

## MISC Berhad

(Company No. 8178 H)

The figures have not been audited.



## Condensed Consolidated Income Statement

For The Year Ended 31 December 2012

	3 Months Ended 31 December		Cumulative 12 Months Ended 31 December	
	2012	2011	2012	2011
	USD'000	USD'000	USD'000	USD'000
	MFRS	MFRS	MFRS	FRS & MFRS
<b>CONTINUING OPERATIONS:</b>				
Revenue	786,265	791,337	3,070,161	3,204,030
Cost of Sales	(560,795)	(630,154)	(2,378,128)	(2,451,601)
<b>GROSS PROFIT</b>	<b>225,470</b>	<b>161,183</b>	<b>692,033</b>	<b>752,429</b>
Other operating income	14,416	66,379	172,729	262,619
General and administrative expenses	(71,383)	(118,764)	(308,909)	(475,148)
<b>OPERATING PROFIT</b>	<b>168,503</b>	<b>108,798</b>	<b>555,853</b>	<b>539,900</b>
Impairment provisions	(36,198)	(86,809)	(95,006)	(240,468)
Disposal of subsidiaries	32,612	(58)	32,612	(7,024)
Disposal of assets through finance lease	91,673	-	91,673	-
Net gain/(loss) on disposal of ships	1,414	5,690	(2,399)	39,121
Finance cost	(32,256)	(31,406)	(124,903)	(119,975)
Share of profit of jointly controlled entities and associates	14,085	19,349	60,560	84,349
<b>PROFIT BEFORE TAX</b>	<b>239,833</b>	<b>15,564</b>	<b>518,390</b>	<b>295,903</b>
Taxation	20,023	(13,877)	8,524	(23,433)
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>259,856</b>	<b>1,687</b>	<b>526,914</b>	<b>272,470</b>
<i>Profit/(Loss) from Discontinued Operations</i>	<i>3,299</i>	<i>(557,483)</i>	<i>(202,284)</i>	<i>(759,514)</i>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>263,155</b>	<b>(555,796)</b>	<b>324,630</b>	<b>(487,044)</b>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO:</b>				
<b>Owners of the Corporation:</b>				
<i>Continuing Operations</i>	228,456	(13,782)	452,064	184,825
<i>Discontinued Operations</i>	3,465	(557,770)	(202,203)	(759,752)
	231,921	(571,552)	249,861	(574,927)
<b>Non-Controlling Interests</b>	31,234	15,756	74,769	87,883
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>263,155</b>	<b>(555,796)</b>	<b>324,630</b>	<b>(487,044)</b>
<b>BASIC &amp; DILUTED EARNINGS /(LOSS) PER SHARE ATTRIBUTABLE TO</b>				
<b>OWNERS OF THE CORPORATION (CENT):</b>				
<i>Continuing Operations</i>	5.1	(0.3)	10.1	4.1
<i>Discontinued Operations</i>	0.1	(12.5)	(4.5)	(17.0)
<b>Total</b>	<b>5.2</b>	<b>(12.8)</b>	<b>5.6</b>	<b>(12.9)</b>

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The figures have not been audited.



## Condensed Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2012

	3 Months Ended		Cumulative	
	31-Dec		31-Dec	
	2012	2011	2012	2011
	USD'000	USD'000	USD'000	USD'000
<b>PROFIT AFTER TAX FOR THE PERIOD</b>	<b>263,155</b>	<b>(555,796)</b>	<b>324,630</b>	<b>(487,044)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Fair value gain on non-current investments	3,666	9,500	18,308	5,102
Cash Flow hedges:				
Fair value gain/(loss) on cash flow hedges:				
Group	3,221	(7,312)	25,274	2,153
Jointly controlled entities	1,242	-	(1,242)	-
Reclassification to income statement arising from termination of hedging arrangements	7,000	-	7,000	-
Currency translation differences	20,462	20,703	37,812	24,810
Other capital reserves	(330)	-	-	34
Revaluation reserves	(86)	-	-	(8)
Capital reserves	1,393	-	-	-
Statutory reserves	8	-	-	239
<b>Total other comprehensive income</b>	<b>36,576</b>	<b>22,892</b>	<b>87,152</b>	<b>32,331</b>
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSES)</b>	<b>299,731</b>	<b>(532,904)</b>	<b>411,781</b>	<b>(454,713)</b>
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSES) ATTRIBUTABLE TO:</b>				
<b>Owners of the Corporation:</b>				
Continuing Operations	265,281	11,103	528,390	224,624
Discontinued Operations	3,465	(557,770)	(202,203)	(759,752)
	<b>268,746</b>	<b>(546,667)</b>	<b>326,187</b>	<b>(535,128)</b>
<b>Non-Controlling Interests</b>	<b>30,985</b>	<b>13,762</b>	<b>85,595</b>	<b>80,415</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>299,731</b>	<b>(532,904)</b>	<b>411,781</b>	<b>(454,713)</b>

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(Company No. 8178 H)  
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### Condensed Consolidated Statement of Financial Position

As at 31 December 2012

	31 December 2012 USD'000	31 December 2011 USD'000
<b>NON CURRENT ASSETS</b>		
Ships	5,731,102	5,856,114
Offshore floating assets	823,981	2,429,841
Property, Plant and Equipment	574,203	480,115
Prepaid Land & Building Lease Payments	86,280	24,710
Finance Lease Receivables	463,583	132,660
Investments in Associates	654	732
Investments in Jointly Controlled Entities	1,443,453	1,115,657
Other non-current financial assets	191,384	365,756
Intangible Assets	283,078	269,638
Deferred Tax Asset	4,736	1,653
	<b>9,602,454</b>	<b>10,676,876</b>
<b>CURRENT ASSETS</b>		
Inventories	109,747	123,226
Finance Lease Receivables	19,577	13,931
Trade & Other Receivables	943,506	594,624
Cash and cash equivalents	1,313,747	1,310,149
Amounts due from Group Companies	71,110	44,630
Amounts due from Associates	21	371
Amounts due from Jointly Controlled Entities	36,210	68,409
Assets held for sale	122,258	163,862
	<b>2,616,176</b>	<b>2,319,202</b>
<b>TOTAL ASSETS</b>	<b>12,218,630</b>	<b>12,996,078</b>
<b>EQUITY</b>		
Share Capital	1,323,046	1,323,046
Share Premium	1,322,979	1,322,979
Reserves	452,087	375,761
Retained Profits	3,785,798	3,535,700
<b>Equity attributable to owners of the parent</b>	<b>6,883,910</b>	<b>6,557,486</b>
Non-Controlling Interests	458,120	406,345
<b>TOTAL EQUITY</b>	<b>7,342,030</b>	<b>6,963,831</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest bearing loans and borrowings	2,124,753	2,627,338
Other financial liabilities	24,867	
Deferred Taxation	5,438	14,273
Liner Exit Provisions	201,933	204,109
Derivatives Liabilities	8,435	57,960
	<b>2,365,426</b>	<b>2,903,680</b>
<b>CURRENT LIABILITIES</b>		
Interest bearing loans and borrowings	935,469	1,847,566
Trade & Other Payables	1,462,772	1,240,605
Provision for Taxation	8,986	18,672
Amounts due to Group Companies	65,521	5,561
Amounts due to Associates	694	947
Amounts due to Jointly Controlled Entities	20,408	14,482
Derivative Liabilities	17,324	734
	<b>2,511,174</b>	<b>3,128,567</b>
<b>TOTAL LIABILITIES</b>	<b>4,876,600</b>	<b>6,032,247</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,218,630</b>	<b>12,996,078</b>

