Anchor Handling Tug & Supply	2009	1,695	5,444
17.	MV Borcos Tasneem 8	Anchor Handling Tug & Supply	2009	1,709	5,444
18.	MV Borcos Tasneem 9	Anchor Handling Tug & Supply	2009	1,709	5,444
19.	MV Borcos Thahirah 1	Anchor Handling Tug & Supply	2011	3,511	12,060
20.	MV Borcos Thahirah 2	Anchor Handling Tug & Supply	2012	3,511	12,060
21.	MV Borcos Sabhan 1	Safety Standby Vessel	2004	219	1,440
22.	MV Borcos Sabhan 2	Safety Standby Vessel	2004	219	1,440
23.	MV Borcos Sabhan 3	Safety Standby Vessel	2004	219	1,440
24.	MV Borcos Sabhan 4	Safety Standby Vessel	2004	379	2,000

NO.	NAME OF VESSEL	VESSEL TYPE	EQUITY	YEAR BUILT	DWT	BHP
JV WITH ALAM MARITIM (M) SDN. BHD.						
25.	MV Setia Tangkas	Anchor Handling Tug & Supply	40%	2007	1,204	5,150
26.	MV Setia Unggul	Anchor Handling Tug & Supply	40%	2007	1,204	5,150
27.	MV Setia Sakti	Support Maintenance Vessel	40%	2008	2,200	5,150
JV WITH GAGASAN CARRIERS SDN. BHD.						
28.	MT Gagasan Pahang	Product Tanker	60%	2010	7,000	N/A
29.	MT Gagasan Kedah	Product Tanker	60%	2011	7,000	N/A

BOARD OF DIRECTORS'
PROFILE

YM RAJA DATUK ZAHARATON BINTI RAJA ZAINAL ABIDIN
INDEPENDENT NON-EXECUTIVE CHAIRMAN

YM Raja Datuk Zaharaton binti Raja Zainal Abidin was appointed as Chairman of GMVB on 24 June 2014. She has served the Government of Malaysia in various capacities from 1971 to 2005. Principally, her main task has been in policy analysis and financial evaluation. Her last post in the Government was the Director General of Economic Planning Unit.

Upon retirement, the Government of Malaysia appointed her as Chairman of Technology Park Malaysia Corporation Sdn Bhd from January 2006 to December 2008. Thereafter she was appointed by the Government as Chairman of Ninebio Sdn Bhd from January 2009 for a two year period. She also currently sits on the boards of Primeworks Studios Sdn Bhd, Big Tree Outdoor Sdn Bhd, Kumpulan RZA Sdn Bhd, Astra Capital Sdn Bhd, Areca Capital Sdn Bhd, Media Prima Berhad and Taliworks Corporation Berhad. She is also the Chairman of the Investment Committee of GMVB.

TAUFIQ AHMAD @ AHMAD MUSTAPHA BIN GHAZALI
INDEPENDENT NON-EXECUTIVE DIRECTOR

Encik Taufiq Ahmad @ Ahmad Mustapha bin Ghazali was appointed as an Independent Non-Executive Director of GMVB on 1 September 2010. He is a member of the Malaysian Institute of Accountants, a fellow of the Association of Chartered Certified Accountants (UK), an associate of the Institute of Chartered Accountants (England and Wales) and a member of the Malaysian Institute of Certified Public Accountants. He holds a Masters in Business Administration (MBA) from the University of Leicester, England and MSc. in International Business Administration from School of African and Oriental Studies, University of London, England.

He was previously attached to an international accounting firm as a partner and has more than 30 years' experience in statutory audits, financial accounting and corporate finance.

He is the Chairman of Prolexus Berhad and currently sits on the Board of Malaysia Packaging Industry Berhad, Tambun Indah Land Berhad and several other private limited companies. He is also the Chairman of the Audit & Risk Management Committee and a Member of the Nominating & Remuneration Committee of GMVB.

BOARD OF DIRECTORS'
PROFILE

DATIN RASHIDAH BINTI MOHD SIES

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Datin Rashidah binti Mohd Sies was appointed as a Director on 17 November 2014. She holds a Bachelor in Business Administration (Finance) from Idaho State University, USA and holds a Master of Business Administration (MBA) from the US International University, USA.

She began her career in 1989 with the Ministry of Finance (MOF) as an Assistant Secretary in the Finance Division. During her tenure in MOF, she held several positions and currently serves as Head of Unit, Commercial Sector, Government Investment Companies Division, MOF.

She currently sits on the Board of Bank Pertanian Malaysia Berhad (Agro Bank). She is also a Member of the Investment Committee and Nominating & Remuneration Committee of GMVB.

MOHAMMED RAFIDZ BIN AHMED RASIDDI

PRESIDENT/GROUP MANAGING DIRECTOR
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Encik Mohammed Rafidz bin Ahmed Rasiddi, was appointed as Non-Independent Non-Executive Director of GMVB on 29 July 2015. Mohammed Rafidz holds a Bachelor of Science in Economics from the City University London and Master of Business Administration from Manchester Business School, Manchester.

Prior to joining BPMB, he was the CEO of Alliance Investment Bank and Deputy CEO and Head of Corporate Investment Banking at MIDF Amanah Investment Bank. Mohammed Rafidz has over 25 years of experience in financial services and capital markets industry where he has held senior and leadership positions in well-established and leading financial institution in Malaysia.

He also sits on the Board of Pembangunan Leasing Corporation Sdn Bhd, PLC Credit & Factoring Sdn Bhd, BI Credit & Leasing Berhad, Syarikat Borcos Shipping Sdn Bhd and SME Growth Acceleration Fund Sdn Bhd.

BOARD OF DIRECTORS'

PROFILE

DATO' CAPT. HAJI AHMAD BIN OTHMAN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Capt. Haji Ahmad bin Othman was appointed as Non-Independent Non-Executive Director of GMVB on 30 July 2015. He holds a Certificate of Competency, Deck Officer Class 1 (Master Mariner), UK (1982) and Ordinary National Certificate in Nautical Science from Riversdale College, Liverpool, UK (1975).

He began his career as a Mariner at Blue Funnel Line in Liverpool (later known as Ocean Fleets Ltd) and later served with Straits Steamship of Singapore. He joined Marine Department Peninsular Malaysia (now known as 'Marine Department Malaysia') in 1983 and served the Marine Department for 30 years in various capacities. During his career with the Marine Department, he was also the Chairman of Light Dues Board Peninsular Malaysia and Central Mercantile Marine Fund from 2006 until 2014. He retired in October 2014 as the Director General of the Marine Department Malaysia.

He currently sits on the Board of Bank Pembangunan Malaysia Berhad, Syarikat Borcos Shipping Sdn Bhd and GMV-Borcos Sdn Bhd. He is also a Member of the Audit & Risk Management Committee, Nominating & Remuneration Committee and Investment Committee of GMVB.

DATUK WAN AZHAR BIN WAN AHMAD

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Datuk Wan Azhar bin Wan Ahmad, was appointed to the Board of GMVB on 21 April 2016. He holds a Master in Business Administration (International Business) from the National University of San Diego CA, USA (1985) and obtained his Bachelor in Business Administration (Finance) from the University of Pacific, Stockton CA, USA (1983).

Datuk Wan Azhar started his career with Hong Leong Bank Berhad in 1985. He joined Credit Guarantee Corporation Malaysia Berhad (CGC) as a Manager following his appointment by Bank Negara Malaysia (BNM) in 1993. In 1995, he was promoted to Assistant General Manager and subsequently to GM/Chief Executive Officer (CEO) in 1997. He was later appointed to the Board of Directors of CGC as the Managing Director in 2000. He retired as CGC President & CEO in 2014.

He was directly involved in the transformation of CGC from a traditional credit guarantee provider into a market-driven and financially sustainable SME – support institution, and was also instrumental in the setting up of Credit Bureau Malaysia (CBM) where he was appointed as Non-Executive Chairman for 6 years.

He currently sits on the Board of Bank Pembangunan Malaysia Berhad, Pembangunan Leasing Corporation Sdn Bhd, PLC Credit & Factoring Sdn Bhd, BI Credit & Leasing Berhad, Bina Darulaman Berhad, Alliance Bank Malaysia Berhad, NAMA Foundation, SME Growth Acceleration Fund Sdn Bhd and also the Chairman of BNM's Small Debt Resolution Committee (SDRC).

CHAIRMAN'S
STATEMENT

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of Global Maritime Ventures Berhad (GMVB) for the year ended 31 December 2015.

Malaysia's shipping industry did not fare well in the midst of the global economic slowdown in 2015. The slowdown in emerging markets and prolonged decline in commodity prices has had a huge impact on the global economy resulting in the slowing of international trade. As a result, the shipping industry has been faced with unstable demand leading to overcapacity, which is hampering its recovery and causing fluctuating freight rates. The Baltic Dry Index, being an indicator of demand in the global economy - as it measures changes in the cost of transporting raw materials - recorded a new all-time low in November 2015 when it hit 498 points from 1,385 points in December 2014.

The promising prospects for growth in the beginning of 2015 was not realised as the year ended with the global GDP growth lower than in the previous five years. Many national economies are still reeling from the global economic crisis of 2008-2009, which continues to have a cascading impact on growth levels post-recession. The disappointing global performance is also primarily attributed to the deceleration of emerging economies that have buckled under the pressure of weakening commodity prices and the slowdown of international trade. In particular, China's slower growth will substantially affect the shipping industry as the country is a crucial player in global trade, making up two thirds of global iron ore imports and 20 percent of global coal imports.

By and large, shipping companies are expected to adopt cost cutting measures aided by lower bunker prices, idling and the cancellation of sailings to ensure profitability. Despite the plummeting freight rates, large shipyards in Asia are expected to weather the challenging economic climate, but smaller shipyards that specialize in dry bulk and offshore vessels are struggling to survive.

YM RAJA DATUK ZAHARATON BINTI RAJA ZAINAL ABIDIN
CHAIRMAN

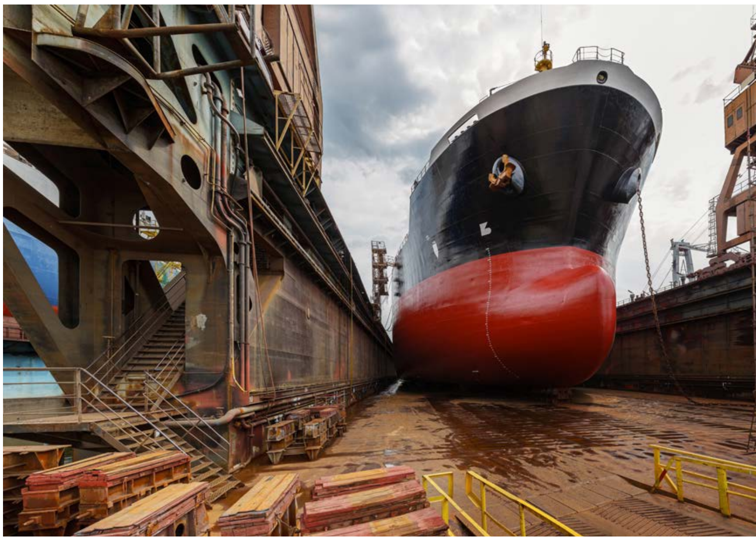
Malaysia's shipping industry did not fare well in the midst of the global economic slowdown in 2015. The slowdown in emerging markets and prolonged decline in commodity prices has had a huge impact on the global economy resulting in the slowing of international trade.

ECONOMIC HIGHLIGHTS FOR 2015

The world economy has also been severely impacted by the drastic dip in oil prices, with the price of crude oil declining from $146 per barrel in June 2008 to $46 per barrel in October 2015. Oil and gas constituted 20 percent of the Malaysian government's total revenue in 2015 and falling prices have affected the country's fiscal and current account balances. As one of the country's major exports, the low prices of liquefied natural gas (LNG) contributed to the slower economic growth. Furthermore, the local currency suffered sharp depreciation in 2015 as a result of capital outflows and fiscal challenges. The weakening of the ringgit against the US dollar affects the cost of exporting and importing goods. As the shipping industry is closely intertwined with international trade, it is susceptible to downturns in supporting sectors such as commodities and the currently challenging market conditions.

Malaysia's growing reliance on the shipping industry to facilitate its trade emphasises the industry's importance to the growth of the nation's economy. In the first half of 2016, Malaysia recorded a total of RM704 billion in trade, a 1.3% increase from RM694.98 billion from the corresponding period in 2015. The country's exports also rose to a total value of RM372.9 billion while imports were recorded at RM331.11 billion, resulting in a trade surplus of RM41.79 billion for the first half of 2016.

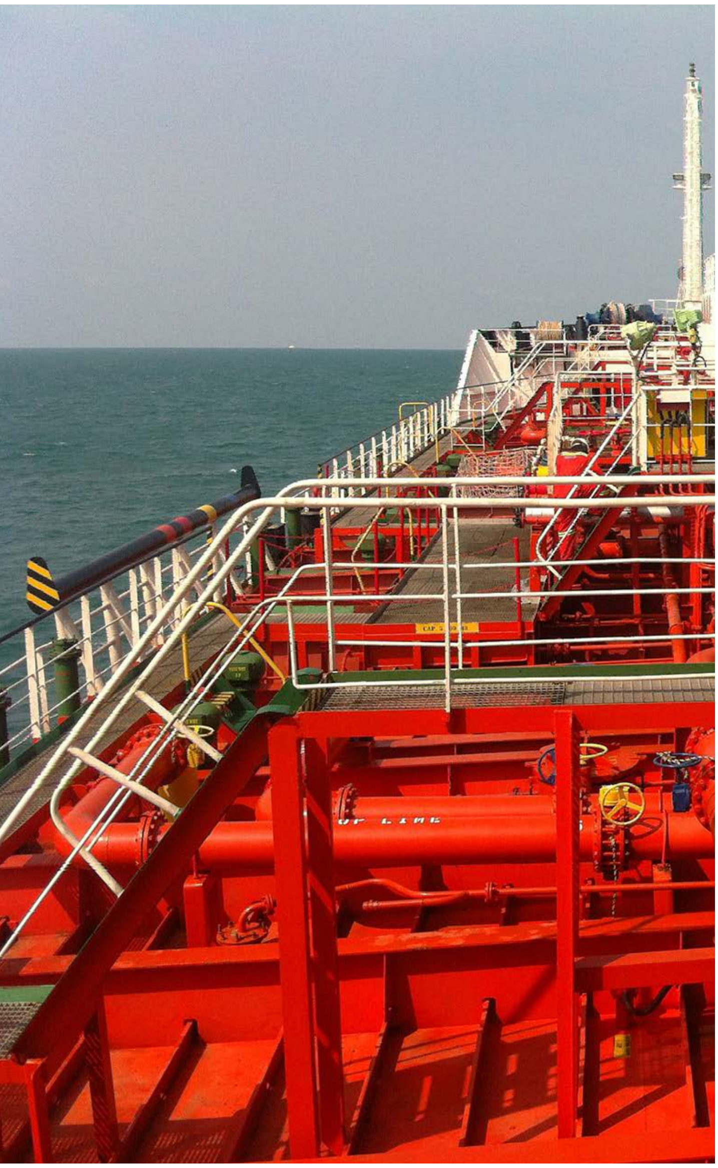
As for GMVB, in order to ensure prudent cost management and operational efficiency, we have taken steps to scale down fleet operations. Our vessels, especially those under Syarikat Borcos Shipping Sdn Bhd (Borcos), have been forced to lay idle or put under cold laid-up mode. The depressed market conditions have resulted in a substantial drop in our revenue over FY2014 and FY2015, which has severely impacted the investees' working capital position and their ability to service their liabilities. It has also taken a toll on GMVB's revenue stream, as a majority of the Group's vessels do not have long term charter contracts and are dependent on the spot market charter.



