

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	FOURTH QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 31.12.2014 RM'000	Preceding Quarter Ended 31.12.2013 RM'000	Current Year-To-Date Ended 31.12.2014 RM'000	Preceding Year-To-Date Ended 31.12.2013 RM'000
Revenue	A4	107,659	100,461	396,728	447,397
Cost of sales		(101,607)	(77,579)	(328,434)	(354,718)
<b>Gross profit</b>		<b>6,052</b>	<b>22,882</b>	<b>68,294</b>	<b>92,679</b>
Other income		7,733	9,209	18,676	19,020
Staff costs		(8,386)	(11,282)	(28,528)	(31,767)
Other operating expenses		(786)	(8,542)	(11,473)	(23,556)
<b>Profit from operations</b>		<b>4,613</b>	<b>12,267</b>	<b>46,969</b>	<b>56,376</b>
Finance costs		(10,392)	(13,167)	(23,550)	(30,238)
Share of results of associates		2,680	6,317	21,210	22,484
Share of results of jointly controlled entities		10,226	(5,202)	22,523	30,040
<b>Profit before taxation</b>		<b>7,127</b>	<b>215</b>	<b>67,152</b>	<b>78,662</b>
Taxation	B5	(2,563)	(2,087)	(6,507)	(4,160)
<b>Net profit for the year</b>		<b>4,564</b>	<b>(1,872)</b>	<b>60,645</b>	<b>74,502</b>
<b>Other comprehensive income</b>					
Currency translation differences		254	(213)	18	678
<b>Other comprehensive income for the year, net of tax</b>		<b>254</b>	<b>(213)</b>	<b>18</b>	<b>678</b>
<b>Total comprehensive income for the period</b>		<b>4,818</b>	<b>(2,085)</b>	<b>60,663</b>	<b>75,180</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the parent		5,257	951	60,560	74,305
Non-controlling interests		(693)	(2,823)	85	197
		<b>4,564</b>	<b>(1,872)</b>	<b>60,645</b>	<b>74,502</b>
<b>Total comprehensive income for the year</b>					
Owners of the parent		5,504	617	60,665	74,983
Non-controlling interests		(686)	(2,702)	(2)	197
		<b>4,818</b>	<b>(2,085)</b>	<b>60,663</b>	<b>75,180</b>
Earnings per share attributable to Owners of the parent	B16				
- Basic (Sen)		0.6	0.1	6.9	9.4
- Diluted (Sen)		0.6	0.1	6.9	9.2

The unaudited statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED STATEMENT OF FINANCIAL POSITION OF THE GROUP  
AS AT 31 DECEMBER 2014

	As At 31.12.2014 RM'000	As At 31.12.2013 RM'000
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, vessel and equipment	527,937	545,535
Intangible assets	1,358	1,513
Investments in jointly controlled entities	256,398	151,809
Investments in associates	73,418	132,361
Deferred tax assets	11,562	11,562
Trade receivables	1,183	1,183
	<u>871,856</u>	<u>843,963</u>
<b>Current Assets</b>		
Inventories	4,969	3,752
Trade receivables	185,912	264,026
Other receivables	101,217	236,538
Tax recoverable	2,767	3,247
Cash and bank balances	240,900	135,187
	<u>535,765</u>	<u>642,750</u>
<b>Total Assets</b>	<u><b>1,407,621</b></u>	<u><b>1,486,713</b></u>
<b>Equity And Liabilities</b>		
<b>Equity Attributable To Owners Of The Parent</b>		
Share capital	231,114	200,324
Share premium	165,137	33,207
Other reserves	(3,079)	(3,184)
Retained profits	436,770	376,210
	<u>829,942</u>	<u>606,557</u>
Non-controlling interests	527	529
<b>Total Equity</b>	<u><b>830,469</b></u>	<u><b>607,086</b></u>
<b>Non-current Liabilities</b>		
Borrowings B9	133,859	251,033
Deferred tax liabilities	84,425	81,680
	<u>218,284</u>	<u>332,713</u>
<b>Current Liabilities</b>		
Borrowings B9	181,619	311,309
Trade payables	156,938	205,111
Other payables	20,284	30,430
Tax payable	27	64
	<u>358,868</u>	<u>546,914</u>
<b>Total Liabilities</b>	<u><b>577,152</b></u>	<u><b>879,627</b></u>
<b>Total Equity And Liabilities</b>	<u><b>1,407,621</b></u>	<u><b>1,486,713</b></u>
<b>Net Assets Per Share (RM)</b>	<u><b>0.90</b></u>	<u><b>0.76</b></u>