## MISC Berhad

(Company No. 8178 H)

The figures have not been audited.



## Condensed Consolidated Statement of Cash Flow

For The Year Ended 31 December 2012

	31 December 2012	31 December 2011
	USD'000	USD'000
<b>Cash Flow from Operating Activities:</b>		
Cash receipts from customers	2,948,458	3,619,627
Cash paid to suppliers and employees	(2,061,175)	(3,024,217)
<b>Cash from Operations</b>	<b>887,283</b>	<b>595,410</b>
Taxation paid	(13,587)	(5,784)
<b>Net cash generated from operating activities - continuing operations</b>	<b>873,696</b>	<b>589,626</b>
<i>Net cash used in operating activities - discontinued operations</i>	<i>(343,260)</i>	<i>(242,702)</i>
<b>Net cash generated from operating activities</b>	<b>530,436</b>	<b>346,924</b>
<b>Cash Flow from Investing Activities:</b>		
Purchase of ships, offshore floating assets and other property, plant and equipment	(1,052,595)	(1,035,414)
Purchase of business	(127,384)	-
Proceeds from disposal of ships, other property, plant and equipment & held for sale assets	1,478,057	194,937
Dividend received from:		
Quoted and unquoted investments	18,449	25,819
Associates and jointly controlled entities (JCE)	15,644	14,702
Repayment of loans from JCE	224,041	117,536
Loans to JCE	(6,655)	(3,052)
Proceeds from dilution of interest in a subsidiary	305,700	2,191
Proceeds from disposal of a JCE	567	-
Additional investments in associates and JCE	(824)	(665)
Cash advances from joint venture partner	33,397	-
Interest received	31,048	23,910
<b>Net cash used in investing activities - continuing operations</b>	<b>919,445</b>	<b>(660,036)</b>
<i>Net cash generated from investing activities - discontinued operations</i>	<i>186,048</i>	<i>16,378</i>
<b>Net cash flows used in investing activities</b>	<b>1,105,493</b>	<b>(643,658)</b>
<b>Cash Flow from Financing Activities:</b>		
Drawdown of term loans and revolving credit	52,259	586,157
Repayment of term loans and revolving credit	(787,905)	(132,013)
Drawdown of shareholder's revolving credit	350,001	152,141
Repayment of shareholder's loan	(750,001)	-
Drawdown of Islamic Loan	161,860	430,526
Dividends paid to minority shareholders of subsidiaries	(34,027)	(35,974)
Interest paid	(166,578)	(138,689)
<b>Net cash (used in)/generated from financing activities - continuing operations</b>	<b>(1,643,785)</b>	<b>580,650</b>
Net Change in Cash & Cash Equivalents	(7,856)	283,916
Cash & Cash Equivalents at the beginning of the year	1,310,149	1,051,441
Currency translation difference	11,454	(25,208)
<b>Cash &amp; Cash Equivalent at the end of the period</b>	<b>1,313,747</b>	<b>1,310,149</b>

**MISC Berhad**

(Company No. 8178 H)


**Condensed Consolidated Statement of Changes in Equity**

For The Year Ended 31 December 2012

	← Attributable to owners of the parent →														
	Total Equity	Equity attributable to owners of the Parent	Share Capital* Ordinary Shares	Share Premium	Other reserves total	Retained profits	Other capital reserve	Capital reserve	Revaluation reserve	Statutory reserve	Capital redemption reserve	Fair value reserve	Hedging reserve	Currency translation reserve	Non Controlling Interests
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>12 MONTHS ENDED 31 DECEMBER 2012</b>															
<b>At 1 Jan 2012</b>	<b>7,030,549</b>	<b>6,624,204</b>	<b>1,323,046</b>	<b>1,322,979</b>	<b>375,563</b>	<b>3,602,616</b>	<b>15,238</b>	<b>143,933</b>	<b>370</b>	<b>575</b>	<b>17,281</b>	<b>64,104</b>	<b>(65,942)</b>	<b>200,004</b>	<b>406,345</b>
Impact of adoption of MFRS 1	(66,718)	(66,718)	-	-	198	(66,916)	-	-	-	-	-	-	-	198	-
<b>At 1 January 2012 (restated)</b>	<b>6,963,831</b>	<b>6,557,486</b>	<b>1,323,046</b>	<b>1,322,979</b>	<b>375,761</b>	<b>3,535,700</b>	<b>15,238</b>	<b>143,933</b>	<b>370</b>	<b>575</b>	<b>17,281</b>	<b>64,104</b>	<b>(65,942)</b>	<b>200,202</b>	<b>406,345</b>
Total comprehensive income	411,781	326,187	-	-	76,128	249,861	-	-	-	-	-	18,308	21,018	30,000	85,595
<b>Transactions with owners</b>															
Transfer to/(from) reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of MI	444	237	-	-	-	237	-	-	-	-	-	-	-	-	207
Dividends	(34,027)	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,027)
<b>Total transactions with owners</b>	<b>(33,583)</b>	<b>237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,820)</b>
<b>At 31 December 2012</b>	<b>7,342,029</b>	<b>6,883,910</b>	<b>1,323,046</b>	<b>1,322,979</b>	<b>452,087</b>	<b>3,785,798</b>	<b>15,238</b>	<b>143,933</b>	<b>370</b>	<b>575</b>	<b>17,281</b>	<b>82,412</b>	<b>(44,924)</b>	<b>230,202</b>	<b>458,120</b>
<b>12 MONTHS ENDED 31 DECEMBER 2011</b>															
<b>At 1 Jan 2011</b>	<b>7,642,687</b>	<b>7,297,157</b>	<b>1,323,046</b>	<b>1,322,979</b>	<b>192,284</b>	<b>4,458,848</b>	<b>15,205</b>	<b>454</b>	<b>378</b>	<b>327</b>	<b>17,281</b>	<b>59,002</b>	<b>(65,336)</b>	<b>164,973</b>	<b>345,530</b>
Total comprehensive income	(454,713)	(535,128)	-	-	39,799	(574,927)	34	-	(8)	239	-	5,102	(607)	35,039	80,415
Adoption of MFRS 1	(66,718)	(66,718)	-	-	198	(66,916)	-	-	-	-	-	-	-	198	-
	(521,431)	(601,846)	-	-	39,997	(641,843)									
<b>Transactions with owners</b>															
Transfer to reserves	-	-	-	-	143,480	(143,480)	-	143,480	-	-	-	-	-	-	-
Reclassification of forex	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MFRS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary	15,666	-	-	-	-	-	-	-	-	-	-	-	-	-	15,666
Dividends	(173,091)	(137,825)	-	-	-	(137,825)	-	-	-	-	-	-	-	-	(35,266)
<b>Total transactions with owners</b>	<b>(157,425)</b>	<b>(137,825)</b>	<b>-</b>	<b>-</b>	<b>143,480</b>	<b>(281,305)</b>	<b>-</b>	<b>143,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,600)</b>
<b>At 31 December 2011</b>	<b>6,963,831</b>	<b>6,557,486</b>	<b>1,323,046</b>	<b>1,322,979</b>	<b>375,761</b>	<b>3,535,700</b>	<b>15,239</b>	<b>143,934</b>	<b>370</b>	<b>566</b>	<b>17,281</b>	<b>64,104</b>	<b>(65,943)</b>	<b>200,012</b>	<b>406,345</b>