CHAIRMAN'S
STATEMENT

GMVB FINANCIALS

GMVB felt the brunt of these developments as reflected in our performance last year. For the financial year ended 31 December 2015, GMVB Group recorded a net loss of RM328.90 million, on the back of RM90.58 million in revenue, compared to RM303.86 million in net loss from RM273.12 million in revenue in 2014. The decline in Group revenue is mainly due to non-renewal of charter hire contracts and exclusion of 2015 charter hire income from Orkim Sdn Bhd, which was disposed at the end of 2014. Moreover, GMVB Group recognized RM195.86 million in impairment of vessels at Borcos. We view this as a prudent measure given the underutilization of our vessels and the slow market. It should be noted that there is no disposal of a subsidiary in 2015 as compared to 2014, which had registered a gain of RM21.55 million from the disposal of Orkim Sdn Bhd.



As a result of the loss, GMVB Group's Shareholders' Funds declined from RM560.62 million in 2014 to RM354.63 million in 2015. A major portion of the losses was a RM242.01 million impairment and depreciation of vessels and intangible asset, as well as allowance for doubtful debts, following the deterioration in the shipping markets.

At the Company level, a net loss amounting to RM250.97 million was posted against a revenue of RM75 million in 2015, as compared to RM296.84 million in net loss from RM4.11 million in revenue for 2014. Growth in revenue at the Company level was primarily attributable to dividends received from GMV-Orkim Sdn Bhd. The main contribution to the loss is from allowance for doubtful debts in subsidiaries and loss on corporate guarantees.

EXPECTATIONS FOR 2016 AND THE WAY FORWARD

According to the International Monetary Fund, world economic growth is expected to remain modest at 3.2% in 2016 with emerging economies and developing countries accounting for most of global growth in 2016. However, their growth rates are projected to rise just modestly in comparison to 2015 and maintain at 2 percentage points below the average of the previous decade. This growth projection takes into account several factors including a moderate deceleration in China, weakness in oil exporting countries, and the poor prospects for exporters of non-oil commodities as a result of continued price declines.

The global shipping industry is in for a tough time as Fitch Ratings revised its outlook for the industry from "stable" in 2015 to "negative" in 2016. As a significant driver of demand growth for the industry, China's slowdown has put a damper on the shipping industry. The prolonged weakness in the prices of commodities such as coal, iron ore and crude oil will result in depressed rates for shipping, especially for dry bulk. However, Iran's re-entry into the crude oil export market in 2016 following the lifting of EU and US sanctions is expected to stir up existing trade patterns. With the sanctions lifted, about half a million barrels of oil a day is projected to be added to the global supply by the end of 2016. This will lead to oversupply and put further pressure on oil prices.

The global shipping industry is in for a tough time as Fitch Ratings revised its outlook for the industry from "stable" in 2015 to "negative" in 2016. As a significant driver of demand growth for the industry, China's slowdown has put a damper on the shipping industry.

In Malaysia, a blueprint known as the Malaysia Shipping Master Plan (MSMP) is being developed by the Transport Ministry via the Marine Department and the Maritime Institute of Malaysia to lift the industry out of its doldrums and support its development. The MSMP will reportedly outline a cohesive and strategic way for the industry to move forward by creating a conducive environment to cultivate the development of local tonnage and enable local companies to prosper. It is expected to propose the expansion of operations in the domestic market and the participation of Malaysia's fleet in the global energy and intra-Asean trade shipping.

GMVB has its own blueprint to help us navigate the growth of the Group and chart our future. While we will proceed with caution to keep our head above water, we will remain steadfast in our goal to play an integral role in the growth of the Malaysian maritime industry. As we move forward, GMVB will aim to energise our business and rejuvenate our long-term prospects for sustainability and growth by embarking on a new strategic direction.

The Group is in the midst of divesting all of its existing investments by selling our assets and companies. Our target is to finalise all disposals by the end of 2016. We will regroup and review our business plan and internal process to be a stronger organisation. Human capital is the backbone of any business and we will continue to capitalise on the strength of our workforce to persevere through the changes and challenging times. In addition, we will constantly provide opportunities for our staff to develop and improve their skills by providing the necessary training so that they can contribute to the development of the Group and enhance their career prospects.

CORPORATE SOCIAL RESPONSIBILITY

GMVB has been actively involved in industry collaborations to ensure that the local maritime industry does not fall short of qualified and capable officers. For 18 years now, we have partnered with the Malaysian Maritime Academy (ALAM) to provide the industry with qualified and skilled seafarers. GMVB has sponsored the training of 80 seafarers since 1998. We also participate in a number of charity events and make annual contributions to the less fortunate and those in need.

ACKNOWLEDGEMENT

As GMVB continues to traverse the murky waters of a challenging economic climate, I would like to express my profound appreciation to government bodies, authorities, shareholders, clients, business partners and financiers who have stood with us through thick and thin. I commend all management and employees of the Group, as well as our crew on the ground: ship managers, technical crews, professional management teams, and operational teams for their hard work and dedication. I would also like to acknowledge the support of our charterers, joint venture partners, business associates and professional service providers. The supervision and guidance of our Board Members, Audit and Risk Management Committee, Nominating and Remuneration Committee, as well as Investment Committee have been invaluable in helping solidify our position in the Malaysian shipping industry.

Last but not least, I would like thank our former directors Tuan Haji Rosli bin Abdullah, YBhg Dato' Ir Abdul Rahim Abu Bakar, and Encik Taufiq Ahmad @Ahmad Mustapha Ghazali who resigned on 8 March 2016, 3 June 2016 and 27 June 2016, respectively for their tremendous contributions to the Group. In addition, it gives me great pleasure to welcome Encik Mohammed Rafidz Ahmed Rasiddi, YBhg Dato' Capt. Ahmad bin Othman and YBhg Datuk Wan Azhar Wan Ahmad who became members of our Board of Directors on 29 July 2015, 30 July 2015 and 21 April 2016, respectively. My utmost gratitude is also extended to our former Chief Executive Officer YBhg Dato' Ahmad Sharifuddin Abdul Kadir who resigned on 30 November 2015 for his years of remarkable service to GMVB. Consequently, I welcome on board Encik Muhammad Azraini bin Abdul Hamid as our new Chief Executive Officer of GMVB.

We march forward boldly with the hope and passion to emerge stronger and more resilient in the years ahead.

DIRECTORS'
RESPONSIBILITIES

1. OBJECTIVE

The objective of the Board of Directors' ('Board') Terms of Reference are intended not to limit the powers of the Board but to assist the Board in the exercise of its powers and the fulfillment of its duties.

2. RESPONSIBILITIES AND DUTIES

2.1 The Board has several fundamental obligations to perform, but not limited to the following:-

(a) Approve joint venture arrangements with local partners to undertake vessel acquisition and vessel management activities;

(b) Approve investments, advances and/or any form of financial instruments in investee companies;

(c) Approve domestic and external borrowings of the Company;

(d) Ensure that the Company's strategic focus is clearly defined and is in line with the Company's mission, vision and mandated role;

(e) Approve all business plans and policies of the Company;

(f) Review, approve and provide feedback on corporate Key Performance Indicators (KPIs) and targets;

(g) Appoint authorised signatories for cheque signatories, promissory notes, drafts, bills of exchange and other negotiable instruments;

(h) Approve acquisition and disposal of fixed assets of the Company;

(i) Supervise the affairs of the Company and to be fully informed of the Company's condition and management policies in ensuring that the Company is soundly managed;

(j) Approve annual budget, revised budget and draft audited financial statements of the Company; and

(k) Oversee the financial performance of the Company and ensuring that the Company maintains proper accounting and other records and registers in conformity with approved accounting and financial reporting standards applicable to the Company

2.2 The Board will from time to time, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and decide on any necessary changes thereto.

2.3 The Board shall have full authority to seek/obtain any information it requires from any employee of the Company and to commission any investigations, reports or surveys which it deems necessary to help it fulfill its duties and obligations.

2.4 In connection with its duties the Board may obtain, at the Company's expense, any outside legal or other professional advice.

3. BOARD OF DIRECTORS' MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2015, the Board of Directors held 13 meetings. A record of the attendance of the Board Members is as follows:

DIRECTORS	NO. OF MEETINGS ATTENDED
YM Raja Datuk Zaharaton Raja Zainal Abidin (Chairman)	13/13
Taufiq Ahmad @ Ahmad Mustapha Ghazali	7/13
Datin Rashidah Mohd Sies	12/13
Mohammed Rafidz bin Ahmed Rasiddi *(Appointed on 29 July 2015)*	4/4*
Dato' Ir Abdul Rahim bin Abu Bakar *(Resigned w.e.f 3 June 2016)*	13/13
Rosli bin Abdullah *(Resigned w.e.f 8 March 2016)*	12/13
Dato' Capt. Haji Ahmad bin Othman *(Appointed on 30 July 2015)*	4/4*
Datuk Wan Azhar bin Wan Ahmad *(Appointed on 21 April 2016)*	NA

** Reflects the number of meetings attended during the time the Director held office.*

AUDIT & RISK MANAGEMENT
COMMITTEE

1. OBJECTIVE

The objective of the ARMC shall be:-

(a) To review the financial condition of the Company and its subsidiaries, the internal controls, performance and findings of the internal auditors and to recommend appropriate remedial action regularly; and

(b) To oversee the Senior Management's activities in managing the key risk areas of the Company's related activities and to ensure that the risk management process is in place and functioning effectively.

2. RESPONSIBILITIES AND DUTIES

The roles and responsibilities of ARMC are as follows:

2.1 External Auditors

(a) Recommend to the Board on the appointment of External Auditors, the fee and other matters pertaining to the resignation or termination or change of External Auditors;

(b) Review with external auditors:-

(i) their audit plan;
(ii) their evaluation of the system of internal control;
(iii) their audit report;
(iv) their management letter and management's response; and
(v) the assistance given by the management and staff to the external auditors.

(c) Review the quarterly result and the year-end financial statement prior to their submission to the Board for its approval;

(d) For the review of the year-end financial statement presentation to ARMC will be conducted by the external auditor, focusing particularly on the following:-

(i) Any changes in or implementation of major accounting policy changes;
(ii) Adequacy of allowances against contingencies, bad and doubtful debts;
(iii) Significant and unusual events; and
(iv) Compliance with accounting standards and other legal requirements.

(e) Ensure that the accounts are prepared in a timely manner and the prompt publication of annual accounts;

(f) Discuss any problem and reservations arising from the interim and final audits, any matter the external auditors may wish to discuss (in the absence of management where necessary);

(g) Preparation of an ARMC report at the end of each financial year, which will be published in the Company's Annual Report as follows:-

    (i) The composition of the ARMC, including name, designation and directorship of the members and whether the director is independent or otherwise;
    (ii) The terms of reference of the ARMC;
    (iii) The number of ARMC meetings held in the financial year and details of attendance of each member; and
    (iv) A summary of the activities of the ARMC in the discharge of its functions and duties for the financial year.

2.2 Internal Auditors

Carry out the following with regard to the internal audit function:-

(a) Review the adequacy of scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;

(b) Review and approve internal audit plan;

(c) Review audit reports and recommend action to be taken by Management on audit findings or recommendations;

(d) ARMC should satisfy itself that the internal audit function is effective by establishing a mechanism to assess its performance and effectiveness;

(e) Review the effectiveness of internal control process and should ensure that the audit issues and concerns are appropriately and timely address; and

(f) In circumstances where the internal audit is not or not sufficiently proficient in specialised areas, external experts may be engaged to carry out the review. In such situation, ARMC should ensure that the terms and scope of the engagement, the working arrangement with the internal auditors and reporting requirements are clearly established.

2.3 Risk Management

(a) Recommend appropriate risk management policies, procedures and process in key risk areas such as strategic risk, investment risk, financial risk and operational risk, where applicable;

(b) Reviewing the adequacy of risk management strategies, policies and risk tolerance level of GMVB, and the extent to which these are operating effectively;

(c) Provide oversight and strategic direction of all risks associated with GMVB's activities for the management;

(d) Promoting an integrated approach to evaluate and monitor inter-related risks;

(e) Ensuring that the infrastructure, resources and systems are in place to identify, measure, monitor and control risks;

(f) Reviewing management's periodic information on risk exposures and risk management activities; and

(g) Review and endorse contingency plans for critical and worst case scenarios and address related issues.

2.4 Others

(a) Receive and consider reports relating to the perpetration and prevention of fraud;

(b) Review the Company's compliance with the related government's regulations;

(c) Review any related party transactions and conflict of interest situation that may arise in the Company including any transaction, procedure or conduct that raises questions of management integrity; and

(d) The ARMC shall update the Board on the issues and concerns discussed during their meetings including those raised by external auditors and where appropriate, make the necessary recommendation to the Board.

3. ARMC MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2015, ARMC held 5 meetings. A record of the attendance of ARMC Members is as follows:

DIRECTORS	NO. OF MEETINGS ATTENDED
Taufiq Ahmad @ Ahmad Mustapha bin Ghazali (Chairman)	3/5
Dato' Ir Abdul Rahim bin Abu Bakar *(Resigned w.e.f 3 June 2016)*	5/5
Rosli bin Abdullah *(Resigned w.e.f 8 March 2016)*	5/5
YBhg Dato' Capt. Haji Ahmad bin Othman *(Appointed on 29 September 2015)*	1/1*

** Reflects the number of meetings attended during the time the Director held office.*

NOMINATING & REMUNERATION
COMMITTEE

1. OBJECTIVE

The primary objective of the NRC is to provide a formal and transparent procedure on the following:-

(a) Recommendation/endorsement/adoption on the appointment/re-appointment/removal of Board of Directors ('Board'), Board Committee Members, Directors of Subsidiaries, Nominee Directors of joint venture companies and Key Senior Management Officers as well as;

(b) To assess the effectiveness of individual Directors, the Board as a whole and the various Committees of the Board; and

(c) Developing/evaluating/assessing a remuneration policy for Board, Board Committee Members, Nominee Directors and Key Senior Management Officers as well as ensuring that compensation is competitive and consistent with the Company's culture, objectives and strategies.

2. RESPONSIBILITIES AND DUTIES

The roles and responsibilities of NRC are as follows:

(a) Establish minimum requirements for the Board to perform their responsibilities effectively;

(b) Oversee the overall composition of the Board and Board Committee Members in terms of the appropriate size and skills, the balance between Non-Executive and Independent Directors, and mix of skills and other core competencies required through annual reviews;

(c) Establish a mechanism for formal assessment and assessing the effectiveness of the Board as a whole, the contribution by each Director to the effectiveness of the Board, the contribution of the Board's various Committees;

(d) Recommend to the Board on the removal of Director if he/she is ineffective, errant or negligent in discharging his/her responsibilities for Board approval;

(e) Ensure that all Directors undergo appropriate induction programme and received continuous training in order to keep abreast with the latest developments in the industry;

(f) Evaluate the performance of the Chief Executive Officer ('CEO') before submission to the Board for its approval;

(g) Overseeing the management succession planning and performance evaluation of Key Senior Management Officers for Board's approval;

(h) Recommend to the Board the removal of Key Senior Management Officers if they are ineffective, errant and negligent in discharging their responsibilities;

(i) To consider any other matters as referred to the Committee by the Board;

(j) Recommend a framework of remuneration for Directors and Key Senior Management Officers. The remuneration policy should :-

(i) Be documented and approved by the full Board and any changes thereto should be subject to the endorsement of the full Board;
(ii) Reflect the experience, responsibility and commitment in their work as Directors of all Boards and committees under the Group and Key Senior Management Officers;
(iii) Sufficient to attract and retain directors and Key Senior Management Officers of the appropriate calibre, experience and quality needed to manage the Group successfully;
(iv) Be balanced against the need to ensure that the funds of the Company are not used to subsidise excessive remuneration packages; and
(v) The framework should cover all aspects of remuneration including directors' fees, salaries, allowances and benefit-in-kind.

(k) Recommend specific remuneration packages for Directors and Key Senior Management Officers for Board's approval;

(l) Assess and approve specific remuneration packages of Key Senior Management Officers;
For clause (j) and (k) above, the remuneration packages should (where relevant):-

(i) Be competitive and is consistent with the Group's culture, objective and strategy.
(ii) Take due consideration of the assessments of NRC of the effectiveness and contribution of the Key Senior Management Officers.

(m) Assess and endorse the schemes, Terms of Services and new Terms for Executives and staff of the Group for Board approval;

(n) Recommend the quantum of bonus payment of the CEO based on the assessment of the NRC on the performance of CEO; and

(o) To consider any other matters as referred to the Committee by the Board.