The unaudited statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	← Attributable to Owners of the Parent →				Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
As at 1 January 2013	196,802	24,096	775	303,902	525,575	2,404	527,979
Total comprehensive income for the period	-	-	678	74,305	74,983	197	75,180
Transactions with owners							
Issue of ordinary shares							
Pursuant to ESOS	3,522	9,111	(5,509)	-	7,124	-	7,124
Acquisition of non-controlling interests	-	-	872	-	872	(2,072)	(1,200)
Dividend	-	-	-	(1,997)	(1,997)	-	(1,997)
As at 31 December 2013	<b>200,324</b>	<b>33,207</b>	<b>(3,184)</b>	<b>376,210</b>	<b>606,557</b>	<b>529</b>	<b>607,086</b>

The unaudited condensed consolidated statement of changes in equity of the Group should be read in conjunction the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (Continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	← Attributable to Owners of the Parent →				Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
As at 1 January 2014	200,324	33,207	(3,184)	376,210	606,557	529	607,086
Total comprehensive income for the period	-	-	105	60,560	60,665	(2)	60,663
Transactions with owners							
Issue of ordinary shares							
Pursuant to ESOS	36	167	-	-	203	-	203
Pursuant private placement	30,754	131,763	-	-	162,517	-	162,517
As at 31 December 2014	<b>231,114</b>	<b>165,137</b>	<b>(3,079)</b>	<b>436,770</b>	<b>829,942</b>	<b>527</b>	<b>830,469</b>

UNAUDITED STATEMENT OF CASH FLOW OF THE GROUP  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Current Year-To-Date Ended 31.12.2014 RM'000	Preceding Year-To-Date Ended 31.12.2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	67,152	78,662
Adjustment for:		
Interest income	(6,858)	(10,235)
Interest expense	23,550	30,238
Depreciation	38,849	42,742
Provision for impairment loss on trade receivables	811	44
Reversal of impairment on trade receivables	-	(303)
Gain on foreign exchange	(1,137)	(391)
Share of results of jointly controlled entities	(22,523)	(30,040)
Share of results of associates	(21,210)	(22,484)
Gain on disposal of fixed assets	(4,430)	(5,711)
Impairment loss on fixed assets	671	-
Amortisation of intangible assets	154	65
<b>Operating profit before working capital changes</b>	<b>75,029</b>	<b>82,587</b>
(Increase)/decrease in inventories	(1,217)	4,487
Decrease/(increase) in receivables	213,761	(144,794)
(Decrease)/increase in payables	(60,653)	120,616
<b>Cash generated from operating activities</b>	<b>226,920</b>	<b>62,896</b>
Taxes paid	(2,879)	(1,295)
Interest paid	(23,550)	(30,238)
<b>Net cash flows from operating activities</b>	<b>200,491</b>	<b>31,363</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	6,858	10,235
Proceeds from disposal of fixed assets	12,828	157
Purchase of fixed assets	(30,319)	(147,379)
Acquisition of non-controlling interest	-	(1,200)
<b>Net cash flows from investing activities</b>	<b>(10,633)</b>	<b>(138,187)</b>

The condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED STATEMENT OF CASH FLOW OF THE GROUP (Continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Current Year-To-Date Ended 31.12.2014 RM'000	Preceding Year-To-Date Ended 31.12.2013 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	162,719	7,124
Proceeds of MCP	-	60,000
Proceeds of term loan	869	194,655
Proceeds of RC	3,469	30,000
Repayment of Overdraft	(349)	-
Repayment of term loans	(124,387)	(5,132)
Repayment of hire purchase	(5,245)	(3,141)
Repayment of RC	(40,000)	(23,469)
Repayment of MCP	(38,008)	(55,000)
Repayment of MTN	(40,000)	(90,000)
Dividend paid	-	(1,997)
Proceeds from refund of sinking fund	(5,836)	15,189
Marginal deposit	(1)	(3,994)
<b>Net cash flows in financing activities</b>	<b>(86,769)</b>	<b>124,235</b>
Net decrease in cash and cash equivalents	103,089	17,411
Effect of exchange rate changes on cash and cash equivalent	-	(722)
Cash and cash equivalents at beginning of financial year	109,059	92,370
<b>Cash and cash equivalents at end of financial year</b>	<b>212,148</b>	<b>109,059</b>
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash on hand and at banks	106,580	108,648
Deposits with licensed banks	134,320	26,539
	<b>240,900</b>	<b>135,187</b>
Bank overdrafts (Note B9)	-	(3,213)
Amount set aside as sinking fund	(18,419)	(12,583)
Amount pledged for bank guarantee facilities	(10,333)	(10,332)
Total cash and cash equivalents	<b>212,148</b>	<b>109,059</b>

The condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. BASIS OF PREPARATION**

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Chapter 9.22, part K of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which 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.

**A2. CHANGES IN ACCOUNTING POLICIES**

On 1 January 2014, the Group adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2014.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuance of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014

The adoption of the above MFRS and amendments to MFRS that came into effect on 1 January 2014, did not have significant impact on the unaudited condensed financial statements upon the initial application on 1 January 2014.

## A2. CHANGES IN ACCOUNTING POLICIES (Continued)

Standards and interpretations issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
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 2017
MFRS 9 Financial Instruments	1 January 2018

The Group has not completed its assessment of the financial effects of standards and interpretations issued but not yet effective.



**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements of the Company and its subsidiaries for the year ended 31 December 2013 were not qualified.

**A4. SEGMENTAL INFORMATION**

The results and other information of the Group as at 31 December 2014 are as follows:-

As at 31 Dec 2014	Offshore support vessels and services RM'000	Subsea services & OIC RM'000	Others RM'000	Consol RM'000	TOTAL RM'000
<b>Revenue</b>					
External	271,545	117,638	7,545	-	396,728
Intra group	252,920	-	-	(252,920)	-
<b>Total</b>	<b>524,465</b>	<b>117,638</b>	<b>7,545</b>	<b>(252,920)</b>	<b>396,728</b>
<b>Results</b>					
Profit from operations	38,827	7,825	2,554	(2,237)	46,969
Finance costs	(22,027)	(1,483)	(40)	-	(23,550)
Share of results of associates	21,210	-	-	-	21,210
Share of results of jointly controlled entities	20,463	2,060	-	-	22,523
<b>Profit before taxation</b>	<b>58,473</b>	<b>8,402</b>	<b>2,514</b>	<b>(2,237)</b>	<b>67,152</b>
<b>As at 31 Dec 2013</b>					
<b>Revenue</b>					
External	285,815	158,233	3,349	-	447,397
Intra group	185,772	11,963	16,870	(214,605)	-
<b>Total</b>	<b>471,587</b>	<b>170,196</b>	<b>20,219</b>	<b>(214,605)</b>	<b>447,397</b>
<b>Results</b>					
Profit from operations	60,967	2,931	260	(7,782)	56,376
Finance costs	(28,824)	(1,281)	(133)	-	(30,238)
Share of results of associates	22,484	-	-	-	22,484
Share of results of jointly controlled entities	17,925	12,115	-	-	30,040
<b>Profit before taxation</b>	<b>72,552</b>	<b>13,765</b>	<b>127</b>	<b>(7,782)</b>	<b>78,662</b>

**A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial year except as disclosed in Note A2.

**A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect in the current financial year's results.

**A7. SEASONAL AND CYCLICAL FACTORS**

The Group's performance would be subject to the risk of increase in downtime and off-hires due to the adverse weather conditions such as monsoon seasons.