\* Included in share capital is one preference share of RM1.

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the period ended 31 December 2011

## MISC Berhad

(Company No. 8178 H)

### Notes to The Condensed Financial Report

The figures have not been audited

#### A1. CORPORATE INFORMATION

MISC Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 25 February 2013.

#### A2. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")

##### A2.1 Basis of preparation

These condensed consolidated interim financial statements for the period ended 30 September 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. Except for the effects of the matter disclosed in Note A2.2 Comparative information, these condensed consolidated interim financial statements are prepared in compliance with MFRS 134 Interim Financial Reporting issued by Malaysian Accounting Standards Board and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

For the periods up to and including the period ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The audited consolidated financial statements of the Group for the period ended 31 December 2011, which were prepared under FRS, are available upon request from the Company registered office at level 25, Menara Dayabumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur.

These condensed consolidated interim financial statements form part of the period covered by the Group's first MFRS annual financial statements for the year ended 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

In preparing its opening MFRS Statement of Financial Position as at 1 April 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. Explanations of how the transition from FRS to MFRS have affected the Group's financial position, financial performance and cash flows are described in Note A3 of the Condensed Consolidated Interim Financial Statements for the period ended 31 March 2012.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the period ended 31 December 2011.

The reconciliations of equity and income statement for comparative periods and of equity at the date of transition, reported under FRS, to those reported for those periods and at the date of transition under MFRS are provided as per Appendix A. The transition from FRS to MFRS has no material impact on the statement of cash flows.

##### A2.2 Comparative information

During the financial period ended 31 December 2011, the Group changed its year end from 31 March to 31 December to be coterminous with the year end of its holding company. The date of transition to MFRS is 1 April 2011. Comparative amounts (i.e. for the cumulative nine months ended 30 September 2011) presented for the statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes:

## **A2. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") (CONT'D)**

### **A2.2 Comparative information (cont'd)**

- (i) are not comparable interim period (quarter and year-to-date) of the immediate preceding financial period as required by MFRS 134; and;
- (ii) the amounts presented for the nine months period ended 30 September 2011 were prepared under a combination of FRS and MFRS. MFRS has been adopted for the period of 1 April 2011 to 30 September 2011, whilst for the three months ended 31 March 2011, FRS was applied.

Accordingly, these comparative amounts are not comparable to the amounts presented in MFRS for the twelve months period ended 31 December 2012.

The comparative amounts for the twelve months period ended 31 December 2011 were used to provide relevant unambiguous comparative information to enable fair assessment of the group's performance given the nature and seasonality of the Group's business.

The above departure from the requirements of MFRS 134 is primarily due to the Group's change of financial year end. However, the impact on the comparatives is temporary and will be resolved by the quarter ending March 2013.

## **A3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 for the following:

### **(a) Business Combination**

MFRS 1 provides the option to apply MFRS 3 Business Combinations prospectively from the date of transition, or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

#### *Acquisition before date of transition*

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:

- (i) The classification of former business combination under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

### **(b) Ships, other property, plant and equipment ("SPPE")**

The Group has adopted cost model to measure its SPPE under FRS. Upon transition to MFRS, the group has elected to still maintain the measurement of its SPPE using the cost model under MFRS 116 : Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to:

- (i) Regard fair value of certain ships at date of transition as their deemed costs at that date. A downward adjustment was made to SPPE's carrying values. The corresponding adjustment was recognised against retained earnings.
- (ii) Regard fair value of certain buildings at date of transition as their deemed costs at that date. As at transition date, a downward adjustment was recognised in SPPE's carrying values. The corresponding adjustment was recognised against retained earnings and reserves.

### A3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1 (CONT'D)

#### (c) Estimates

The estimates at 1 April 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at the date of transition to MFRS i.e. 1 April 2011 and as at 31 December 2011.

### A4. CHANGES IN ESTIMATES

There were no material changes in estimates reported in the prior period or prior financial period.

### A5. DISCONTINUED OPERATIONS

The Group effectively ceased its Liner related business operations, upon delivery of cargo under its final Perdana service voyage, in June 2012. With the exception of the returning of leased containers, expected to complete in FY2013, all other outstanding business cessation processes were completed by the fourth quarter ended 31 December 2012.

The results of Liner related business operations from 1 January 2012 to 31 December 2012 have been treated as results of discontinued operations in the current financial year. Corresponding reclassifications have been made to prior year's results for fair comparison of operational performance.