3. NRC MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2015, NRC held 4 meetings. A record of the attendance of NRC Members is as follows:

MEMBERS	NO. OF MEETINGS ATTENDED
Dato' Ir Abdul Rahim bin Abu Bakar (Chairman) *(Resigned w.e.f 3 June 2016)*	4/4
Taufiq Ahmad @ Ahmad Mustapha bin Ghazali	4/4
Datin Rashidah binti Mohd Sies	3/4
YBhg Dato' Capt. Haji Ahmad bin Othman *(Appointed on 29 September 2015)*	1/1*

Reflects the number of meetings attended during the time the Director held office.

INVESTMENT
COMMITTEE

1. OBJECTIVE

To assist the Board in performing its duties and discharging its responsibilities in evaluating the Company's investment proposals which include and is not limited to investment, merger and acquisitions, new joint venture, divestments and large capital expenditure projects (collectively referred to as 'investment').

2. RESPONSIBILITIES AND DUTIES

The roles and responsibilities of IC are as follows:

(a) To review/endorse/recommend appropriate investment proposals for the portfolio as per mandated given;

(b) To consider/endorse/recommend the new and additional investment activities as per mandated given;

(c) To review management's periodic reports on the portfolio's risk and performance profile;

(d) To review and consider appropriate responses/actions to be taken for breaches in limits (this includes internal and/or regulatory limits) and/or non-compliance with the approved terms and conditions provided the aggregate limits/ exposures of the borrower/customer on group basis is within the IC's designated authority, beyond which, the proposal must be submitted to the Board for concurrence/modification/ veto;

(e) To endorse/recommend all relevant and necessary documentations and agreements in relation to the investments and divestments activities;

(f) To ensure that the Board is updated on the key pertinent issues/risks in relation to the investment profile and proposal approved by IC, when deemed necessary; and

(g) To execute transactions and mandates as per authority granted by the Board.

3. IC MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2015, IC held 1 meeting. A record of the attendance of IC Members is as follows:

MEMBERS	NO. OF MEETINGS ATTENDED
YM Raja Datuk Zaharaton Raja Zainal Abidin (Chairman)	1/1
Datin Rashidah binti Mohd Sies	1/1
Rosli bin Abdullah *(Resigned w.e.f 8 March 2016)*	1/1
YBhg Dato' Capt. Haji Ahmad bin Othman *(Appointed on 29 September 2015)*	NA*

** Reflects the number of meetings attended during the time the Director held office.*

DIRECTORS' REPORT AND

AUDITED FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a venture capital investment holding company.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	GROUP RM'000	COMPANY RM'000
Loss for the financial year	(328,902)	(250,969)
Attributable to:		
Equity holders of the Company	(328,772)	(250,969)
Non-controlling interests	(130)	-
	(328,902)	(250,969)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend was declared for the financial year ended 31 December 2015.

The directors do not recommend any tax exempt dividend in respect of the financial year ended 31 December 2015.

DIRECTORS

The names of the directors of the Company since the date of the last report and at the date of this report are:

Raja Datuk Zaharaton binti Raja Zainal Abidin
Mohammed Rafidz bin Ahmed Rasiddi (appointed w.e.f 29 July 2015)
Dato' Abdul Rahim bin Abu Bakar
Taufiq Ahmad @ Ahmad Mustapha bin Ghazali
Rosli bin Abdullah (resigned w.e.f 8 March 2016)
Datin Rashidah binti Mohd Sies
Dato' Capt. Ahmad bin Othman (appointed w.e.f 30 July 2015)
Datuk Wan Azhar bin Wan Ahmad (appointed w.e.f 21 April 2016)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate. Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregated amount of emoluments received or due and receivable by the directors as disclosed in Note 30 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; and
  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D)

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) Saved as disclosed in Note 2 to the financial statements, in the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due other than as disclosed in Notes 16(a) and 17(c) to the financial statements; and
(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Significant events during the financial year are disclosed in Note 5 and Note 15 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 May 2016.

Raja Datuk Zaharaton binti Raja Zainal Abidin

Mohammed Rafidz bin Ahmed Rasiddi

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Raja Datuk Zaharaton binti Raja Zainal Abidin and Mohammed Rafidz bin Ahmed Rasiddi, being two of the directors of Global Maritime Ventures Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 30 to 142 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 May 2016.

Raja Datuk Zaharaton binti Raja Zainal Abidin

Mohammed Rafidz bin Ahmed Rasiddi

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Sofian bin Mohd Ariff, being the officer primarily responsible for the financial management of Global Maritime Ventures Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 30 to 142 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Sofian bin Mohd Ariff
at Kuala Lumpur in Wilayah Persekutuan
on 25 May 2016

Sofian bin Mohd Ariff

Before me,

PESURUHJAYA SUMPAH
W.490
S. ARULSAMY
MALAYSIA

16 - Tingkat Bawah Jalan Pudu
55100 Kuala Lumpur

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Global Maritime Ventures Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company, for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 142.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia ("Act"), we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries in Malaysia of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Muhammad Affan bin Daud
No. 3063/02/18(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 May 2016

Statements of Financial Position

As at 31 December 2015

	Note	GROUP 2015 RM'000	GROUP 2014 RM'000	COMPANY 2015 RM'000	COMPANY 2014 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	4	277	527,692	277	252
Investments in subsidiaries	5	-	-	45,952	59,214
Investments in associates	6	3,328	2,845	300	300
Investments in joint ventures	7	36,520	56,791	-	-
Other investments	8	73	4,317	70	70
Pool working fund	9	-	2,098	-	-
Intangible assets	10	-	15,511	-	-
Deferred tax assets	11	-	705	-	-
Receivables, deposits and prepayments	12	-	-	14,415	336,271
		40,198	609,959	61,014	396,107
CURRENT ASSETS					
Investments in joint ventures	7	3,391	6,120	-	-
Receivables, deposits and prepayments	12	60,144	63,084	3,248	24,133
Inventories	13	-	482	-	-
Cash and bank balances	14	216,012	414,620	153,154	39,187
		279,547	484,306	156,402	63,320
Non-current asset held for sale	15	394,174	-	-	-
		673,721	484,306	156,402	63,320
TOTAL ASSETS		713,919	1,094,265	217,416	459,427
CURRENT LIABILITIES					
Loans and borrowings	16	255,619	438,318	-	-
Payables and accruals	17	103,599	95,225	73,507	64,549
		359,218	533,543	73,507	64,549
NET CURRENT ASSETS/(LIABILITIES)		314,503	(49,237)	82,895	(1,229)
NON-CURRENT LIABILITIES					
Loans and borrowings	16	67	99	-	-
Deferred tax liabilities	11	4	2	-	-
		71	101	-	-
TOTAL LIABILITIES		359,289	533,644	73,507	64,549

Statements of Financial Position

As at 31 December 2015 (cont'd.)

	Note	GROUP		COMPANY	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
Share capital	18	300,000	300,000	300,000	300,000
Foreign currency translation reserve	19	161,150	39,758	-	-
(Accumulated losses)/ retained earnings	20	(116,034)	212,738	(156,091)	94,878
		345,116	552,496	143,909	394,878
Non-controlling interests		9,514	8,125	-	-
TOTAL EQUITY		354,630	560,621	143,909	394,878
TOTAL EQUITY AND LIABILITIES		713,919	1,094,265	217,416	459,427

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Income Statements

For the financial year ended 31 December 2015

		GROUP		COMPANY	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	21	90,582	273,116	75,000	4,111
Cost of sales	22	(118,522)	(216,623)	-	-
GROSS (LOSS)/PROFIT		(27,940)	56,493	75,000	4,111
OTHER ITEMS OF INCOME:					
Interest income	23	13,485	8,415	17,047	13,023
Other operating income	24	1,528	26,587	4	793
OTHER ITEMS OF EXPENSES:					
Administrative expenses		(6,232)	(21,164)	(2,411)	(4,588)
Other operating expenses	25	(261,961)	(304,103)	(324,092)	(301,488)
Finance costs	26	(21,880)	(43,469)	(8,088)	-
Employee benefit expenses	29	(9,229)	(15,816)	(3,625)	(2,958)
Directors' remuneration	30	(616)	(504)	(505)	(478)
Share of (loss)/ profit of joint ventures and associates		(9,235)	11,876	-	-
LOSS BEFORE TAXATION	27	(322,080)	(281,685)	(246,670)	(291,585)
Income tax expenses	31	(6,806)	(19,600)	(4,291)	(2,684)
Zakat		(16)	(2,573)	(8)	(2,573)
LOSS FOR THE YEAR		(328,902)	(303,858)	(250,969)	(296,842)
LOSS FOR THE YEAR ATTRIBUTABLE TO:					
Equity holders of the parent		(328,772)	(306,300)	(250,969)	(296,842)
Non-controlling interests		(130)	2,442	-	-
		(328,902)	(303,858)	(250,969)	(296,842)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the financial year ended 31 December 2015

		GROUP		COMPANY	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
LOSS FOR THE YEAR		(328,902)	(303,858)	(250,969)	(296,842)
OTHER COMPREHENSIVE INCOME:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation reserve	19	122,911	53,790	-	-
Total comprehensive loss for the year		(205,991)	(250,068)	(250,969)	(296,842)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Equity holders of the parent		(207,380)	(252,510)	(250,969)	(296,842)
Non-controlling interests		1,389	2,442	-	-
		(205,991)	(250,068)	(250,969)	(296,842)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2015

	I-------------------- Non Distributable		--------------------I			
	Share capital RM'000	Foreign currency translation reserve RM'000	Retained earnings/ (accumulated losses) RM'000	Total RM'000	Non - controlling interests RM'000	Equity, total RM'000
2015						
At 1 January 2015	300,000	39,758	212,738	552,496	8,125	560,621
Total comprehensive income/(loss)	-	121,392	(328,772)	(207,380)	1,389	(205,991)
At 31 December 2015	300,000	161,150	(116,034)	345,116	9,514	354,630
2014						
At 1 January 2014	300,000	(14,032)	519,038	805,006	18,148	823,154
Total comprehensive income/(loss)	-	53,790	(306,300)	(252,510)	2,442	(250,068)
Disposal of a subsidiary	-	-	-	-	(12,283)	(12,283)
Dividends paid to non-controlling interests	-	-	-	-	(182)	(182)
At 31 December 2014	300,000	39,758	212,738	552,496	8,125	560,621

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 December 2015

	|------ Non - distributable ------|		
	Share capital RM'000	Retained earnings/ (accumulated losses) RM'000	Total RM'000
2015			
AT 1 JANUARY 2015	300,000	94,878	394,878
Total comprehensive loss	-	(250,969)	(250,969)
AT 31 DECEMBER 2015	300,000	(156,091)	143,909
2014			
AT 1 JANUARY 2014	300,000	391,720	691,720
Total comprehensive loss	-	(296,842)	(296,842)
AT 31 DECEMBER 2014	300,000	94,878	394,878

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2015

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(322,080)	(281,685)	(246,670)	(291,585)
Adjustments for:				
Share of (profit)/loss of joint ventures and associates	9,235	(11,876)	-	-
Depreciation of property, plant and equipment	55,125	71,644	94	113
Impairment loss on investments in joint ventures	6,950	-	-	-
Net impairment loss on fair value adjustments on loans to subsidiaries	-	-	-	11,266
Net impairment loss on investments in subsidiaries	-	-	8,878	170,612
Reversal of impairment loss on investments in subsidiaries	-	-	(12,459)	-
Impairment loss on property, plant and equipment	200,975	164,964	-	-
Amortisation of intangible assets	15,511	37,037	-	-
Loss on disposal of vessels	-	4,402	-	-
Gain on disposal of property, plant and equipment	-	(569)	-	-
Property, plant and equipment written off	-	-	-	22
Interest expense	21,880	43,469	8,088	-
Interest income	(13,485)	(8,415)	(17,047)	(13,023)
Dividend income	(59)	(89)	(75,000)	(4,111)
Allowance of doubtful debts	25,521	30,997	317,813	60,310
Reversal of allowance of doubtful debts	(80)	-	-	-
Gain on disposal of RCPS and RCCPS	(715)	-	-	-
Gain on redemption of money market placement	(4)	-		
Loss on corporate guarantee	9,860	59,300	9,860	59,300
Unrealised loss on foreign exchange	1,815	7,403	-	-
Inventories written off	18	707	-	-
Gain on disposal of a subsidiary	-	(21,547)	-	-
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL	10,467	95,742	(6,443)	(7,096)
Changes in working capital:				
Inventories	(984)	955	-	-
Receivables, deposits and prepayment	3,332	21,757	28,028	(14,898)
Payables and accruals	(2,329)	(3,224)	(35)	4,114
Pool working fund	2,098	(133)	-	-
CASH GENERATED FROM/(USED IN) OPERATION	12,584	115,097	21,550	(17,880)
Interest received	10,474	8,415	22,702	11,414
Tax refunded	132	1,394	-	-
Tax paid	(7,421)	(5,730)	(5,166)	(3,867)
Interest paid	(21,880)	(43,469)	-	-
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(6,111)	75,707	39,086	(10,333)

Statements of Cash Flows

For the financial year ended 31 December 2015 (cont'd.)

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipments	(8,486)	(64,345)	(119)	(299)
Purchase of redeemable preference shares in joint ventures	-	(1,383)	-	-
Purchase of ordinary shares in an associate		(225)	-	(225)
Purchase of other investments	-	(4,214)	-	-
Proceeds from redemption of redeemable preference shares in subsidiaries	-	-	-	17,000
Proceeds from disposal of property, plant and equipment	-	2,694	-	-
Proceeds from redeemption of investment	4,963	-	-	-
Proceeds from disposal of vessels	-	24,127	-	-
Proceeds from disposal of non-current asset held for sale	-	2,619	-	-
Proceeds from uplift of placement	187	-	-	-
Cash inflow on disposal of a subsidiary	-	257,464		-
Dividend received	59	889	75,000	4,111
Advances to joint ventures	(6,341)	(670)	-	-
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(9,618)	216,956	74,881	20,587
CASH FLOWS USED IN FINANCING ACTIVITY				
Drawdown of bank borrowings	(156,632)	-	-	-
Repayment of loans and borrowings	(25,857)	(65,192)	-	-
NET CASH USED IN FINANCING ACTIVITIES	(182,489)	(65,192)	-	-
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(198,218)	227,471	113,967	10,254
Net foreign exchange differences	38	68	-	-
Cash and cash equivalents at beginning of financial year	408,167	180,628	39,187	28,933
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	209,987	408,167	153,154	39,187

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Global Maritime Ventures Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia. The principal place of business and registered office of the Company are located at Level 15 and 16, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur respectively.

The holding company and ultimate holding body of the Company is Bank Pembangunan Malaysia Berhad, a company incorporated and domiciled in Malaysia and The Minister of Finance (Incorporated) ("MOF"), a body corporate which was incorporated under the Minister of Finance (Incorporation) Act, 1957.

The principal activity of the Company is that of a venture capital investment holding company. The principal activities of the subsidiaries are described in Note 5.

There have been no significant changes in the nature of the principal activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standard ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except for certain financial instruments that have been measured at their fair values.

The functional currency of the Company is Ringgit Malaysia ("RM"), and that the functional currency of certain subsidiaries is United States Dollar ("USD"). The financial statements are presented in RM and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in Accounting Policies

On 1 January 2015, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2015.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions Financial Liabilities	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

The nature and impact of the new and amended applicable MFRSs are described below:

(a) Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

These amendments have been applied retrospectively. The application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's and the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in Accounting Policies (cont'd.)

(b) Annual Improvements to MFRSs 2010–2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below.

Standards	Descriptions
MFRS 2 Share-based Payment	This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including: - A performance condition must contain a service condition; - A performance target must be met while the counterparty is rendering service; - A performance target may relate to the operations or activities of an entity, or those of another entity in the same group; - A performance condition may be a market or non-market condition; and - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014. The amendment did not impact the Group and the Company.
MFRS 3 Business Combinations	The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014. There is no acquisition made on or after 1 July 2014 and thus, this amendment did not impact the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in Accounting Policies (cont'd.)