Notwithstanding the above, our chartered vessels are made available regardless of the weather condition.

**A8. PROFIT BEFORE TAXATION**

Included in the profit before taxation are the following items:

	<b>Current Quarter Ended 31.12.2014 RM'000</b>	<b>Preceding Quarter Ended 31.12.2013 RM'000</b>	<b>Current Year-To-Date Ended 31.12.2014 RM'000</b>	<b>Preceding Year-To-Date Ended 31.12.2013 RM'000</b>
Interest income	(5,473)	(8,834)	(6,858)	(10,235)
Interest expense	10,392	13,167	23,550	30,238
Depreciation	12,300	17,665	38,849	42,742
Net (gain)/loss on foreign exchange	<u>(1,347)</u>	<u>(2,341)</u>	<u>(1,137)</u>	<u>(391)</u>

**A9. DIVIDENDS PAID**

No dividend was paid in the financial quarter under review.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of the property, vessel and equipment in the current financial period under review.

**A11. DEBT AND EQUITY SECURITIES**

There were no issuance, cancellations, repurchases, resale and repayments of debts and equity securities except for the following: -

On 23 April 2014, Alam Maritim Resources Berhad ("Alam" or "Company") had entered into a subscription agreement with Associated Land Sendirian Berhad and Caprice Capital Intl Ltd for the proposed issuance and allotment of 123,000,000 new ordinary shares of RM0.25 each in Alam ("Subscription Shares"), at an issue price of RM1.35 per Subscription Shares ("Share Issuance").

On 9 June 2014, Alam had completed the Share Issuance and had raised gross proceeds of approximately RM166.05 million.

The utilisation of proceeds of approximately RM166.05 million raised from the Share Issuance as at 27 February 2015 (being a date not earlier than 7 days from the date of the issuance of this quarterly results) is as follows:

<b>Purposes</b>	<b>Actual utilisation RM'000</b>
Expenses in relation to the Share Issuance	3,771
Repayment of bank borrowings (Sukuk Ijarah Facility)	94,776
Working capital (dry-docking cost)	2,939
<b>Total</b>	<b><u>101,486</u></b>

**A12. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in composition of the Group for the financial quarter under review except for the following: -

- (a) On 8 October 2014, the joint venture arrangement between a wholly owned subsidiary of the Company, Alam Maritim (L) Inc. ("AMLI") and WASCO Energy Ltd. ("WASCO") became effective in accordance with the terms and conditions of the Joint Venture Agreement dated 24 June 2014, with WASCO owning 49% equity interest in Alam-PE Holdings (L) Inc ("Alam-PE") on the same date.

Subsequent to the above, AMLI had on 16 October 2014 completed the Share Sale & Purchase Agreement entered into between AMLI and Armada Investment Holdings Ltd. ("ARMADA") on 22 September 2014 for the acquisition of 2% equity interest in Alam-PE by AMLI from ARMADA. Following this, Alam-PE is now a jointly controlled entity by AMLI and WASCO with the shareholding of 51% and 49% respectively.

In this regard, the Joint Venture Agreement previously entered into between AMLI and ARMADA dated 30 October 2008 had been terminated with immediate effect.