#### Statement of comprehensive income disclosure:

	3 Months Ended		12 Months Ended	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
	USD'000	USD'000	USD'000	USD'000
Revenue	2,771	122,015	56,568	534,527
Cost of sales	105	(206,841)	(193,861)	(786,920)
<b>GROSS LOSS</b>	<b>2,876</b>	<b>(84,826)</b>	<b>(137,293)</b>	<b>(252,393)</b>
Other operating income	2,192	2,904	14,325	4,804
General and administrative expenses	6,623	(1,021)	(5,932)	(35,130)
Share of profit of jointly controlled entities	54	-	54	-
<b>OPERATING LOSS</b>	<b>11,745</b>	<b>(82,943)</b>	<b>(128,846)</b>	<b>(282,719)</b>
Net of impairment, additional provisions and gain on ships disposal	(8,440)	(474,232)	(73,600)	(475,330)
<b>LOSS BEFORE TAX</b>	<b>3,305</b>	<b>(557,175)</b>	<b>(202,446)</b>	<b>(758,049)</b>
Taxation	(6)	(308)	162	(1,465)
<b>LOSS FOR THE PERIOD</b>	<b>3,299</b>	<b>(557,483)</b>	<b>(202,284)</b>	<b>(759,514)</b>

#### Statement of cash flows disclosure:

The cash flows attributable to discontinued operations are as follows:

Operating	(343,260)	(242,702)
Investing	186,048	16,378
Financing	-	-
<b>Net cash outflows</b>	<b>(157,212)</b>	<b>(226,324)</b>



## A6. CHANGES IN COMPOSITION OF THE GROUP

The Group had on 30 November 2012 disposed 50% of its equity interest in Gumusut Kakap Semi Floating Production System (L) Limited to E&P Venture Solutions Co Sdn. Bhd., a wholly-owned subsidiary of Petronas Carigali Sdn. Bhd.

## A7. SEGMENT REPORT

Following cessation of Liner related business operations on 30 June 2012, the Group has reclassified Logistic business as part of others, as the contribution of the business to MISC Group is immaterial.

Segmental analysis for the current financial period to date is as follows:

<b><u>CONTINUING OPERATIONS</u></b>				
	<b>Energy Related Shipping <sup>1)</sup></b>	<b>Other Energy Businesses <sup>2)</sup></b>	<b>Others, eliminations and adjustments</b>	<b>Total</b>
	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Revenue				
External sales	1,910,510	1,009,709	149,942	3,070,161
Inter-Segment	3,749	394,339	(398,088)	-
	<u>1,914,259</u>	<u>1,404,048</u>	<u>(248,146) *</u>	<u>3,070,161</u>
Operating profit	<u>325,232</u>	<u>195,079</u>	<u>35,542 **</u>	<u>555,853</u>

<b><u>DISCONTINUED OPERATIONS</u></b>	
	<b>Liner Related Business USD '000</b>
Revenue	
External sales	56,568
Operating loss	(128,846)

1) LNG, petroleum and chemical

2) Offshore, heavy engineering and tank terminal (including VTTI)

\* Comprise of Integrated Logistics results and Inter-segment eliminations

\*\* Comprise of Integrated Logistics results, net foreign exchange differences, interest income, dividend income from quoted investments, eliminations and adjustments.

## A8. SEASONALITY OF OPERATIONS

The businesses of the Group are subject to market fluctuations.

## A9. PROFIT FOR THE PERIOD

Included in the profit for the period are the following items:

	3 Months Ended		12 Months Ended	
	31-Dec-12 USD'000	31-Dec-11 USD'000	31-Dec-12 USD'000	31-Dec-11 USD'000
Interest income	3,136	16,503	29,418	45,566
Other income	18,856	(922)	129,253	95,153
Disposal of subsidiaries	32,612	(58)	32,612	(7,024)
Disposal of assets through finance lease	91,673	-	91,673	-
Finance cost	(32,256)	(31,406)	(124,903)	(119,975)
Depreciation of property, plant and equipment	(97,368)	(106,043)	(378,194)	(405,519)
Amortisation of prepaid lease payments	(582)	298	(2,071)	(1,056)
Amortisation of intangibles	(2,298)	(687)	(9,119)	(9,209)
Impairment loss on trade and non trade receivables:				
Jointly controlled entities	-	4,740	-	(2,198)
Third parties	(860)	(17,702)	(3,238)	(21,457)
Bad debts written off	(2,818)	(2,579)	(3,395)	(7,537)
Inventories written back/(written off)	-	1,036	-	(587)
Impairment provisions	(36,198)	(86,809)	(95,006)	(240,468)
Impairment on liner vessels and containers*	(8,282)	-	(16,827)	(1,098)
Net realised foreign exchange gain/(loss)	149	25,062	(20,749)	27,551
Net unrealised foreign exchange gain/(loss)	261	20,976	12,417	(40,459)

\* included in the results of discontinued operations

## A10. SHIPS, PROPERTY, PLANT AND EQUIPMENT (SPPE)

Included in total assets are constructions work-in-progress of USD986,603,000 mainly for the construction of ships and offshore floating assets.

For the quarter ended 31 December 2012, the Group (continuing and discontinued operations) disposed assets with carrying amount of USD57,77,000 (31 December 2011 : USD153,850,000). As a result, the Group recognised a net gain on disposal of USD2,157,000 (31 December 2011 : RM13,188,000) from the asset sales. For the cumulative twelve months ended 31 December 2012, the Group recognised USD6,253,000 gain from asset disposals in its financial statements (31 December 2011 : USD46,662,000).

The Group recognised USD35,815,000 of impairment on vessels in the quarter.

## A11. INTANGIBLE ASSETS

	Goodwill	Other Intangible Assets	Total
	USD'000	USD'000	USD'000
<b>Cost</b>			
<b>At 31 December 2011</b>	<b>227,988</b>	<b>166,737</b>	<b>394,725</b>
Addition	-	-	-
Currency translation differences	21,156	(2,014)	19,141
<b>At 31 December 2012</b>	<b>249,144</b>	<b>164,723</b>	<b>413,866</b>
<b>Accumulated amortisation and impairment</b>			
<b>At 31 December 2011</b>	<b>732</b>	<b>124,353</b>	<b>125,085</b>
Amortisation	-	9,119	9,119
Currency translation differences	27	(3,443)	(3,416)
<b>At 31 December 2012</b>	<b>759</b>	<b>130,029</b>	<b>130,788</b>
<b>Net carrying amount</b>			
<b>At 31 December 2011</b>	<b>227,256</b>	<b>42,384</b>	<b>269,640</b>
<b>At 31 December 2012</b>	<b>248,384</b>	<b>34,694</b>	<b>283,078</b>

Goodwill is tested for impairment on annual basis (31 December) or when circumstances indicate that the carrying value may be impaired. The Group's impairment test is a comparison of the goodwill's carrying value against its value-in-use (calculated using cash flow projections). The key assumptions used to determine the recoverable amount of the cash generating units were discussed in the annual consolidated financial statements for the period ended 31 December 2012.