(b) Annual Improvements to MFRSs 2010–2012 Cycle (cont'd.)

Standards	Descriptions
MFRS 8 Operating Segments	The amendments are to be applied retrospectively and clarify that: - an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; - the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The Group has not applied the aggregation criteria as mentioned above. The Group continues to present the reconciliation of segment assets to total assets.
MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets	The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset. This is consistent with the Group's current accounting policy and thus, this amendment did not impact the Group.
MFRS 124 Related Party Disclosures	The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. This amendment is not applicable to the Group and the Company as the Group does not receive any management services from other entities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in Accounting Policies (cont'd.)

(c) Annual Improvements to MFRSs 2011–2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below. The Group has applied the amendments for the first time in the current year.

Standards	Descriptions
MFRS 3 Business Combinations	The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively. The Group is not a joint arrangement and thus this arrangement is not relevant to the Group.
MFRS 13 Fair Value Measurement	The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable). The Group and the Company does not apply the portfolio exception.
MFRS 140 Investment Property	The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether: - the property meets the definition of investment property in terms of MFRS 140; and - the transaction meets the definition of a business combination under MFRS 3, to determine if the transaction is a purchase of an asset or is a business combination. This amendment is not applicable to the Group and the Company as the Group and the Company does not acquire any investment property since prior years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except as discussed below:

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset forms part of the business) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs to sell.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. These amendments are not expected to have any impact on the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Amendments to MFRS10 and MFRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group and the Company.

Amendments to MFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors anticipate that the application of these amendments will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the impact of these amendments and plans to adopt the new standard on the required effective date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:
- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

MFRS 14 Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group and the Company is an existing MFRS preparer, this standard would not apply.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd)

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Annual Improvements to MFRSs 2012–2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

Standards	Descriptions
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	The amendment to MFRS 5 clarifies that changing from one disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.
MFRS 7 Financial Instruments: Disclosures	The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required. In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd)

Annual Improvements to MFRSs 2012–2014 Cycle (cont'd)

Standards	Descriptions
MFRS 119 Employee Benefits	The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
MFRS 134 Interim Financial Reporting	MFRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements; and

(iii) The Company's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

Basis of consolidation and goodwill (cont'd.)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 139, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.10.

Transactions with non-controlling interests ("NCI")

NCI represent the portion of profit or loss and net assets in subsidiaries not held by the Company and are presented separately in profit or loss of the Company and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transaction with NCI are accounted for using the entity concept method, whereby, transactions with NCI are accounted for as transactions with owners. On acquisition of NCI, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to NCI is recognised directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Investments in associates and joint ventures (cont'd.)

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.7 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the parent company's functional currency.The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Foreign currencies (cont'd.)

The functional currency of the Group and the Company is RM and that of certain subsidiaries is United States Dollar ("USD"). The financial statements are presented in RM, which is the presentation currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Current versus non-current classification

The Group and the Company present assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

(i) expected to be realised or intended to sold or consumed in normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

A liability is current when:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.9 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Subsequent to recognition, vessels and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.9 Property, plant and equipment (cont'd.)

Depreciation is calulated on a straight-line basis over the estimated useful life of the assets, as follows:

Leasehold land	19 years
Buildings	50 years
Motor vehicles	5 years
Furniture and fittings	6 - 7 years
Office equipment	6 - 7 years
Office renovation	3 years
Computers	5 years
Vessels	5 - 30 years
Dry docking	1.5 - 5 years

Dry docking costs which enhance the useful lives of the vessels are capitalised in the year in which they are incurred and amortised over the period until the next dry docking.

Vessels under construction is not depreciated as the asset is not available for use.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the vessels and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised and the unutilised portion of the revaluation surplus is taken directly to retained earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(ii) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Intangible assets (cont'd.)

(ii) Other intangible assets (cont'd.)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.11 Inventories

Inventories comprise lubricants on board for own consumption and spare parts for vessels. Inventories are stated at lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Lubricants: Costs are assigned on weighted average cost basis
- Spare parts: Costs are assigned on a first-in first-out basis

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.13 Non-current assets held for sale (cont'd).

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRS. Then, on initial classification as held for sale, non-current assets are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

2.14 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.15 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by MFRS 139. The Group has designated financial assets at fair value through profit or loss which has been disclosed in Note 8 to the financial statements. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value are recognised separately in profit or loss as part of other losses or other income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss. The Group and the Company did not have any embedded derivatives during the years ended 31 December 2015 and 2014.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the held-to-maturity instruments are derecognised or impaired, and through the amortisation process. The Group did not have any held-to-maturity investments during the years ended 31 December 2015 and 2014.

(iv) Available-for-sale ("AFS") financial investments

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

Investments in equity investments whose fair values cannot be reliably measured are recognised at cost less impairment loss.

The Group and the Company evaluate whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group or the Company is unable to trade these financial assets due to inactive markets, the Group or the Company may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Financial assets (cont'd.)

Subsequent measurement (cont'd.)

(iv) Available-for-sale ("AFS") financial investments (cont'd.)

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss. The Group and the Company did not have any AFS financial investments during the years ended 31 December 2015 and 2014.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's and the Company's continuing involvement in the asset. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Impairment of financial assets

The Group and the Company assess, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group or the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Impairment of financial assets (cont'd.)

AFS financial investments

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group or the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the profit or loss.

For AFS financial investments, the Group and the Company assess at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from OCI and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.17 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, borrowings as well as accrued expenses.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 139 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.17 Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

(ii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

Where financial guarantees in relation to loan or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(iii) Other financial liabilities

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.18 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.19 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

-	Disclosure for significant assumptions	Note 3
-	Property, plant and equipment	Note 2.9
-	Intangible assets	Note 2.10

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's and the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Impairment of non-financial assets (cont'd.)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) As lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

(ii) As lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Share of pool profit

Share of pool profit arising from the ship-owning subsidiaries' participation in pool arrangements is accounted for on an accrual basis.

(ii) Charter hire income

Charter hire fees are accounted for on an accrual basis.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend rate.

(v) Services

Revenue from chartering of vessels is recognised in profit or loss upon services rendered to customers.

(vi) Rental income

Rental income from renting of equipment is recognised in profit or loss on a straight line basis over the term of the lease.

2.23 Borrowing costs

Borrowing costs comprise debts issuance costs and interest costs. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Borrowing costs (cont'd.)

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.24 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognised in profit or loss except to the extent that the tax relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.24 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables that are stated with the amount of sales tax included.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.24 Income taxes (cont'd.)

(c) Goods and services tax (GST) (cont'd.)

The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows in the statement of cash flows exclude GST. The GST component of cash flows arising from operating, investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

(d) Zakat

The Group recognises its obligation towards the payment of zakat on business in the statement of profit or loss. Zakat is an obligation and is computed based on a certain basis as approved by the Board of Directors.

2.25 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.26 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities

- Level 2 — Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

- Level 3 — Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1.5 to 50 years. These are common life expectancies applied in the the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 4.

(b) Impairment of vessels

The Group assesses whether there is any indication that the vessels may be impaired at each reporting date. If indicators are present, these assets are subject to an impairment review. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The impairment review comprises a comparison of the carrying amount of the assets and the assets' fair value less cost of disposal amount.

The fair value of the assets is determined by an independent professional valuer. The valuer has utilised market approach in valuing the assets.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

3.1 Key sources of estimation uncertainty (cont'd.)

(c) Impairment of investments in subsidiaries and joint ventures

The Group assesses whether there is any indication that investments in subsidiaries and joint ventures may be impaired at each reporting date.

If indicators are present, these investments are subjected to impairment review comprises a comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgments made by management in the process of applying the Group's accounting policies in respect of investment in subsidiaries and joint ventures are as follows:

(i) The Group determines whether its investments are impaired following certain indications of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes and in the economic environment; and

(ii) Depending on their nature and the location in which the investments relate to, judgments are made by management to select suitable methods of valuation such as, amongst others, discounted future cash flows or estimated fair value based on quoted market price of the most recent transactions.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the specific individual investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, terminal value, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks and expected future outcome based on certain past trends.

Sensitivity to changes in assumptions

Management believes that no reasonably expected possible change in the key assumptions described above would cause the carrying amounts of the investments to materially exceed their recoverable amounts. The carrying amounts of the investments in subsidiaries and joint ventures were disclosed in Notes 5 and 7.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land RM'000	Buildings RM'000	Vessels RM'000	Drydocking expenses RM'000	Assets under construction RM'000	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Total RM'000
AT 31 DECEMBER 2015										
COST										
At 1 January 2015	1,193	1,845	801,633	67,214	14,387	1,902	1,307	1,778	1,235	892,494
Additions	-	-	46	-	8,279	27	19	-	115	8,486
Write off	-	-	-	-	-	-	-	(91)	-	(91)
Reclassification	425	-	11,821	5,436	(17,682)	-	-	-	-	-
Effect of movements in exchange rates	-	-	196,092	2,402	-	-	-	-	-	198,494
Transfer from inventories	-	-	1,448	-	-	-	-	-	-	1,448
Transfer to assets held for sale	(1,618)	(1,845)	(1,011,040)	(75,052)	(4,984)	(1,716)	(913)	(1,455)	(930)	(1,099,553)
At 31 December 2015	-	-	-	-	-	213	413	232	420	1,278

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

GROUP (CONT'D.)	Land RM'000	Buildings RM'000	Vessels RM'000	Drydocking expenses RM'000	Assets under construction RM'000	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Total RM'000
AT 31 DECEMBER 2015 (CONT'D.)										
ACCUMULATED DEPRECIATION										
At 1 January 2015	544	280	136,358	11,194	-	1,590	887	1,552	897	153,302
Depreciation for the year (Note 27)	62	38	43,238	11,381	-	87	124	34	161	55,125
Reclassification	-	-	-	-	-	-	-	(126)	126	-
Write off	-	-	-	-	-	-	-	(91)	-	(91)
Effect of movements in exchange rates	-	-	22,369	13,573	-	-	-	-	-	35,942
Transfer to assets held for sale	(606)	(318)	(201,965)	(36,148)	-	(1,488)	(666)	(1,232)	(854)	(243,277)
At 31 December 2015	-	-	-	-	-	189	345	137	330	1,001

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

GROUP (CONT'D.)	Land RM'000	Buildings RM'000	Vessels RM'000	Drydocking expenses RM'000	Assets under construction RM'000	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Total RM'000
AT 31 DECEMBER 2015 (CONT'D.)										
ACCUMULATED IMPAIRMENT LOSSES										
At 1 January 2015	-	-	211,499	-	-	-	-	-	-	211,499
Charge for the financial year (Note 25)	128	-	195,863	-	4,984	-	-	-	-	200,975
Effect of movements in exchange rates	-	-	49,628	-	-	-	-	-	-	49,628
Transfer to assets held for sale	(128)	-	(456,990)	-	(4,984)	-	-	-	-	(462,102)
At 31 December 2015	-	-	-	-	-	-	-	-	-	-
NET CARRYING AMOUNTS	-	-	-	-	-	24	68	95	90	277

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

GROUP (CONT'D.)	Land RM'000	Buildings RM'000	Vessels RM'000	Drydocking expenses RM'000	Assets under construction RM'000	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Total RM'000
AT 31 DECEMBER 2014										
COST										
At 1 January 2014	1,193	1,805	1,427,289	21,185	18,923	3,555	470	1,610	663	1,476,693
Additions	-	40	-	38,353	23,654	154	1,046	168	930	64,345
Disposal of a subsidiary	-	-	(622,991)	(8,058)	(9,913)	(1,808)	(209)	-	(358)	(643,337)
Disposal	-	-	(46,299)	(5,433)	(114)	-	-	-	-	(51,846)
Reclassification	-	-	1,011	18,209	(19,220)	-	-	-	-	-
Effect of movements in exchange rates	-	-	42,623	2,958	1,057	-	-	-	-	46,638
At 31 December 2014	1,193	1,845	801,633	67,214	14,387	1,901	1,307	1,778	1,235	892,493

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

GROUP (CONT'D.)	Land RM'000	Buildings RM'000	Vessels RM'000	Drydocking expenses RM'000	Assets under construction RM'000	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computers RM'000	Total RM'000
AT 31 DECEMBER 2014 (CONT'D.)										
ACCUMULATED DEPRECIATION										
At 1 January 2014	481	244	269,626	6,129	-	2,434	374	1,423	402	281,113
Depreciation for the year (Note 27)	63	36	58,055	12,005	-	204	607	129	545	71,644
Disposal of a subsidiary	-	-	(184,976)	(4,727)	-	(1,048)	(94)	-	(50)	(190,895)
Disposal	-	-	(17,770)	(3,422)	-	-	-	-	-	(21,192)
Effect of movements in exchange rates	-	-	11,423	1,209	-	-	-	-	-	12,632
At 31 December 2014	544	280	136,358	11,194	-	1,590	887	1,552	897	153,302
ACCUMULATED IMPAIRMENT LOSSES										
At 1 January 2014	-	-	46,535	-	-	-	-	-	-	46,535
Charge for the financial year (Note 25)	-	-	164,964	-	-	-	-	-	-	164,964
At 31 December 2014	-	-	211,499	-	-	-	-	-	-	211,499
NET CARRYING AMOUNTS	649	1,565	453,776	56,020	14,387	311	420	226	338	527,692

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

COMPANY	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computer RM'000	Total RM'000
AT 31 DECEMBER 2015					
COST					
At 1 January 2015	191	394	323	342	1,250
Additions	22	19	-	78	119
Write off	-	-	(91)	-	(91)
At 31 December 2015	213	413	232	420	1,278
ACCUMULATED DEPRECIATION					
At 1 January 2015	188	310	193	307	998
Depreciation for the year (Note 27)	1	35	35	23	94
Write off	-	-	(91)	-	(91)
At 31 December 2015	189	345	137	330	1,001
NET CARRYING AMOUNTS	24	68	95	90	277

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

COMPANY	Furniture, fittings and office equipment RM'000	Office renovation RM'000	Motor vehicle RM'000	Computer RM'000	Total RM'000
AT 31 DECEMBER 2014					
COST					
At 1 January 2014	220	297	155	308	980
Additions	-	97	168	34	299
Write off	(29)	-	-	-	(29)
At 31 December 2014	191	394	323	342	1,250
ACCUMULATED DEPRECIATION					
At 1 January 2014	195	296	133	268	892
Depreciation for the year (Note 27)	-	14	60	39	113
Write off	(7)	-	-	-	(7)
At 31 December 2014	188	310	193	307	998
NET CARRYING AMOUNTS	3	84	130	35	252

4.1 Security

As at 31 December 2015, all vessels and leasehold land of the Group have been pledged as security for borrowings granted to a subsidiary (Note 16).

4.2 Assets under hire purchase arrangements

Included in property, plant and equipment of the Group are motor vehicles acquired under hire purchase arrangements with a carrying amount of RM52,374 (2014: RM97,000).

5. INVESTMENTS IN SUBSIDIARIES

	COMPANY 2015 RM'000	COMPANY 2014 RM'000
Unquoted shares, at cost	25,169	25,169
Less: Accumulated impairment losses	(20,969)	(20,969)
	4,200	4,200
Investments in redeemable convertible preference shares and redeemable preference shares	476,875	476,875
Less: Accumulated impairment losses	(435,123)	(438,705)
	41,752	38,170
Fair value adjustments on loans to subsidiaries	22,570	39,414
Less: Accumulated impairment losses	(22,570)	(22,570)
	45,952	59,214

(a) Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Effective interest (%) 2015	Effective interest (%) 2014
HELD BY THE COMPANY				
Glory Incentive Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Alam Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Gagasan Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Bahtera Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Efogen Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Regional Sdn Bhd	Malaysia	Dormant	100	100
GMV-Orkim Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Offshore Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Global Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Jasa Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Omni Sdn Bhd	Malaysia	Investment holding	100	100
GMV-Borcos Sdn Bhd	Malaysia	Investment holding	100	100
Mutiara Navigation Sdn Bhd^	Malaysia	Dormant	70	70
Intan Navigation Sdn Bhd^*	Malaysia	Dormant	70	70
Nilam Navigation Sdn Bhd^	Malaysia	Dormant	70	70
Kasa Navigation Sdn Bhd^*	Malaysia	Dormant	70	70
Mayang Navigation Sdn Bhd^*	Malaysia	Dormant	70	70
Sari Navigation Sdn Bhd^	Malaysia	Dormant	70	70
Tiara Navigation Sdn Bhd^*	Malaysia	Dormant	70	70

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Details of the subsidiaries are as follows (cont'd.):

Name	Country of incorporation	Principal activities	Effective interest (%) 2015	2014
HELD BY GLORY INCENTIVE SDN BHD				
Permata Navigation Sdn Bhd^	Malaysia	Dormant	70	70
Gemala Navigation Sdn Bhd ^	Malaysia	Dormant	70	70
Ratna Navigation Sdn Bhd^	Malaysia	Dormant	70	70
Kencana Navigation Sdn Bhd^	Malaysia	Dormant	70	70
Ayu Navigation Sdn Bhd^	Malaysia	Dormant	70	70
HELD BY GMV-BORCOS SDN BHD				
Syarikat Borcos Shipping Sdn Bhd @	Malaysia	Ship-owning	100	100
HELD BY SYARIKAT BORCOS SHIPPING SDN BHD				
Wijaya Navigation Sdn Bhd	Malaysia	Dormant	100	100
Borcos Tasneem Offshore Ltd @	Malaysia	Vessel chartering	100	100
Borcos Firdaus Marine Offshore Ltd @	Malaysia	Vessel chartering	100	100
Borcos SSV Marine Offshore Ltd @	Malaysia	Vessel chartering	100	100
Borcos Franklin Offshore Mooring Sdn Bhd ("BFOMSB")	Malaysia	Dormant	51	51
Cendana Lagenda Sdn Bhd @	Malaysia	Vessel chartering	100	100
P.T. Borcos Nusantarajaya # @	Indonesia	Vessel chartering	100	100

^ Represents companies under Wawasan Group

Audited by a firm other than Ernst & Young

* Represents companies under liquidation

@ The financial statements of the subsidiary for the financial year ended 31 December 2015 was prepared on a basis other than that of a going concern basis as it is the intention of the Company to cease operations upon disposal of the subsidiary's assets.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Summarised financial information of BFOMSB, Wawasan Group and Orkim Group which have non-controlling interests to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination:

(i) Summarised statement of financial position

	BFOMSB		Wawasan Group		Orkim Group		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non current assets	-	-	-	-	-	-	-	-
Current assets	307	829	31,541	26,077	-	-	31,848	26,906
Total assets	307	829	31,541	26,077			31,848	26,906
Non current liabilities	-	-	-	-	-	-	-	-
Current liabilities	36	25	271	306	-	-	307	331
Total liabilities	36	25	271	306			307	331
Net assets	271	804	31,270	25,771			31,541	26,575
Equity attributable to the owners of the Company	138	410	21,889	18,040	-	-	22,027	18,450
Carrying value of non-controlling interests	133	394	9,381	7,731	-	-	9,514	8,125

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Summarised financial information of BFOMSB, Wawasan Group and Orkim Group which have non-controlling interests to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination (cont'd.):

(ii) Summarised statement of comprehensive income

	BFOMSB		Wawasan Group		Orkim Group		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	-	-	121	-	-	143,494	121	143,494
Cost of sales	-	-	(359)	-	-	(88,298)	(359)	(88,298)
Other income	2	-	68	33	-	1,266	70	1,299
Administrative expenses	(59)	(20)	(166)	(814)	-	(9,371)	(225)	(10,205)
Finance costs	-	-	(3)	(3)	-	(16,080)	(3)	(16,083)
(LOSS)/PROFIT BEFORE TAX	(57)	(20)	(339)	(784)	-	31,011	(396)	30,207
Income tax		-		-		(192)	-	(192)
(LOSS)/PROFIT FOR THE YEAR	(57)	(20)	(339)	(784)	-	30,819	(396)	30,015
Other comprehensive income - Foreign currency translation reserve	(476)	-	5,838	-	-	-	5,362	-
(Loss)/profit for the financial representing total comprehensive (loss)/ income for the year	(533)	(20)	5,499	(784)	-	30,819	4,966	30,015
Total comprehensive (loss)/ income attributable to the owners of the Company	(272)	(10)	3,849	(549)	-	28,132	3,577	27,573
Total comprehensive (loss)/ income attributable to the non-controlling interests	(261)	(10)	1,650	(235)	-	2,687	1,389	2,442
	(533)	(20)	5,499	(784)	-	30,819	4,966	30,015
Dividends paid to non-controlling interest	-	-		(182)	-	-	-	(182)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Summarised financial information of BFOMSB, Wawasan Group and Orkim Group which have non-controlling interests to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination (cont'd.):

(iii) Summarised statement of cash flows

	BFOMSB		Wawasan Group		Orkim Group		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net cash used in operating activities	(72)	(36)	(4)	(31)	-	-	(76)	(67)
Net cash generated from investing activities	2	-	-	33	-	-	2	33
Net cash generated from financing activities	11	21	-	-	-	-	11	21
Net (decrease)/ increase in cash and cash equivalents	(59)	(15)	(4)	2	-	-	(63)	(13)
Effects of foreign exchange rate changes	68	17	-	-	-	-	68	17
Cash and cash equivalents at beginning of financial year	298	296	4	2	-	-	302	298
Cash and cash equivalents at the end of the financial year	307	298	-	4	-	-	307	302

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Internal restructuring exercise

On 30 September 2014, pursuant to the internal restructuring exercise, GMV-Bahtera's entire shareholdings in Magna Meridian Sdn Bhd ("MMSB") and Matlamat Emas Sdn Bhd ("MESB") were transferred to Orkim Sdn Bhd ("Orkim") via share swap. The consideration for this exercise was satisfied by the issuance of 1,215,218 ordinary shares in Orkim to GMV-Bahtera.

(d) Disposal of subsidiaries

On 18 December 2014, the Group disposed its entire interest in Orkim representing 91.28% of the issued and paid-up share capital of Orkim to Ekuiti Nasional Berhad for a total cash consideration of RM298,981,981.

Details of the disposal of subsidiaries as at the date of disposal were as follows:

	MMSB RM'000	MESB RM'000	Orkim RM'000	Total RM'000
ASSETS				
Property, plant and equipment	21,670	21,763	409,009	452,442
Goodwill	-	-	518	518
Cash and bank balances	2,905	918	37,695	41,518
Trade and other receivables	1,162	1,441	18,216	20,819
Inventories	-	-	707	707
Tax recoverable	433	715	48	1,196
	26,170	24,837	466,193	517,200
LIABILITIES				
Borrowings	(14,857)	(14,857)	(286,405)	(316,119)
Trade and other payables	(4,571)	(2,805)	(24,889)	(32,265)
Deferred tax liabilities (Note 11)	(1,031)	(1,037)	314	(1,754)
Provision for taxation	-	-	(32)	(32)
	(20,459)	(18,699)	(311,012)	(350,170)
NET ASSETS	5,711	6,138	155,181	167,030

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Disposal of subsidiaries (cont'd.)

	At the date of disposal RM'000
Net identifiable assets disposed @ 91.28%	152,465
Goodwill recognised upon acquisition (Note 10)	82,149
Intangible assets recognised upon acquisition (Note 10)	52,870
Amortisation of intangible assets	(10,049)
Proceeds from disposal	(298,982)
Gain on disposal	(21,547)
The effect of the disposal on cash flows is as follows:	
Total cash consideration received from the disposal of subsidiaries	298,982
Cash and bank balances of Orkim	(41,518)
Cash inflow to the Group on disposal	257,464

6. INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	643	643	300	300
Share of post of acquisition reserve	3,028	2,545	-	-
Less: Accummulated impairment losses	(343)	(343)	-	-
	3,328	2,845	300	300

Details of the Group's and the Company's associates are as follows:

Name	Country of incorporation	Principal activities	Effective Interest (%)	
			2015	2014
Wawasan Bulk Services Sdn Bhd	Malaysia	Ship management	30%	30%
HELD BY SYARIKAT BORCOS SHIPPING SDN BHD				
Berkat Perkapalan Sdn Bhd#	Malaysia	Dormant	49%	49%

Audited by a firm other than Ernst & Young

6. INVESTMENTS IN ASSOCIATES (CONT'D.)

The Group's aggregate share of current assets, non-current assets, current liabilities and results of the associates is as follows:

(a) Summarised statement of financial position

	2015 RM'000	2014 RM'000
ASSETS:		
Non-current assets	502	470
Cash and cash equivalents	39,148	29,949
Other current assets	5,408	4,228
Total current assets	44,556	34,177
Total assets	45,058	34,647
LIABILITIES:		
Non-current liabilities	35	31
Current liabilities (excluding trade and other payables and provisions)	31,565	24,146
Trade and other payables and provisions	2,366	988
Total current liabilities	33,931	25,134
Total liabilities	33,966	25,165
NET ASSETS	11,092	9,482

6. INVESTMENTS IN ASSOCIATES (CONT'D.)

The Group's aggregate share of current assets, non-current assets, current liabilities and results of the associates is as follows:

(b) Summarised statement of comprehensive income

	2015 RM'000	2014 RM'000
Revenue, representing gross profit	3,781	3,677
Other income	16,436	13,192
Administrative expenses	(19,383)	(15,871)
Profit from operations, representing profit before taxation	834	998
Taxation	(425)	(187)
Loss for the year	409	811
Other comprehensive income	1,201	-
Total comprehensive loss	1,610	811

(c) Reconciliation of the summarised financial information

	2015 RM'000	2014 RM'000
Net assets at 1 January	9,482	8,671
Profit for the year	409	811
Other comprehensive income	1,201	-
Net assets at 31 December	11,092	9,482
Interests in associates	30%	30%
Carrying value of Group's interest in associates	3,328	2,845

7. INVESTMENTS IN JOINT VENTURES

	GROUP	
	2015	2014
	RM'000	RM'000
Unquoted shares, at cost	53,979	53,979
Share of post acquisition reserves	(3,048)	6,670
Less: Accumulated impairment losses	(18,585)	(11,635)
	32,346	49,014
Advances to joint ventures:		
- within 1 year	23,260	6,120
- 1 to 2 years	4,122	6,079
- 2 to 5 years	5,457	7,390
- more than 5 years	23,071	30,087
	55,910	49,676
Less: Accumulated allowances for doubtful debts	(48,345)	(35,779)
	39,911	62,911
Analysed as:		
Short term investment	3,391	6,120
Long term investment	36,520	56,791
	39,911	62,911

The advances to joint ventures bear an interest of 2.4% to 7% (2014: 2.4% to 7%) per annum and repayable on a quarterly basis over a period of 10 years.

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

Details of the joint ventures whose financial year end are conterminous with the Group are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Effective Interest (%) 2015	Effective Interest (%) 2014
Alam Eksplorasi (M) Sdn Bhd^	Malaysia	Ship-owning, ship operator, ship agency, chartering and other related to shipping industry	40	40
Alam Synergy I (L) Inc^	Malaysia	Ship-owning, ship operator and charter hire of vessel	40	40
Alam Synergy II (L) Inc^	Malaysia	Ship-owning, ship operator and charter hire of vessel	40	40
Alam Synergy III (L) Inc^	Malaysia	Ship-owning, ship operator and charter hire of vessel	40	40
Formasi Cekal Sdn Bhd#	Malaysia	Ship-owning, ship operator, and to undertake all kinds of contract to carry merchant goods	40	40
Baycorp Ship Management Sdn Bhd#	Malaysia	Ship management	40	40
Gagasan Ked Sdn Bhd#	Malaysia	Ship-owning	60	60
Gagasan Paha Sdn Bhd#	Malaysia	Ship-owning	60	60
Global BMesra Sdn Bhd@	Malaysia	Ship-owning and freighting	49	49
Global BMesra Dua Sdn Bhd@	Malaysia	Ship-owning and freighting	49	49
Global BIkhlas Sdn Bhd@	Malaysia	Ship-owning and freighting	49	49
Sea Weasel Ltd~	Malaysia	Ship-owning and freighting	49	49

^ Collectively known as Alam Group.

Collectively known as Gagasan Group.

@ Collectively known as Global Group.

~ Known as Efogen Group.

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

The Group's aggregate share of net assets of the joint ventures is as follows:

(a) Summarised statement of financial position

	2015 RM'000	2014 RM'000
ASSETS		
Non-current assets	204,069	307,204
Current assets	186,728	156,144
Total assets	390,797	463,348
LIABILITIES		
Non-current liabilities	174,061	245,050
Current liabilities	242,169	212,633
Total liabilities	416,230	457,683
NET ASSETS	(25,433)	5,665

Details of the statements of financial position for each joint venture are disclosed in page 97 to page 100.

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(a) Summarised statement of financial position (cont'd.)

	Alam Eksplorasi (M) Sdn Bhd		Alam Synergy I (L) Inc		Alam Synergy II (L) Inc		Alam Synergy III (L) Inc		Subtotal 1	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	-	1	25,468	26,631	25,735	27,271	63,825	71,711	115,028	125,614
Cash and cash equivalents	192	7,594	606	1,296	249	1,072	53	861	1,100	10,823
Other current assets	51,190	24,608	15,751	8,603	6,615	5,552	10,430	13,984	83,986	52,747
Total current assets	51,382	32,202	16,357	9,899	6,864	6,624	10,483	14,845	85,086	63,570
Total assets	51,382	32,203	41,825	36,530	32,599	33,895	74,308	86,556	200,114	189,184
Non-current liabilities	-	-	4,071	5,928	7,277	8,956	24,114	27,864	35,462	42,748
Current liabilities (excluding trade and other payables and and provisions)	8,376	612	2,934	2,725	3,039	2,651	8,162	6,710	22,511	12,698
Trade and other payables and and provisions	44,435	30,310	4,546	641	4,146	3,134	9,576	6,530	62,703	40,615
Total current liabilities	52,811	30,922	7,480	3,366	7,185	5,785	17,738	13,240	85,214	53,313
Total liabilities	52,811	30,922	11,551	9,294	14,462	14,741	41,852	41,104	120,676	96,061
Net assets	(1,429)	1,281	30,274	27,236	18,137	19,154	32,456	45,452	79,438	93,123

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(a) Summarised statement of financial position (cont'd.)

	Formasi Cekal Sdn Bhd		Gagasan Paha Sdn Bhd		Gagasan Ked Sdn Bhd		Baycorp Ship Management Sdn Bhd		Subtotal 2	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	-	34,051	21,635	20,984	22,283	21,311	264	357	44,182	76,703
Cash and cash equivalents	214	633	544	488	283	553	5	-	1,046	1,674
Other current assets	36,924	32,137	13,941	11,320	15,270	13,478	16,293	13,343	82,428	70,278
Total current assets	37,138	32,770	14,485	11,808	15,553	14,031	16,298	13,343	83,474	71,952
Total assets	37,138	66,821	36,120	32,792	37,836	35,342	16,562	13,700	127,656	148,655
Non-current liabilities	55,813	55,813	26,763	26,531	28,531	28,518	71	80	111,178	110,942
Current liabilities (excluding trade and other payables and and provisions)	5,754	34,122	21,299	20,194	16,390	13,852	15,264	12,754	58,707	80,922
Trade and other payables and and provisions	21,557	14,305	8,464	5,590	8,087	4,374	2,158	1,329	40,266	25,598
Total current liabilities	27,311	48,427	29,763	25,784	24,477	18,226	17,422	14,083	98,973	106,520
Total liabilities	83,124	104,240	56,526	52,315	53,008	46,744	17,493	14,163	210,151	217,462
Net (liabilities)/assets	(45,986)	(37,419)	(20,406)	(19,523)	(15,172)	(11,402)	(931)	(463)	(82,495)	(68,807)

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(a) Summarised statement of financial position (cont'd.)