Impairment test on the goodwill of the Group's investment in a quoted subsidiary is performed by comparing carrying value of investment against the recoverable amount derived from its share price quoted on the Main Market of Bursa Malaysia.

No impairment loss on goodwill was recognised in the Financial Year Ended 31 December 2012 following a review of the carrying value and recoverable amounts of its investments.

The other intangible assets relate to fair value of long term charter hire contracts, as determined by an independent professional valuer, amortised over the time charter period of the contracts.

## A12. INVENTORIES

There were no write-down of inventories or reversal of inventories written-down recognised by the Group during the three months period ended 31 December 2012.

## A13. CASH AND CASH EQUIVALENTS

Breakdown of cash and cash equivalents are as follows:

	31-Dec-12 USD'000	31-Dec-11 USD'000
Deposits with licensed banks	1,290,624	1,220,443
Cash and bank balances	23,123	89,706
<b>Total cash and cash equivalents</b>	<b>1,313,747</b>	<b>1,310,149</b>

#### A14. FAIR VALUE HIERARCHY

The Group uses the following hierarchy to determine the fair value of all financial instruments carried at fair value:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 - Inputs that are based on observable market data, either directly or indirectly
- Level 3 - Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial assets and liabilities that are measured at fair value:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
<b>31-Dec-12</b>				
<b><u>Financial Assets</u></b>				
<b>Available-for-sale financial assets</b>				
Quoted investments	130,820	-	-	<b>130,820</b>
<b><u>Financial Liabilities</u></b>				
<b>Derivatives</b>				
Interest rate swaps designated as hedging instruments	-	(8,435)	-	<b>(8,435)</b>
Forward exchange contracts	-	(17,324)	-	<b>(17,324)</b>
	-	<b>(25,759)</b>	-	<b>(25,759)</b>
<b>31-Dec-11</b>				
<b><u>Financial Assets</u></b>				
<b>Available-for-sale financial assets</b>				
Quoted investments	110,723	-	-	<b>110,723</b>
<b><u>Financial Liabilities</u></b>				
<b>Derivatives</b>				
Interest rate swaps designated as hedging instruments	-	(57,960)	-	<b>(57,960)</b>
Forward exchange contracts	-	(734)	-	<b>(734)</b>
	-	<b>(58,694)</b>	-	<b>(58,694)</b>

No transfers between any levels of the fair value hierarchy took place during the current period and the comparative periods. There were also no changes in the purpose of any financial instruments that subsequently caused a change in classification of those instruments.

#### A15. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities made by the Group during the quarter ended 31 December 2012.

#### A16. INTEREST BEARING LOANS AND BORROWINGS

i) The tenure of Group borrowings classified as short and long term as well as secured and unsecured are as follows :-

	31-Dec-12 USD'000	31-Dec-11 USD'000
Short Term Borrowings		
Secured	156,634	142,868
Unsecured	778,836	1,704,698
	<u>935,470</u>	<u>1,847,566</u>
Long Term Borrowings		
Secured	501,810	605,477
Unsecured	1,622,942	2,021,861
	<u>2,124,752</u>	<u>2,627,338</u>
<b>Total</b>	<b><u>3,060,222</u></b>	<b><u>4,474,904</u></b>

ii) Foreign borrowings in United States Dollar equivalent as at 31 December 2012 are as follows :-

	USD'000
Ringgit Malaysia Borrowings	444,617

#### A17. DIVIDENDS

No interim dividend has been declared for the financial period ended 31 December 2012. (31 December 2011 : Nil)

#### A18. CAPITAL COMMITMENTS

	31-Dec-12 USD'000	31-Dec-11 USD'000
<b>Approved and contracted for:</b>		
<i>Group</i>	1,007,009	902,804
<i>Share of capital commitments in jointly controlled entities</i>	173,869	123,708
	<u>1,180,878</u>	<u>1,026,512</u>
<b>Approved but not contracted for:</b>		
<i>Group</i>	3,893,682	1,631,656
<i>Share of capital commitments in jointly controlled entities</i>	25,765	300,986
	<u>3,919,447</u>	<u>1,932,642</u>
<b>Total</b>	<b><u>5,100,325</u></b>	<b><u>2,959,155</u></b>

#### A19. CONTINGENT LIABILITIES

Contingent liabilities of the Group comprise the following :-

	USD '000
<b>Secured</b>	
Bank guarantees extended to a third party	17,437
<b>Unsecured</b>	
Bank guarantees extended to third parties	121,776

## A20. SUBSEQUENT MATERIAL EVENT

There were no material events subsequent to the quarter end date.

## B1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS

### CONTINUING OPERATIONS

#### GROUP

	3 months ended		Year to date	
	USD Mil	USD Mil	USD Mil	USD Mil
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
Revenue	786.3	791.3	3,070.2	3,204.0
Operating Profit	168.5	108.8	555.9	539.9
PBT	239.8	15.6	518.4	295.9

### QUARTER ON QUARTER

Group revenue of USD786.3 million for the quarter ended 31 December 2012 was 0.6% lower than the USD791.3 million revenue for the quarter ended 31 December 2011 ("comparative quarter"). The decline in Group revenue was largely due to lower revenue in Petroleum business following softer freight rates, combined with lower earning days. Commencement of a new LNG regasification project, being FSU Lekas 1 and FSU Lekas 2, in the current quarter has partly negated the impact of softer freight rates in the Petroleum business.

The market environment in the petroleum shipping sector remained depressed. Slower market activities, lower tonnage demand and over supply of vessels led to lower freight rates. The oil-field strikes in Norway caused cancellation to some contracts contributing to an increase in trading tonnage for the Aframax market.

The Group recorded operating profit of USD168.5 million in the current quarter as compared to USD108.8 million in the comparative quarter. The increase in operating profit was largely due to commencement of the LNG regasification project and lower operating costs, particularly bunker costs and charter hire expenses.

Group profit before tax of USD239.8 million was more than 100% or USD224.2 million higher than the USD15.6 million profit in the comparative quarter. The significant increase in profit before tax was largely due to a one off gain recognised following lease commencement of an LNG regasification project and realisation of 50% intercompany profit following divestment of 50% equity interest in Gumusut-Kakap Semi Floating-Production System (L) Limited ("GKL") during the quarter. Additionally, the Group also recognised lower vessel impairment in the current quarter as compared to the comparative quarter.

### YEAR ON YEAR

Group revenue of USD3,070.2 million was 4.2% lower than USD3,204.0 million revenue of the cumulative 12 months period ended 31 December 2011.