	Global Bmesra Sdn Bhd		Global Bmesra Dua Sdn Bhd		Global Blkhlas Sdn Bhd		Sea Weasel Ltd		Subtotal 3	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	-	15,925	-	15,925	-	18,375	44,859	54,662	44,859	104,887
Cash and cash equivalents	1,030	1,646	1,700	1,935	1,530	2,376	26	29	4,286	5,986
Other current assets	6,486	5,253	6,722	5,463	310	2,553	364	1,367	13,882	14,636
Total current assets	7,516	6,899	8,422	7,398	1,840	4,929	390	1,396	18,168	20,622
Total assets	7,516	22,824	8,422	23,323	1,840	23,304	45,249	56,058	63,027	125,509
Non-current liabilities	-	16,579	-	16,579	2,340	29,724	25,081	28,478	27,421	91,360
Current liabilities (excluding trade and other payables and and provisions)	9,642	5,068	9,601	11,071	12,851	13,903	5,716	-	37,810	30,042
Trade and other payables and and provisions	6,412	11,711	6,038	5,952	858	1,524	6,864	3,571	20,172	22,758
Total current liabilities	16,054	16,779	15,639	17,023	13,709	15,427	12,580	3,571	57,982	52,800
Total liabilities	16,054	33,358	15,639	33,602	16,049	45,151	37,661	32,049	85,403	144,160
Net (liabilities)/assets	(8,538)	(10,534)	(7,217)	(10,279)	(14,209)	(21,847)	7,588	24,009	(22,376)	(18,651)

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(a) Summarised statement of financial position (cont'd.)

	Subtotal 1		Subtotal 2		Subtotal 3		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	115,028	125,614	44,182	76,703	44,859	104,887	204,069	307,204
Cash and cash equivalents	1,100	10,823	1,046	1,674	4,286	5,986	6,432	18,483
Other current assets	83,986	52,747	82,428	70,278	13,882	14,636	180,296	137,661
Total current assets	85,086	63,570	83,474	71,952	18,168	20,622	186,728	156,144
Total assets	200,114	189,184	127,656	148,655	63,027	125,509	390,797	463,348
Non-current liabilities	35,462	42,748	111,178	110,942	27,421	91,360	174,061	245,050
Current liabilities (excluding trade and other and provisions)	22,511	12,698	58,707	80,922	37,810	30,042	119,028	123,662
Trade and other payables and provision	62,703	40,615	40,266	25,598	20,172	22,758	123,141	88,971
Total current liabilities	85,214	53,313	98,973	106,520	57,982	52,800	242,169	212,633
Total liabilities	120,676	96,061	210,151	217,462	85,403	144,160	416,230	457,683
Net assets/(liabilities)	79,438	93,123	(82,495)	(68,807)	(22,376)	(18,651)	(25,433)	5,665

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(b) Summarised statement of comprehensive income

	2015 RM'000	2014 RM'000
Revenue	55,669	139,876
Cost of sales	(54,766)	(89,740)
Gross profit	903	50,136
Other income	35,530	2,688
Administrative expenses	(5,095)	(87,027)
Operating expenses	(43,216)	(34,114)
Loss from operations	(11,878)	(68,317)
Finance costs	(19,153)	(15,467)
Loss before taxation	(31,031)	(83,784)
Taxation	(67)	(163)
Loss for the year	(31,098)	(83,947)

Details of the statements of comprehensive income for each joint venture are disclosed in page 102 to page 105.

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(b) Summarised statement of comprehensive income (cont'd.)

	Alam Eksplorasi Sdn Bhd		Alam Synergy I (L) Inc		Alam Synergy II (L) Inc		Alam Synergy III (L) Inc		Subtotal 1	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	18,941	42,061	7,807	5,288	3,934	7,224	2,986	19,712	33,668	74,285
Cost of sales	(20,670)	(41,125)	(1,292)	(3,181)	(1,276)	(3,204)	(3,189)	(7,628)	(26,427)	(55,138)
Gross profit/(loss)	(1,729)	936	6,515	2,107	2,658	4,020	(203)	12,084	7,241	19,147
Other income	25	25	331	30	476	30	1,286	10	2,118	95
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Operating expenses	(1,006)	(224)	(3,529)	(490)	(3,774)	(913)	(12,966)	(1,596)	(21,275)	(3,223)
(Loss)/profit from operation	(2,710)	737	3,317	1,647	(640)	3,137	(11,883)	10,498	(11,916)	16,019
Finance costs	-	-	(260)	(296)	(358)	(425)	(1,092)	(1,184)	(1,710)	(1,905)
(Loss)/profit before taxation	(2,710)	737	3,057	1,351	(998)	2,712	(12,975)	9,314	(13,626)	14,114
Taxation	-	(57)	(20)	(20)	(20)	(20)	(20)	(20)	(60)	(117)
Profit/(loss) for the year	(2,710)	680	3,037	1,331	(1,018)	2,692	(12,995)	9,294	(13,686)	13,997

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(b) Summarised statement of comprehensive income (cont'd.)

	Formasi Cekal Sdn Bhd		Gagasan Paha Sdn Bhd		Gagasan Ked Sdn Bhd		Baycorp Ship Management Sdn Bhd		Subtotal 2	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	196	5,741	3,518	10,173	1,512	5,400	840	1,995	6,066	23,309
Cost of sales	(2,491)	(9,003)	(3,976)	(12,123)	(4,589)	(7,029)	(814)	(727)	(11,870)	(28,882)
Gross (loss)/profit	(2,295)	(3,262)	(458)	(1,950)	(3,077)	(1,629)	26	1,268	(5,804)	(5,573)
Other income	38	106	934	16	936	311	-	-	1,908	433
Administrative expenses	(1,438)	(423)	(290)	(151)	(499)	(447)	(490)	(369)	(2,717)	(1,390)
Operating expenses	-	-	-	-	-	-	-	(891)	-	(891)
(Loss)/profit from operations	(3,695)	(3,579)	186	(2,085)	(2,640)	(1,765)	(464)	8	(6,613)	(7,421)
Finance costs	(4,872)	(4,420)	(1,069)	(869)	(1,130)	(959)	(4)	(4)	(7,075)	(6,252)
(Loss)/profit before taxation	(8,567)	(7,999)	(883)	(2,954)	(3,770)	(2,724)	(468)	4	(13,688)	(13,673)
Taxation	-	-	-	-	-	-	-	(26)	-	(26)
Loss for the year	(8,567)	(7,999)	(883)	(2,954)	(3,770)	(2,724)	(468)	(22)	(13,688)	(13,699)

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(b) Summarised statement of comprehensive income (cont'd.)

	Global Bmesra Sdn Bhd		Bmesra Dua Sdn Bhd		Global BIkhlas Sdn Bhd		Sea Weasel Ltd		Subtotal 3	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	3,060	11,520	3,934	10,337	2,857	15,384	6,084	5,041	15,935	42,282
Cost of sales	(662)	(348)	(585)	(339)	(885)	(575)	(14,337)	(4,458)	(16,469)	(5,720)
Gross profit	2,398	11,172	3,349	9,998	1,972	14,809	(8,253)	583	(534)	36,562
Other income	8,212	441	8,378	441	14,906	1,278	8	-	31,504	2,160
Administrative expenses	(621)	(23,003)	(627)	(24,665)	(149)	(37,851)	(981)	(118)	(2,378)	(85,637)
Operating expenses	(5,228)	(8,896)	(5,355)	(9,935)	(7,255)	(11,169)	(4,103)	-	(21,941)	(30,000)
(Loss)/profit from operations	4,761	(20,286)	5,745	(24,161)	9,474	(32,933)	(13,329)	465	6,651	(76,915)
Finance costs	(2,765)	(1,519)	(2,682)	(1,467)	(1,836)	(2,647)	(3,085)	(1,677)	(10,368)	(7,310)
(Loss)/profit before taxation	1,996	(21,805)	3,063	(25,628)	7,638	(35,580)	(16,414)	(1,212)	(3,717)	(84,225)
Taxation	-	-	-	-	-	-	(7)	(20)	(7)	(20)
Loss for the year	1,996	(21,805)	3,063	(25,628)	7,638	(35,580)	(16,421)	(1,232)	(3,724)	(84,245)

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(b) Summarised statement of comprehensive income (cont'd.)

	Subtotal 1		Subtotal 2		Subtotal 3		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	33,668	74,285	6,066	23,309	15,935	42,282	55,669	139,876
Cost of sales	(26,427)	(55,138)	(11,870)	(28,882)	(16,469)	(5,720)	(54,766)	(89,740)
Gross profit/(loss)	7,241	19,147	(5,804)	(5,573)	(534)	36,562	903	50,136
Other income	2,118	95	1,908	433	31,504	2,160	35,530	2,688
Administrative expenses	-	-	(2,717)	(1,390)	(2,378)	(85,637)	(5,095)	(87,027)
Operating expenses	(21,275)	(3,223)	-	(891)	(21,941)	(30,000)	(43,216)	(34,114)
Profit/(loss) from operations	(11,916)	16,019	(6,613)	(7,421)	6,651	(76,915)	(11,878)	(68,317)
Finance costs	(1,710)	(1,905)	(7,075)	(6,252)	(10,368)	(7,310)	(19,153)	(15,467)
Profit/(loss) before taxation	(13,626)	14,114	(13,688)	(13,673)	(3,717)	(84,225)	(31,031)	(83,784)
Taxation	(60)	(117)	-	(26)	(7)	(20)	(67)	(163)
Profit/(loss) for the year	(13,686)	13,997	(13,688)	(13,699)	(3,724)	(84,245)	(31,098)	(83,947)

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(c) Reconciliation of the summarised financial information

	2015 RM'000	2014 RM'000
Net assets at 1 January	5,665	89,612
Loss for the year	(31,098)	(83,947)
Net assets/(liabilities) at 31 December	(25,433)	5,665
Interests in joint ventures	6,131	(11,263)
Carrying value of Group's interest in joint ventures	(19,302)	(5,598)
Less: Cumulative unrecognised losses b/f	(54,612)	(39,402)
Share of unrecognised losses for the year	2,963	(15,211)
Net carrying value of Group's interest in joint ventures	32,346	49,014

Reconciliation of the summarised financial information for each joint venture are disclosed in page 107 to page 110.

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(c) Reconciliation of the summarised financial information

	Alam Eksplorasi Sdn Bhd		Alam Synergy I (L) Inc		Alam Synergy II (L) Inc		Alam Synergy III (L) Inc		Subtotal 1	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net assets at 1 January	1,281	601	27,236	25,905	19,154	16,462	45,452	36,158	93,123	79,126
(Loss)/profit for the year	(2,710)	680	3,037	1,331	(1,018)	2,692	(12,995)	9,294	(13,686)	13,997
Dividends paid	-	-	-	-	-	-	-	-	-	-
Net assets at 31 December	(1,429)	1,281	30,273	27,236	18,136	19,154	32,457	45,452	79,437	93,123
Interest in joint ventures	40%	40%	40%	40%	40%	40%	40%	40%	(47,662)	(55,874)
Carrying value of Group's interest in joint ventures	(572)	512	12,109	10,894	7,254	7,662	12,983	18,181	31,775	37,249
Less: Cumulative unrecognised losses b/f	-	-	-	-	-	-	-	-	-	-
Unrecognised losses for the year	(572)	-	-	-	-	-	-	-	(572)	-
Net carrying value of Group's interest in joint ventures	-	512	12,109	10,894	7,254	7,662	12,983	18,181	32,346	37,249
Cost of investment	120	120	1,541	1,541	2,341	2,341	7,272	7,272	11,274	11,274
Accumulated impairment losses	(120)	-	-	-	-	-	-	-	(120)	-
	-	120	1,541	1,541	2,341	2,341	7,272	7,272	11,154	11,274

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(c) Reconciliation of the summarised financial information (cont'd.)

	Formasi Cekal Sdn Bhd*		Gagasan Paha Sdn Bhd*		Gagasan Ked Sdn Bhd*		Baycorp Ship Management Sdn Bhd*		Subtotal 2	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net (liabilities)/assets at 1 January	(37,419)	(29,420)	(19,523)	(16,569)	(11,402)	(8,678)	(463)	(441)	(68,807)	(55,108)
Issuance of share capital	-	-	-	-	-	-	-	-	-	-
Loss for the financial year	(8,567)	(7,999)	(883)	(2,954)	(3,770)	(2,724)	(468)	(22)	(13,688)	(13,699)
Net liabilities at 31 December	(45,986)	(37,419)	(20,406)	(19,523)	(15,172)	(11,402)	(931)	(463)	(82,495)	(68,807)
Interest in joint ventures	40%	40%	60%	60%	60%	60%	40%	40%	42,381	35,099
Carrying value of Group's interest in joint ventures	(18,394)	(14,968)	(12,244)	(11,714)	(9,103)	(6,841)	(372)	(185)	(40,114)	(33,708)
Less: Cumulative unrecognised losses b/f	(14,968)	(4,304)	(11,714)	(9,941)	(6,841)	(5,207)	(185)	(176)	(33,708)	(19,629)
Unrecognised losses for the year	(3,426)	(10,664)	(530)	(1,772)	(2,262)	(1,634)	(187)	(9)	(6,405)	(14,079)
Net carrying value of Group's interest in joint ventures	-	-	-	-	-	-	-	-	-	-
Cost of investment	5,112	5,112	4,266	4,266	4,540	4,540	48	48	13,966	13,966
Accumulated impairment losses	(5,112)	(5,112)	(4,266)	(4,266)	(4,540)	(4,540)	(48)	(48)	(13,966)	(13,966)
	-	-	-	-	-	-	-	-	-	-

*The Group has discontinued the recognition of its share of losses for these joint ventures as the share of losses of these joint ventures have equaled to the Group's interest.

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(c) Reconciliation of the summarised financial information (cont'd.)

	Global Bmesra Sdn Bhd*		Global Bmesra Dua Sdn Bhd*		Global Bikhlas Sdn Bhd*		Sea Weasel Ltd		Subtotal 3	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net assets at 1 January	(10,534)	11,271	(10,279)	15,349	(21,847)	13,733	24,009	25,241	(18,651)	65,594
(Loss)/profit for the financial year	1,996	(21,805)	3,063	(25,628)	7,638	(35,580)	(16,421)	(1,232)	(3,724)	(84,245)
Net liabilities at 31 December	(8,538)	(10,534)	(7,216)	(10,279)	(14,209)	(21,847)	7,588	24,009	(22,375)	(18,651)
Interest in joint ventures	49%	49%	49%	49%	49%	49%	49%	49%	11,411	9,511
Carrying value of Group's interest in joint ventures	(4,184)	(5,162)	(3,536)	(5,037)	(6,962)	(10,705)	3,718	11,764	(10,964)	(9,140)
Less: Cumulative unrecognised losses b/f	(5,162)	(5,523)	(5,037)	(7,521)	(10,705)	(6,729)	-	-	(20,904)	(19,773)
Reversal of unrecognised losses/ (unrecognised losses) for the year	978	361	1,501	2,484	3,743	(3,976)	3,718	-	9,940	(1,131)
Net carrying value of Group's interest in joint ventures	-	-	-	-	-	-	-	11,764	-	11,764
Cost of investment	10,290	10,290	9,457	9,457	5,880	5,880	3,112	3,112	28,739	28,739
Accumulated impairment losses	(10,290)	(10,290)	(9,457)	(9,457)	(5,880)	(5,880)	(3,112)	-	(28,739)	(25,627)
	-	-	-	-	-	-	-	3,112	-	3,112

The Group has discontinued the recognition of its share of losses for these joint ventures as the share of losses of these joint ventures have exceeded the Group's interest.

7. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(c) Reconciliation of the summarised financial information (cont'd.)

	Subtotal 1		Subtotal 2		Subtotal 3		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net assets/(liabilities) at 1 January	93,123	79,126	(68,807)	(55,108)	(18,651)	65,594	5,665	89,612
Profit/(loss) for the financial year	(13,686)	13,997	(13,688)	(13,699)	(3,724)	(84,245)	(31,098)	(83,947)
Net assets/(liabilities) at 31 December	79,437	93,123	(82,495)	(68,807)	(22,375)	(18,651)	(25,433)	5,665
Interest in joint ventures	(47,662)	(55,874)	42,381	35,099	11,411	9,511	6,131	(11,263)
Carrying value of Group's interest in joint ventures	31,775	37,249	(40,114)	(33,708)	(10,964)	(9,140)	(19,302)	(5,598)
Less: Cumulative share of unrecognised losses b/f	-	-	(33,708)	(19,629)	(20,904)	(19,773)	(54,612)	(39,402)
Share of unrecognised losses for the year	(572)	-	(6,405)	(14,079)	9,940	(1,131)	2,963	(15,211)
Net carrying value of Group's interest in joint ventures	32,346	37,249	-	-	-	11,764	32,346	49,014

8. OTHER INVESTMENTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss				
- Held for trading	3	4,247	-	-
Other				
- Golf membership, at cost	70	70	70	70
	73	4,317	70	70

Financial assets at fair value through profit or loss

Market value of quoted investments in Malaysia is RM3,000 (2014: RM4,247,000) as at the date of reporting period.