Softer freight rates from shift in demand to Suezmax vessels for long haul routes, coupled with low market activity has impacted Petroleum business revenue year on year. Additionally, lower earning days from lower number of operating vessels in Chemical business also contributed to the overall contraction in Group revenue.

Group operating profit of USD555.9 million was 3.0% higher than USD539.9 million in the comparative period. The increase in operating profit was largely due to commencement of the LNG regasification project and lower losses in the Group's Petroleum business from lower operating costs.

The Group profit before tax of USD518.4 million was 75.2% higher than USD295.9 million in the comparative year. Recognition of a one off gain following lease commencement of the LNG regasification project and realisation of 50% intercompany profit following divestment of 50% equity interest in Gumusut-Kakap Semi Floating-Production System (L) Limited ("GKL") during the year were the main causes of the increase in profit before tax. Additionally, the Group recognised lower impairment provision of USD95.0 million in the current year compared to USD240.5 million in the comparative period.

## B1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS (Cont'd.)

Year 2013 is expected to be another tough year for the shipping industry with weak demand, volatile fuel prices and low freight rates. However, long-term contracts in LNG and Offshore businesses continue to provide stability to the Group.

### ENERGY RELATED SHIPPING ("ERS")

	Quarter USD'Million		Year to Date USD'Million	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
<b>Revenue:</b>				
Third Party	498.8	501.7	1,910.5	2,036.2
<b>Operating profit</b>	84.3	41.6	325.2	293.9

### QUARTER ON QUARTER

ERS revenue of USD498.8 million was 0.6% lower than USD501.7 million in the comparative quarter, primarily due to lower revenue in Petroleum business from softer freight rates.

Slower lightering activities following Motiva Refinery shutdown coupled with softer VLCC freight rates have negatively impacted Petroleum business revenue.

For Chemical business, the average market freight rates in both chemical and vegetable oil sub-segments remain favourable to mitigate the impact of lower revenue from lower earning days following returning of in-chartered vessels.

LNG business recorded higher revenue primarily due to commencement of a regasification project in August 2012.

ERS recorded operating profit of USD84.3 million compared to USD41.6 million in the comparative quarter, primarily due to commencement of a regasification project in the LNG business.

### YEAR ON YEAR

ERS revenue of USD1,910.5 million was 6.2% lower than USD2,036.2 million in the comparative period, mainly due to lower revenue in Petroleum and Chemical business segments. Softening freight rates and lower number of earning days in the said businesses contributed to the decline in ERS revenue year-on-year.

ERS operating profit of USD325.2 million was 10.6% higher than USD293.9 million profit in the comparative period. The higher profit was largely due to commencement of a regasification project in the LNG business. Lower vessel operating costs, mainly bunker and charter hire expenses, also contributed to the increase in ERS operating profit for the year.

The supply-demand balance in the petroleum segment is expected to improve gradually in the next 18-24 months, resulting in an increase in utilisation levels for tankers, which in turn should translate into a steady recovery in freight rates.

In the chemical segment, both chemical and vegoil sectors saw healthy demand in the current quarter from the market. Moving forward, oversupply of tonnage still persists, but the gap between supply and demand is expected to narrow from 2013 onwards due to slowing down of orderbook activities during recent years. Demand for vegetable oil is expected to remain stable in 2013, driven by population growth and development of biofuels industry.

In the LNG sector, with long-term contracts in hand, the sector's outlook remains favorable and continue to provide stability to the segment.

## B1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS (Cont'd.)

Performance and prospects of each operating segment are discussed below: (Cont'd.)

### OTHER ENERGY BUSINESS ("OEB")

	Quarter USD'Million		Year to date USD'Million	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
<b>Revenue:</b>				
Third Party	246.1	271.1	1,009.7	1,015.7
<b>Operating profit</b>	58.8	45.0	195.1	211.1

### QUARTER ON QUARTER

OEB's revenue of USD246.1 million was 9.2% lower than USD271.1 million in the comparative quarter, primarily due to lower revenue in both sub-segments, Offshore and Heavy Engineering businesses.

Lower reimbursable revenue for the Group's floating assets contributed to lower Offshore business revenue. Meanwhile, Heavy Engineering business recorded lower revenue mainly due to recognition of revenue from Turkmenistan Block 1 project in the comparative quarter offset with higher progress of its existing construction projects.

The segment recorded slightly higher operating profit of USD58.8 million from USD45.0 million in the comparative quarter primarily due to higher profit recognition from existing and new engineering projects in the Heavy Engineering business combined with improved operational performance of floating assets.

### YEAR ON YEAR

OEB revenue for the twelve months ended 31 December 2012 of USD1,009.7 million was 0.6% higher than USD1,015.7 million revenue in the comparative period, largely driven by higher progress of heavy engineering existing projects combined with development of new projects.

Against this backdrop, OEB operating profit of USD195.1 million was 7.6% lower than USD211.1 million in the comparative period. The decrease in the segment's operating profit was primarily due to provision for higher than expected expenses of an on-going heavy engineering conversion project in September 2012 coupled with one off settlement on closure of Turkmenistan Block 1 project.

Growth opportunities in other energy businesses segment remains strong with rising demand from various field development projects within the Oil and Gas sector.



## B1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS (Cont'd.)

Performance and prospects of each operating segment are discussed below: (Cont'd.)

### DISCONTINUED OPERATIONS

#### LINER RELATED BUSINESS

	Quarter USD'Million		Year to date USD'Million	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
<b>Revenue:</b>				
Third Party	2.8	122.0	56.6	534.5
<b>profit/(loss)</b>	11.7	(82.9)	(128.8)	(282.7)

The Group effectively ceased its Liner related business operations in June 2012. The cessation of Liner related business operations has translated to more than 80% revenue decrease quarter on quarter and year on year.

Despite cessation of business activities in June 2012, the segment recorded USD2.8 million revenue and USD11.7 million operating profit in the current quarter mainly from rebates received on containers' storage amounting to USD5.2 mil and reversal of provision on staff costs amounting to USD3.3 mil.

## B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

### GROUP

	Current Quarter USD Million 31-Dec-12	Preceding Quarter USD Million 30-Sept-12
<b>Revenue:</b>		
Third Party	786.3	732.1
<b>Operating Profit</b>	168.5	96.7
<b>PBT</b>	239.8	72.2

The Group recorded USD786.3 million revenue compared to USD732.1 million in the preceding quarter, which represents a 7.4% increase in the current quarter. The increase was largely due to commencement of regasification project for LNG business and higher progress of existing Heavy Engineering projects.

Group operating profit of USD168.5 million was 74.3% higher than USD96.7 million in the preceding quarter mainly due to the commencement of the LNG regasification project in the current quarter, combined with lower operating costs.

The current quarter's profit before tax of USD239.8 million is more than 100% higher than the preceding quarter of USD72.2 million, primarily driven by higher operating profit for the quarter. Recognition of one off gain from lease commencement of LNG regasification project. Realisation of 50% intercompany profit from disposal of Gumusut-Kakap Semi Floating-Production System (L) Limited also contributed to the higher profit before tax for the current quarter.

## B3. VARIANCE OF ACTUAL RESULTS COMPARED WITH FORECASTED AND SHORTFALL IN PROFIT GUARANTEE

The Company did not provide any profit forecast or profit guarantee in any public document.

#### B4. TAXATION

	Oct 12 - Dec 12 USD '000	Jan 12-Dec 12 USD '000
Taxation for the period comprises the following charge		
Income tax charge		
- current period	(4,092)	4,720
- prior year	(780)	(779)
Deferred taxation	(15,151)	(12,465)
	<u>(20,023)</u>	<u>(8,524)</u>

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

#### B5. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

- a) The status of utilisation of proceeds raised from corporate proposals as at 13 February 2013 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

##### Renounceable Rights Issue

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation	
	USD Million	USD Million		USD Million	
Capital expenditure	1,541.4	1,541.4	Within 36 months from the completion of the Rights Issue Exercise	-	-
Estimated expenses in relation to the Rights Issue Exercise	6.1	6.1	Within 3 months from the completion of the Rights Issue Exercise	-	-
<b>Total</b>	<u><b>1,547.5</b></u>	<u><b>1,547.5</b></u>		<u><b>-</b></u>	<u><b>-</b></u>

**B5. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED (Cont'd)**

b) The status of the utilisation of proceeds raised from MHB listing as at 13 February 2013 is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation	
	USD Million	USD Million		USD Million	%
Capital expenditure	282.8	204.1	Within 36 months from the date of the Listings	-	-
Working Capital	38.8	38.8	Within 12 months from the date of the Listings	-	-
Estimated expenses in relation to the Proposed Offer for Sale and listing	3.4	3.4	Within 3 months from the date of the Listings	-	-
<b>Total</b>	<b>325.0</b>	<b>246.3</b>	-	-	-

c) MISC had, upon shareholders' approval on 31 November 2012, completed the proposed disposal of 50% equity interest in Gumusut-Kakap Semi Floating-Production System (L) Limited, a wholly-owned subsidiary of MISC, to E&P Venture Solutions Co Sdn. Bhd., a wholly-owned subsidiary of Petronas Carigali Sdn. Bhd. for a cash consideration of USD305.7 million (approximately RM934.4 million).

d) The status of the utilisation of proceeds raised from disposal of 50% stake in Gumusut as at 13 February 2013 ( being a date not earlier than 7 days from the date of issue the quarterly report) is as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation	
	USD Million	USD Million		USD Million	%
Repayment of bank loan and borrowings	1,250.0	1,250.0	Within 36 months from the completion date of share disposal	-	-
Capital Expenditure	481.6	68.7	Within 18 months from the completion date of share disposal	-	-
Estimated expenses relating to the Proposed Share Disposal	0.7	0.6	Within 3 months from the completion date of share disposal	-	-
<b>Total</b>	<b>1,732.2</b>	<b>1,319.3</b>		-	-

## B6. CHANGES IN MATERIAL LITIGATION

There were no material litigations involving the Group for the quarter ended 31 December 2012

## B7. DIVIDENDS

No dividend has been proposed by the Board of Directors for this financial period ended 31 December 2012 ( 31 December 2011 : Nil)

## B8. DERIVATIVES

As part of the Group's efforts to hedge its interest rate risks, the Group has entered into interest rate swap arrangements, a form of derivative to convert its interest exposure from floating term into fixed term.

As at 31 December 2012, the fair value loss of the interest rate swaps with maturity between one (1) to five (5) years for a notional value of USD953,382,000 was USD25,704,000.

During the period, the Group recognised a net gain of USD24,031,000 in its equity in connection to its hedging activities. The Group also has made an early repayment of certain loans prior to maturity of its swaps arrangement. As a result, the Group recorded USD7,000,000 fair value loss in its income statement.

The Group also has entered into forward currency contracts to manage the exposure to foreign exchange risk. As at 31 December 2012, the fair value loss of its foreign exchange contract was USD55,000.

Details of the Group's derivative financial instruments outstanding as at 31 December 2012 are as follows:

Contract/Tenure	Notional Value USD'000	Fair Value USD'000
<b><u>Foreign exchange contracts</u></b>		
Less than 1 year	7,871	(55)
<b><u>Interest rate swaps</u></b>		
1 year to 3 years	930,668	(24,150)
More than 3 years	22,714	(1,554)
	<b>953,382</b>	<b>(25,704)</b>
<b>Total</b>	<b>961,253</b>	<b>(25,759)</b>

## B9. EARNINGS/(LOSS) PER SHARE

	Quarter ended 31-Dec		Financial period ended 31-Dec	
	2012	2011	2012	2011
Basic earnings/(loss) per share are computed as follows:				
Profit/(loss) for the period attributable to owners of the Corporation (USD'000):				
-from continuing operations	228,456	(13,782)	452,064	184,825
-from discontinued operations	3,465	(557,770)	(202,203)	(759,752)
	<b>231,921</b>	<b>(571,552)</b>	<b>249,861</b>	<b>(574,927)</b>
Weighted average number of ordinary shares in issue (thousand)	<b>4,463,794</b>	<b>4,463,794</b>	<b>4,463,794</b>	<b>4,463,794</b>
Basic earnings/(loss) per share (cent)				
-from continuing operations	5.1	(0.3)	10.1	4.1
-from discontinued operations	0.1	(12.5)	(4.5)	(17.0)
	<b>5.2</b>	<b>(12.8)</b>	<b>5.6</b>	<b>(12.9)</b>

## B10. REALISED AND UNREALISED PROFIT

The breakdown of the Group's retained profits as at 31 December 2012 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	31-Dec-12 USD'000	31-Dec-11 USD'000
Total retained profits of MISC Group and its subsidiaries:		
- Realised	3,636,794	3,481,761
- Unrealised	(34,605)	(45,679)
	<u><b>3,602,189</b></u>	<u><b>3,436,082</b></u>
Total share of retained loss from associates:		
- Realised	(531)	(531)
- Unrealised	(16)	(14)
	<u><b>(547)</b></u>	<u><b>(545)</b></u>
Total share of retained profits from jointly controlled entities :		
- Realised	79,277	62,789
- Unrealised	12,801	20,750
	<u><b>92,077</b></u>	<u><b>83,539</b></u>
Total Group retained profits	<u><b>3,693,720</b></u>	<u><b>3,519,077</b></u>
Less:		
Consolidation adjustments	92,077	83,539
Total Group retained profits as per consolidated accounts	<u><b>3,785,798</b></u>	<u><b>3,602,616</b></u>
By Order of the Board		