9. POOL WORKING FUND

The amount represents advances from subsidiaries to the pool operators for operating funds of the vessels in the pool. These advances are interest free, unsecured and are refundable only upon termination of the pool agreement signed between the subsidiaries and the pool operators.

The pool agreement has been terminated and the fund has been fully refunded from the pool operator during the year.

10. INTANGIBLE ASSETS

GROUP	Contract based related intangibles RM'000	Goodwill RM'000	Provisional RM'000	Total RM'000
COST				
At 1 January 2014	52,040	77,182	135,019	264,241
Reclassification	52,870	82,149	(135,019)	-
Disposal of a subsidiary	(42,821)	(82,667)	-	(125,488)
At 31 December 2014, 1 January 2015 and 31 December 2015	62,089	76,664	-	138,753
AMORTISATION AND IMPAIRMENT				
At 1 January 2014	9,541	76,664	-	86,205
Amortisation for the year (Note 25)	37,037	-	-	37,037
At 31 December 2014 and 1 January 2015	46,578	76,664	-	123,242
Amortisation for the year (Note 25)	15,511	-	-	15,511
31 December 2015	62,089	76,664	-	138,753
Net carrying amount at 31 December 2015	-	-	-	-
Net carrying amount at 31 December 2014	15,511	-	-	15,511

10. INTANGIBLE ASSETS (CONT'D.)

Contract based related intangibles

Contract based related intangibles relate to the customer contracts that were acquired in business combinations. The intangibles are in respect of contracts that will expire up to FY2017; and is amortised on a straight line basis up to expiry. The Company has fully amortised the intangible assets as the respective contracts no longer support the positive discounted cashflow for one of the subsidiary.

Provisional amount

The purchase price allocation (""PPA"") exercise on the acquisition of Orkim Sdn Bhd has been carried out by the Group in the previous financial year. Upon the completion of the PPA exercise, the intangible assets have been allocated accordingly into goodwill and contract based related intangibles.

Goodwill

The goodwill recognised was arising from the acquisition of subsidiaries, Syarikat Borcos Shipping Sdn Bhd and Orkim Sdn Bhd and has been fully impaired in the previous financial year.

11. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2015 RM'000	2014 RM'000
At 1 January	703	14,103
Disposal of a subsidiary (Note 5(e))	-	1,754
Recognised in profit or loss (Note 31)	(707)	(15,154)
At 31 December	(4)	703
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	705
Deferred tax liabilities	(4)	(2)
	(4)	703

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The components and movement of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

	At 1 January 2014	Disposal of a subsidiary (Note 5(d))	Recognised in profit or loss (Note 31)	At 31 December 2014/1 January 2015	Recognised in profit or loss (Note 31)	At 31 December 2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
DEFERRED TAX LIABILITIES OF THE GROUP						
Property, plant and equipment	1,754	(1,754)	-	-	-	-
Provisions	(509)	-	(196)	(705)	709	4
	1,245	(1,754)	(196)	(705)	709	4
DEFERRED TAX ASSETS OF THE GROUP						
Property, plant and equipment	(851)	-	849	(2)	(2)	-
Other items	353	-	(353)	-	-	-
Unabsorbed capital allowances	15,846	-	(15,846)	-	-	-
	15,857	-	(15,350)	(2)	(2)	-

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	GROUP	
	2015 RM'000	2014 RM'000
Unutilised tax losses	180,603	61,531
Unutilised capital allowances	92,972	92,871
Other deductible temporary differences	107,745	10,848
	381,320	165,250

Deferred tax assets have not been recognised in respect of these items as it is not probable that they may be used to offset against future taxable profits, which arose from a subsidiary that has been loss-making, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		GROUP		COMPANY	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CURRENT TRADE RECEIVABLES					
Third parties	(a)	40,248	36,223	-	-
Less: Allowance for doubtful debts		(19,241)	(3,548)	-	-
		21,007	32,675	-	-
OTHER RECEIVABLES					
Third parties	(b)	1,036	2,224	748	966
Deposits		3,260	799	61	61
Tax recoverable		2,093	834	683	-
Prepayments		1,131	1,975	-	-
Amounts due from subsidiaries	(c)	-	-	21,343	23,686
Less: Allowance for doubtful debts		-	-	(19,587)	(580)
Amount due from associate	(d)	533	473	-	-
Less: Allowance for doubtful debts		(457)	-	-	-
Amounts due from related parties	(e)	31,541	24,104	-	-
		39,137	30,409	3,248	24,133
		60,144	63,084	3,248	24,133

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D.)

		GROUP		COMPANY	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
NON-CURRENT OTHER RECEIVABLES					
Amounts due from subsidiaries	(c)	-	-	371,279	412,035
Less: Allowance for doubtful debts		-	-	(356,864)	(67,008)
Less: Fair value adjustment		-	-	-	(8,756)
		-	-	14,415	336,271
Total trade and other receivables (current and non-current)		60,144	63,084	17,663	360,404
Add: Cash and bank balances	14	216,012	414,620	153,154	39,187
Add: Advances to joint ventures	7	7,565	13,897	-	-
Add: Pool working fund	9	-	2,098		
Less: Prepayments		(1,131)	(1,975)	-	-
Less: Tax recoverable		(2,093)	(834)	(683)	-
Total loans and receivables		280,497	490,890	170,134	399,591

(a) Trade receivables

Trade receivables for the third parties relate to amounts due from charterers.

<u>Aging analysis of trade receivables</u>

The aging analysis of the Group's trade receivables is as follows:

	GROUP	
	2015	2014
	RM'000	RM'000
Neither past due nor impaired	10,752	15,970
1 to 30 days past due not impaired	1,768	1,120
31 to 60 days past due not impaired	1,330	1,788
61 yo 90 days past due not impaired	1,501	3,210
91 to 120 days past due not impaired	848	706
More than 121 days past due not impaired	4,808	9,881
	10,255	16,705
Impaired	19,241	3,548
	40,248	36,223

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D.)

(a) Trade receivables (cont'd.)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are charterers with good payment record with the Group.

The Group's trade receivables amounting to RM10,752,000 (2014: RM15,970,000) respectively that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but nor impaired

The Group has trade receivables amounting to RM10,255,000 (2014: RM16,705,000) that are past due at the reporting date but not impaired and are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2015	2014
	RM'000	RM'000
Trade receivables - nominal amounts	19,241	3,548
Less: Allowance for impairment	(19,241)	(3,548)
	-	-

Movement in allowance accounts:		
	2015	2014
	RM'000	RM'000
As at 1 January	(3,548)	(1,378)
Charge for the year (Note 25)	(12,498)	(2,170)
Reversal of impairment losses (Note 25)	80	-
Exchange differences	(3,275)	-
As at 31 December	(19,241)	(3,548)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D.)

(b) Other receivables from third parties

Included in other receivables from third parties of the Company is RM644,000 (2014: RM858,000) being loan to staff, bearing an interest of 4% (2014: 4%) per annum and repayable by monthly salary deductions.

(c) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and repayable on demand except for the long term portion which bears interest at 2.4% to 7% (2014: 2.4% to 7%) per annum and is expected to be repayable in full over 10 years.

Movement in allowance accounts:

	Individually impaired	
	2015	2014
	RM'000	RM'000
As at 1 January	(67,588)	(7,278)
Charge for the year (Note 25)	(308,863)	(60,310)
As at 31 December	(376,451)	(67,588)

(d) Amounts due from associate

The amount due from associate is unsecured, interest free and repayable on demand.

Movement in allowance accounts:

	GROUP	
	2015	2014
	RM'000	RM'000
As at 1 January	-	-
Charge for the year (Note 25)	(457)	-
As at 31 December	(457)	-

(e) Amounts due from related parties

Related parties in these financial statements refer to companies within the IMC Holdings Limited Group of Companies, a corporate shareholder of the ship-owning subsidiaries.

13. INVENTORIES

	GROUP 2015 RM'000	GROUP 2014 RM'000
Spare parts for vessels, at cost	-	482

During the year, the amount of inventories reclassified to property, plant and equipment (Note 4) of the Group was RM1,448,000 (2014: Nil).

14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	6,176	4,854	21	309
Deposits with licensed banks	209,836	409,766	153,133	38,878
Total cash and bank balances	216,012	414,620	153,154	39,187
Less: Bank overdrafts	(3,623)	(3,865)	-	-
Pledged deposits	(2,402)	(2,588)	-	-
Total cash and cash equivalents	209,987	408,167	153,154	39,187

The range of interest rates and the maturities of deposits as at 31 December 2015 were 3.05% to 5.00% (2014: 2.85% to 3.50%) per annum and 1 to 365 days (2014: 1 to 90 days) respectively.

Deposits with licensed banks of RM2,402,000 (2014: RM2,588,000) of the Group are pledged as security for bank guarantee facilities to the Group (Note 16).

Other information on financial risks of cash and cash equivalents are disclosed in Note 34.

15. NON-CURRENT ASSET HELD FOR SALE

The property, plant and equipment of a subsidiary, Syarikat Borcos Shipping Sdn Bhd are reclassified to non-current asset held for sale following the Group's decision to dispose the assets.

Effort to dispose the assets have commenced and targeted to be completed by December 2016.

	GROUP 2015 RM'000	GROUP 2014 RM'000
As at 1 January	-	2,619
Reclassified from property, plant and equipment (Note 4)	394,174	-
Sale of vessels	-	(2,619)
As at 31 December	394,174	-

16. LOANS AND BORROWINGS

	GROUP	
	2015	2014
	RM'000	RM'000
CURRENT		
Secured:		
Islamic debt facility	174,245	357,499
Term loans	77,719	76,926
Finance lease liabilities	32	28
Overdrafts	3,623	3,865
	255,619	438,318
NON-CURRENT		
Secured:		
Finance lease liabilities	67	99
	67	99
Total loans and borrowings	255,686	438,417

The remaining maturities of the loans and borrowings are as follows:

	GROUP	
	2015	2014
	RM'000	RM'000
On demand or within one year	255,619	438,318
More than 1 year and less than 5 years	67	99
5 years or more	-	-
	255,686	438,417

(a) Term loan and Islamic debt facility

The term loans and Islamic debt facility bear profit interest at the rate ranging from 4.10% to 7.85% (2014: 4.10% to 7.25%) per annum, repayable monthly and secured by the following:

(i) negative pledges over the leasehold land of the Group;
(ii) equitable assignment of contract with customers;
(iii) statutory mortgages over the vessels of the Group; and
(iv) jointly and severally guaranteed by the former director of one of the subsidiary.

In connection with the Islamic debt facility agreements, the Group, via its subsidiary, Syarikat Borcos Shipping Sdn Bhd has agreed on significant covenant with the lenders to maintain at all times an annual debt to equity ratio of not more than three times.

As at year end, Syarikat Borcos Shipping Sdn Bhd has breached the loan covenant. Therefore, the Islamic debt facility outstanding amount has been classified as current. Correspondingly, due to the cross default, the entire term loans amounts have also been classified as current.

16. LOANS AND BORROWINGS (CONT'D.)

(b) Finance lease liabilities

The hire purchase liabilities bear flat interest at the rate of 2.50% (2014: 2.50%) per annum and payable as follows:

	GROUP	
	2015	2014
	RM'000	RM'000
Less than one year	32	28
Between one year and two years	30	32
Between two and five years	37	67
	99	127

(c) Overdrafts

Bank overdrafts are denominated in RM, bear interest at the rate ranging from 4.1% to 7.85% (2014: 7.0% to 7.5%) per annum and secured by deposit placed with licensed banks (Note 14).

17. PAYABLES AND ACCRUALS

		GROUP		COMPANY	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
TRADE					
Third parties	(a)	17,807	15,165	-	-
NON-TRADE					
Third parties	(a)	233	2,779	128	631
Accrued expenses		15,175	16,210	1,273	2,367
Tax payable		150	998	-	315
Amounts due to subsidiaries		-	-	2,061	1,354
Amount due to holding company		887	582	885	582
Amounts due to related parties	(b)	187	191	-	-
Other payables	(c)	69,160	59,300	69,160	59,300
		85,792	80,060	73,507	64,549
Total payables and accruals		103,599	95,225	73,507	64,549
Less: Tax payable		(150)	(998)	-	(315)
Add: Loans and borrowings (Note 16)		255,686	438,417	-	-
Total other financial liabilities		359,135	532,644	73,507	64,234

17. PAYABLES AND ACCRUALS (CONT'D.)

(a) Trade and other payables

These amounts are non-interest bearing and are normally settled on 30 to 90 days terms.

(b) Amounts due to related parties

Amounts due to related parties are unsecured, interest free and repayable on demand.

(c) Other payables

Other payables is related to amount payable to certain banks as a result of payment default by certain joint ventures, which the Company provided corporate guarantees on the loan facilities granted to the joint ventures.

18. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2015	2014	2015	2014
	'000	'000	RM'000	RM'000
AUTHORISED:				
At 1 January/31 December	1,000,000	1,000,000	1,000,000	1,000,000
ISSUED AND FULLY PAID:				
At 1 January/31 December	300,000	300,000	300,000	300,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

19. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of operations whose functional currency are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from the monetary item which form part of the Group's net investment in those operations.

	GROUP	
	2015	2014
	RM'000	RM'000
FOREIGN CURRENCY TRANSLATION		
At 1 January	39,758	(14,032)
Foreign currency translation	122,911	53,790
Less: Non-controlling interests	(1,519)	-
At 31 December	161,150	39,758

20. ACCUMULATED LOSSES/ RETAINED EARNINGS

The Company is under the single tier system and as a result, there is no restriction on the Company to frank the payment of dividends out of its entire retained earnings provided there is sufficient profits.

21. REVENUE

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
REVENUE				
Dividend income	-	-	75,000	4,111
Charter hire income	90,461	273,116	-	-
Share of pool profit	121	-	-	-
	90,582	273,116	75,000	4,111

22. COST OF SALES

	GROUP	
	2015 RM'000	2014 RM'000
Charter charges	3,559	31,793
Crew costs	26,818	46,819
Depreciation	55,031	70,060
Fuels and lubricants	11,209	14,836
Port charges	1,086	6,025
Repair and maintanance	5,323	17,858
Site office expenses	15,496	29,232
	118,522	216,623

Cost of sales comprise of direct cost and cost of operation incurred.

23. INTEREST INCOME

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest income:				
- Subsidiaries	-	-	10,984	10,502
- Joint ventures	2,787	2,663	106	-
- Fixed deposits	10,690	5,723	5,935	883
- Others	8	29	22	29
Interest recognised on re-measurement of intercompany loans to fair value	-	-	-	1,609
	13,485	8,415	17,047	13,023

24. OTHER OPERATING INCOMES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Dividend income	59	89	-	-
Gain on disposal of property, plant and equipment	-	569	-	-
Gain on disposal of RCPS and RCCPS	715	-	-	-
Other income	754	3,180	4	793
Gain on foreign exchange - realised	-	1,202	-	-
Gain on disposal of a subsidiary (Note 5(d))	-	21,547	-	-
	1,528	26,587	4	793

25. OTHER OPERATING EXPENSES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Impairment loss on fair value adjustment on loans to subsidiaries	-	-	-	22,570
Reversal of fair value adjustment	-	-	-	(11,304)
Net impairment loss on fair value adjustment	-	-	-	11,266
Impairment loss on investments in joint ventures	6,950	-	-	-
Impairment loss on investments in subsidiaries	-	-	8,878	174,073
Reversal of impairment loss	-	-	(12,459)	(3,461)
Net impairment loss on investments in subsidiaries	-	-	(3,581)	170,612
Impairment loss on property, plant and equipment (Note 4)	200,975	164,964	-	-
Amortisation of intangible assets (Note 10)	15,511	37,037	-	-
Loss on disposal of vessels	-	4,402	-	-
Allowance for doubtful debts:				
- Advance to joint ventures	12,566	28,827	8,950	-
- Subsidiaries (Note 12)	-	-	308,863	60,310
- Associate	457	-	-	-
- Trade receivables	12,498	2,170	-	-
Reversal of allowance for doubtful debts (Note 12)	(80)	-	-	-
Loss on foreign exchange				
- unrealised	1,815	7,403	-	-
- realised	1,409	-	-	-
Loss on corporate guarantees	9,860	59,300	9,860	59,300
	261,961	304,103	324,092	301,488

26. FINANCE COSTS

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest expenses incurred on:				
- Hire purchases	5	30	-	-
- Term loans	13,780	17,589	-	-
- Islamic debt facility	7,852	25,800	-	-
- Overdrafts	232	50	-	-
- Others	11	-	8,088	-
	21,880	43,469	8,088	-

27. LOSS BEFORE TAXATION

The following items have been included in arriving at loss before taxation:

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- Statutory audits	560	596	121	157
Depreciation of property, plant and equipments (Note 4)	55,125	71,644	94	113
Rental of office equipment	12	9	12	9
Rental of office	389	451	214	243
Realised loss/ (gain) on foreign exchange	1,409	(1,202)	-	-
Unrealised loss on foreign exchange	1,815	7,403	-	-
Property, plant and equipment written off	-	-	-	22
Inventories written off	18	707	-	-

28. IMPAIRMENT LOSS ON VESSELS

The Group assessed the recoverable amount of the vessels with indication of impairment. The Group had performed the impairment assessment on vessels by comparing the carrying amounts with the vessels' recoverable amounts.

A total provision of impairment on vessels of RM195,863,000 (2014: RM164,964,000) has been recognised in the income statement.

29. EMPLOYEE BENEFIT EXPENSES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	7,453	13,556	2,710	1,959
Employees Provident Fund	997	1,486	433	300
Social security contributions	69	59	17	14
Other benefits	710	715	465	685
	9,229	15,816	3,625	2,958

30. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Executive directors				
Salaries and other emoluments	62	-	-	-
Non-executive directors				
Fees	377	504	346	478
Other emoluments	177	-	159	
	554	504	505	478
Total directors' remuneration	616	504	505	478

31. TAXATION

The major components of income tax for the years ended 31 December 2015 and 2014 are as follows:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
STATEMENT OF PROFIT OR LOSS:				
Current income tax:				
- Malaysian income tax	6,217	4,507	4,209	2,687
- (Over)/Underprovision in prior years	(118)	(61)	82	(3)
	6,099	4,446	4,291	2,684
Deferred tax (Note 11):				
- Original and reversal of temporary differences	(2)	182	-	-
- Underprovision in prior year	709	14,972	-	-
	707	15,154	-	-
Income tax expenses recognised in profit or loss	6,806	19,600	4,291	2,684

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

The domestic statutory tax rate will be reduced to 24% in year of assessment 2016.

31. TAXATION (CONT'D.)

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loss before taxation	(322,080)	(281,685)	(246,670)	(291,585)
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	(80,520)	(70,421)	(61,668)	(72,896)
Effect of share of results of joint ventures and associates	155	462	-	-
Expenses not deductible for tax purposes	33,113	66,227	87,742	76,610
Income not subject to tax	(551)	(27,891)	(21,864)	(1,027)
Deferred tax assets not recognised during the year	54,018	36,312	-	-
(Over)/Underprovision of tax expense in prior years	(118)	(61)	81	(3)
Underprovision of deferred tax in prior years	709	14,972	-	-
	6,806	19,600	4,291	2,684

Included in income not subject to tax is tax exempt shipping income, derived from the operations of the Group's sea-going Malaysian registered vessels under Section 54A of the Malaysian Income Tax Act 1967.

32. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the year:

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Agency fees paid to an affiliated company*	375	415	-	-
Interest earned from affiliated companies*	(53)	(33)	-	-
Interest earned from joint ventures	(1,145)	(1,493)	-	-
Dividend income received from joint ventures	-	(800)	-	-
Berthing charges paid to an associate	30	92	-	-
Loans interest paid to government-related entities #	(3,026)	1,279	-	-
Charter revenue gained from government-related entities #	(14,804)	(54,873)	-	-
Rental paid/payable to holding company	343	206	214	206
Advances given to subsidiary	196	39		
Group sharing cost payable to holding company	60	499	60	499

* Affiliated companies are companies which share common directors with the Company.

\# Government-related entities comprise of government authorities, affiliation and other organisations controlled by Government of Malaysia.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

Outstanding balances in respect of the above transactions are disclosed in Note 12 and 17.

32. RELATED PARTY DISCLOSURES (CONT'D.)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Salary and other emoluments	204	175	204	175
Fees	389	354	279	303
	593	529	483	478

33. COMMITMENTS

(a) Capital commitments

	GROUP AND COMPANY	
	2015	2014
	RM'000	RM'000
Capital expenditure:		
Approved but not contracted for investments	172,740	34,911

(b) Finance lease commitment

The Group has finance leases for certain items of motor vehicles (Note 16 (b)). These leases do not have terms of renewal, but have purchase options at nominal value at the end of the lease term. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

	GROUP	
	2015	2014
	RM'000	RM'000
FUTURE MINIMUM FINANCE LEASE PAYMENTS:		
Not later than 1 year	34	34
Later than 1 year and not later than 2 years	34	34
Later than 2 years and not later than 5 years	38	72
Total minimum future finance lease payments	106	140
Less: Future finance charge	(7)	(13)
Present value of finance lease payments	99	127

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk management objectives and policies

The Group and Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foriegn currency risk, liquidity risk and credit risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, foreign currency risk, liquidity risk and credit risk. The policies for managing each of these risks are summarised below. It is the Group's policy that no trading in derivative financial instruments shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(b) Foreign currency risk

The Group and the Company are exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia (""RM""). The Group's and the Company's policy is to minimise the exposure of foreign currency risk by monitoring and approving requisitions which involve foreign currencies.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in its functional currency are as follows:

FUNCTIONAL CURRENCY OF GROUP COMPANIES	Net financial assets held in non-functional currencies	
	USD RM'000	SGD RM'000
AT 31 DECEMBER 2015		
Ringgit Malaysia	44,399	(6,997)
AT 31 DECEMBER 2014		
Ringgit Malaysia	36,958	(6,468)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD exchange rates against the functional currencies of the Group entities, with all other variables held constant.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(b) Foreign currency risk (cont'd.)

	GROUP	
	2015 RM'000	2014 RM'000
USD/RM		
- strengthened 10% (2014: 10%)	4,434	3,416
- weakened 10% (2014: 10%)	(4,434)	(3,416)
SGD/RM		
- strengthened 10% (2014: 10%)	(700)	(485)
- weakened 10% (2014: 10%)	700	485

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2015			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
GROUP				
FINANCIAL LIABILITIES:				
Payables and accruals	103,449	-	-	103,449
Loans and borrowings	255,621	72	-	255,693
Total undiscounted financial liabilities	359,070	72	-	359,142
COMPANY				
FINANCIAL LIABILITIES:				
Payables and accruals, represent total undiscounted financial liabilities	73,507	-	-	73,507

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont's.)

	2014			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
GROUP				
FINANCIAL LIABILITIES:				
Payables and accruals	94,227	-	-	94,227
Loans and borrowings	438,324	106	-	438,430
Total undiscounted financial liabilities	532,551	106	-	532,657
COMPANY				
FINANCIAL LIABILITIES:				
Payables and accruals, represent total undiscounted financial liabilities	64,234	-	-	64,234

(d) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the reporting date, there were no significant concentrations of credit risk other than as disclosed in Note 12. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Credit risk (cont'd.)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A carrying amount of RM31,617,000 (2014: RM24,577,000) relating to the Group's other receivables which are due from related parties.

Credit risk concentration profile

The Group determines the concentrations of credit risk by monitoring the country sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	GROUP			
	2015		2014	
	RM'000	% of total	RM'000	% of total
BY COUNTRY:				
Malaysia	40,248	100%	36,223	100%

At the reporting date, approximately 40% of the Group's (2014: 39%) trade and other receivables were due from related parties.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 12. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Credit risk (cont'd.)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12.

Financial guarantees

The Group provides financial guarantees to banks and other institutions in respect of facilities granted to certain joint ventures.

The Group monitors on an ongoing basis the results of the joint ventures and repayments made by the joint ventures.

An amount of RM82,570,000 (2014: RM101,529,000) relating to corporate guarantees has been provided by the Group to the banks and other institutions in respect of facilities of its joint ventures. This includes an amount of Nil (2014: RM28,302,000) in respect of joint ventures where the joint venture partner has been served with a winding up petition. Provision of RM13,410,000 (2014: RM42,228,000) has not been provided in the financial statements for the financial year ended 31 December 2015 in respect of the corporate guarantees provided to the banks as the borrowings have been serviced timely due to securitisation of proceeds for services provided.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and advances given to related companies as the Group and the Company had no substantial long-term interest-bearing assets as at 31 December 2015 and 2014.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate on its loans and borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

At the reporting date, the Group and the Company do not have significant interest risk exposure except as disclosed below.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Interest rate risk

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting date were:

	GROUP	
	2015	2014
	RM'000	RM'000
FIXED RATE INSTRUMENTS		
Financial assets	209,836	409,766
Financial liabilities	(87,431)	(241,123)
	122,405	168,643
FLOATING RATE INSTRUMENTS		
Financial liabilities	(168,254)	(197,294)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's loss for the year would have been RM1,682,540 (2014: RM1,972,940) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

35. OPERATING LEASES

Leases as lessor

The Group leased out its vessels. The future minimum lease receivables under non-cancellable leases are as follows:

	GROUP	
	2015	2014
	RM'000	RM'000
Less than one year	15,378	61,095
Between one and five years	-	57,140
	15,378	118,235

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) The carrying amounts of the financial instruments of the Group are reasonable approximation of their fair value except for the following:

		GROUP	
	Note	Amount RM'000	Fair value RM'000
AT 31 DECEMBER 2015			
Finance lease liabilities	16	67	79
AT 31 DECEMBER 2014			
Finance lease liabilities	16	99	114

(b) Determination of fair value

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	12
Loans and borrowings	16
Trade and other payables	17

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(ii) Finance lease payables, term loans and Islamic debt facility

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(b) Determination of fair value (cont'd.)

(iii) Unquoted investments

It is not practical to estimate the fair value of the Company's unquoted investments due to lack of market information and the inability to estimate fair value without incurring excessive costs. However, the Company does not expect the carrying amounts to be significantly different from its recoverable amounts.

(c) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (such as prices) or indirect (such as derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following financial instruments carried at fair value in the statement of financial position:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
AT 31 DECEMBER 2015				
Financial asset at fair value through profit of loss:				
Investment in unit trust	3	3	-	-
AT 31 DECEMBER 2014				
Financial asset at fair value through profit of loss:				
Investment in unit trust	4,247	4,247	-	-

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholders. The Group also have a Single Joint Venture Partner Investment Limit ("SJPIL") policy in place to serve as a protective fence that preserves shareholders fund and as a conservative requirement to monitor and manage the concentration risk of the Group. The maximum investment limit is set at 35% (2014: 35%) of total paid up capital of the Company latest audited financial statement and shall encompass on all investments in its Joint Venture-Ship Owning Companies ("JV-SOCs") with the joint venture partners.

	Efogen Group		Alam Group		Gagasan Group		Global Group	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total paid up capital	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Investments in joint ventures	3,112	3,112	11,274	11,274	13,966	13,966	25,627	25,627
Advances to joint ventures	3,827	3,552	7,566	13,897	9,946	9,274	34,571	22,953
Provision for liabilities on corporate guarantee	-	-	-	-	69,160	59,300	-	-
	6,939	6,664	18,840	25,171	93,072	82,540	60,198	48,580
SJPIL	2%	2%	6%	8%	31%	28%	20%	16%

37. CAPITAL MANAGEMENT (CONT'D.)

The Group also monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio low. The Group's net debt/(surplus) includes loans and borrowings (excluding convertible redeemable preference shares), payables and accruals, less cash and bank balances. Capital includes equity attributable to the equity holders of the parent.

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	16	255,686	438,417	-	-
Payables and accruals	17	103,599	95,225	73,507	64,549
Less: Cash and bank balances	14	(216,012)	(414,620)	(153,154)	(39,187)
Net debt/(surplus)		143,273	119,022	(79,647)	25,362
Equity attributable to the equity holders of the parent, representing capital		345,116	552,496	143,909	394,878
Capital and net debt		488,389	671,518	64,262	420,240
Gearing ratio		29%	18%	-124%	6%

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2015 and 2014.

38. EVENTS OCCURRING AFTER REPORTING DATE

One of its subsidiary, Syarikat Borcos Shipping Sdn Bhd has not complied to the special conditions of the Petronas License due to its shareholder's deficit position as at year end. Petronas has given the subsidiary until 30 June 2016 to regularise its financial position to avoid the Petronas License from being revoked. Such revocation may result in the subsidiary no being eligible to bid for new contracts and may cause for the termination of the existing contracts.

GMV
Global Maritime Ventures

(264557-A) Incorporated in Malaysia

FORM OF PROXY

I/We ____

(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD/CERTIFICATE OF INCORPORATION)

of ____

being a member/members of the abovementioned Company, hereby appoint ____

____

(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD)

of ____

and/or ____

(FULL NAME IN BLOCK LETTERS AS PER IDENTITY CARD)

of ____

and failing the abovenamed proxy, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held at Dewan Utama, Level 6, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 27 June 2016 at 11:30 a.m. and at any adjournment thereof in the manner indicated below:-

NO.	RESOLUTION	FOR	AGAINST
AS ORDINARY BUSINESS			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.		
2.	To re-elect Encik Mohammed Rafidz bin Ahmed Rasiddi as Director pursuant to Article 68 of the Articles of Association of the Company.		
3.	To re-elect YBhg. Dato' Capt. Haji Ahmad bin Othman as Director pursuant to Article 68 of the Articles of Association of the Company.		
4.	To re-elect YBhg. Datuk Wan Azhar bin Wan Ahmad as Director pursuant to Article 68 of the Articles of Association of the Company.		
5.	To approve the payment of Directors' fees for the year ended 31 December 2015.		
6.	To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorize the Board of Directors to fix their remuneration.		

(Please indicate with an "X" in the appropriate box above how you wish to cast your vote. If this form is returned without any indication as to how the proxy/proxies/corporate representative shall vote, the proxy/proxies/corporate representative shall vote or abstain as he/she thinks fit.)

Dated this _______ day of ____________________ 2016

Number of ordinary shares held

____

Signature(s)/Common Seal of Shareholder(s)

NOTES:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than one proxy to attend, speak and on a poll, to vote in his/her stead. A proxy may not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 [i] shall not apply to the Company.
2. In the case of a Corporate Member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer of the Corporation or attorney duly authorised.
3. The Proxy Form must be deposited at the Registered Office of the Company at Aras 16, Menara Bank Pembangunan, Bandar Wawasan, No. 1016, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Failure to lodge your Proxy Form within the stipulated time may result in your proxy being precluded from attending and voting at the Meeting or any adjournment thereof.
5. The lodging of the Proxy Form does not preclude a member from attending and voting in person at the Meeting should the member subsequently decide to do so.

[i] *A member shall not be entitled to appoint a person who is not a member as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar in a particular case.*

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STAMP

The Secretary
GLOBAL MARITIME VENTURES BERHAD
Level 16, Menara Bank Pembangunan
Bandar Wawasan
No. 1016, Jalan Sulltan Ismail
50250 Kuala Lumpur

Fold Here

Global Maritime Ventures Berhad
Level 15, Menara Bank Pembangunan, Bandar Wawasan,
1016, Jalan Sultan Ismail, Peti Surat 10788,
50724 Kuala Lumpur.

www.gmv.com.my