A3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1

(i) Reconciliations of income statement for the period ended 30 September 2011

**CONTINUING OPERATIONS**

	<b><u>3 Months Ended 31 December 2011</u></b>				<b><u>12 Months Ended 31 December 2011</u></b>			
		Note 3 (b)	Note 3 (c)			Note 3 (b)	Note 3 (c)	
	FRS as at	Adjustments	Adjustments	MFRS as at	FRS as at	Adjustments	Adjustments	MFRS as at
	31-Dec-2011	Business	SPPE	31-Dec-2011	31-Dec-2011	Business	SPPE	31-Dec-2011
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	791,337	-	-	791,337	3,204,030	-	-	3,204,030
Cost of sales	(630,154)	-	656	(629,498)	(2,451,601)	-	1,969	(2,449,632)
<b>Gross profit</b>	<b>161,183</b>	<b>-</b>	<b>656</b>	<b>161,839</b>	<b>752,429</b>	<b>-</b>	<b>1,969</b>	<b>754,398</b>
Other operating income	66,379	-	-	66,379	262,619	-	-	262,619
General and administrative expenses	(118,764)	-	1	(118,763)	(475,148)	-	1	(475,147)
<b>Operating Profit</b>	<b>108,798</b>	<b>-</b>	<b>657</b>	<b>109,455</b>	<b>539,900</b>	<b>-</b>	<b>1,970</b>	<b>541,870</b>
Impairment provisions	(86,809)	-	-	(86,809)	(240,468)	-	-	(240,468)
Gain on dilution of interest in MHB	(58)	-	-	(58)	(7,024)	-	-	(7,024)
Net gain on disposal of ships	5,690	-	-	5,690	39,121	-	-	39,121
Finance costs	(31,406)	-	-	(31,406)	(119,975)	-	-	(119,975)
Share of profit of jointly controlled entities and associates	19,349	-	-	19,349	84,349	-	-	84,349
<b>Loss before taxation</b>	<b>15,564</b>	<b>-</b>	<b>657</b>	<b>16,221</b>	<b>295,903</b>	<b>-</b>	<b>1,970</b>	<b>297,873</b>
Taxation	(13,877)	-	-	(13,877)	(23,433)	-	-	(23,433)
<b>Loss after taxation</b>	<b>1,687</b>	<b>-</b>	<b>657</b>	<b>2,344</b>	<b>272,470</b>	<b>-</b>	<b>1,970</b>	<b>274,440</b>

A3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1

(ii) Reconciliations of equity

	FRS as at 31-Dec-2011	Note 3 (b) Adjustments Business Combination USD'000	Note 3 (c) Adjustments SPPE USD'000	MFRS as at 31-Dec-2011 USD'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Ships	5,918,801	-	(62,687)	5,856,114
Offshore floating assets	2,429,841	-		2,429,841
Property, Plant and Equipment	484,146	-	(4,031)	480,115
Prepaid Land & Building Lease Payments	24,710	-	-	24,710
Finance Lease Receivables	132,660	-	-	132,660
Investments in Associates	157,370	-	-	157,370
Investments in Jointly Controlled Entities	1,115,657	-	-	1,115,657
Other non-current financial assets	365,756	-	-	365,756
Intangible Assets	269,638	-	-	269,638
Deferred Tax Asset	1,653	-	-	1,653
	<b>10,900,232</b>	<b>-</b>	<b>(66,718)</b>	<b>10,833,514</b>
<b>CURRENT ASSETS</b>				
Inventories	137,157	-	-	137,157
Finance Lease Receivables	13,931	-	-	13,931
Trade & Other Receivables	580,693	-	-	580,693
Cash and cash equivalents	1,310,149	-	-	1,310,149
Amounts due from Group Companies	44,630	-	-	44,630
Amounts due from Associates	371	-	-	371
Amounts due from Jointly Controlled Entities	68,409	-	-	68,409
Assets held for sale	163,862	-	-	163,862
	<b>2,319,202</b>	<b>-</b>	<b>-</b>	<b>2,319,202</b>
<b>TOTAL ASSETS</b>	<b>13,219,434</b>	<b>-</b>	<b>(66,718)</b>	<b>13,152,716</b>

**A3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1**

(ii) Reconciliations of equity (Cont'd.)

	FRS as at 31-Dec-2011	Note 3 (b) Adjustments Business Combination USD'000	Note 3 (c) Adjustments SPPE USD'000	MFRS as at 31-Dec-2011 USD'000
Share Capital	1,323,046	-	-	1,323,046
Share Premium	1,322,979	-	-	1,322,979
Reserves	375,563	-	198	375,761
Retained Profits	3,602,616	-	(66,916)	3,535,700
<b>Equity attributable to owners of the parent</b>	<b>6,624,204</b>	<b>-</b>	<b>(66,718)</b>	<b>6,557,486</b>
Non Controlling Interests	406,345	-	-	406,345
<b>TOTAL EQUITY</b>	<b>7,030,549</b>	<b>-</b>	<b>(66,718)</b>	<b>6,963,831</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing loans and borrowings	2,627,338	-	-	2,627,338
Deferred Taxation	14,273	-	-	14,273
Provisions	204,109	-	-	204,109
Derivatives Liabilities	57,960	-	-	57,960
	<b>2,903,680</b>	<b>-</b>	<b>-</b>	<b>2,903,680</b>
<b>CURRENT LIABILITIES</b>				
Interest bearing loans and borrowings	1,847,566	-	-	1,847,566
Trade & Other Payables	1,240,605	-	-	1,240,605
Provision for Taxation	18,672	-	-	18,672
Amounts due to Group Companies	5,561	-	-	5,561
Amounts due to Associates	947	-	-	947
Amounts due to Jointly Controlled Entities	14,482	-	-	14,482
Derivative Liabilities	734	-	-	734
Liabilities of assets held for sale	-	-	-	-
	<b>3,128,567</b>	<b>-</b>	<b>-</b>	<b>3,128,567</b>
<b>TOTAL LIABILITIES</b>	<b>6,032,247</b>	<b>-</b>	<b>-</b>	<b>6,032,247</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,062,796</b>	<b>-</b>	<b>(66,718)</b>	<b>12,996,078</b>