Pursuant to transactions above, adjustments made to reflect the above transactions are as follows:

	<b>16.10.2014</b>		<b>16.10.2014</b>
	<b>RM'000</b>	<b>Reclassification</b>	<b>RM'000</b>
<u>Statement of Financial Position</u>			
Investment in associates	128,836	(55,418)	73,418
Investment in jointly controlled entities	<u>200,980</u>	55,418	<u>256,398</u>

- (b) Acquisition of companies

	<b>Date of acquiring</b>	<b>Equity Interest</b>	<b>Paid up capital</b>	<b>Principal Business</b>
Alam Maritim Investment Holdings (L) Inc.	26 Dec 2014	100%	USD100	Investment holding and ship owning.
Alam JV Holdings (L) Inc.	26 Dec 2014	100%	USD100	Investment holding and ship owning.
Alam Maritim Global I Ltd.	29 Dec 2014	100%	USD100	Investment holding.

**A13. CAPITAL COMMITMENTS**

There were no material capital commitments for the financial quarter under review.

**A14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As at 31 December 2014, our contingent liabilities, comprising of bank and performance guarantees for contracts entered into with customers, stood at approximately RM30.3 million. In addition, the Company has provided corporate guarantee for the credit facilities totalling USD28.56 million granted by Maybank International (L) Ltd to 60%-owned subsidiaries of Alam Maritim (M) Sdn Bhd ("AMSB"), namely Alam Synergy I (L) Inc, Alam Synergy II (L) Inc and Alam Synergy III (L) Inc.

AMSB has provided a corporate guarantee for the banking facilities amounting to RM43.2 million granted by financial institutions to Alam Hidro (M) Sdn Bhd ("AHSB"), a wholly owned subsidiary of AMSB. Alam Maritim (L) Inc has also provided corporate guarantee on proportionate basis (50%) for the credit facilities totalling RM154.0 million granted by Ambank Group to its jointly controlled entity, Alam Swiber DLB 1 (L) Inc.

Save as disclosed above, there were no material contingent liabilities that may, upon materialisation, have a material effect on the Group's financial results or position.

**A15. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current financial period.

## PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

## B1. PERFORMANCE REVIEW

	OSV Segment RM'000	Subsea/ OIC Segment RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
Revenue (Year-to-date 2014)	271,545	117,638	7,545	396,728
Revenue (Year-to-date 2013)	285,815	158,233	3,349	447,397
Variance (%)	<u>-5.0%</u>	<u>-25.7%</u>		<u>-11.3%</u>

The Group recorded a turnover of RM396.73 million for the financial year ended 31 December 2014 as compared to RM447.39 million for the same period last year, resulting in an adverse variance of 11.3%. Revenue from Offshore Support Vessels ("OSV") segment dropped by 5.0% due to lower vessel utilisation rate.

Revenue derived from Subsea Services/Offshore Installation & Construction ("OIC") segment was lower by 25.7% as compared to last year.

	OSV Segment RM'000	Subsea/ OIC Segment RM'000	Others/ Elimination RM'000	Consolidated Total RM'000
Profit/(Loss) Before Tax -YTD2014	58,473	8,402	277	67,152
Profit/(Loss) Before Tax -YTD2013	72,552	13,765	(7,655)	78,662
Variance (%)	<u>-19.4%</u>	<u>-39.0%</u>		<u>-14.6%</u>

The profit before taxation for the current financial period of RM67.15 million resulted in an adverse variance of 14.6% as compared to RM78.66 million recorded for the preceding financial year. The profitability of OSV segment was lower by 19.4% primarily due to lower utilisation rate of chartered vessels.

Subsea Services/OIC segment registered a profit before taxation of RM8.40 million for the financial year ended 31 December 2014 was lower by 39.0% as compared to profit before taxation of RM13.76 million recorded in the same period last year.

## B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group's revenue for the current quarter of RM107.66 million was lower than the preceding quarter's revenue figure of RM127.86 million with an adverse variance of 15.8%. This was mainly due to lower utilisation rate of chartered vessels during the current financial quarter under review.

The profit before taxation for the current financial quarter of RM7.13 million was lower than the profit before taxation of RM20.38 million registered for the preceding financial quarter, resulting in an adverse variance of 65.0%. The financial performance declined due to lower utilisation rate of chartered vessels.

**B3. COMMENTARY ON PROSPECTS**

The business outlook for Alam Maritim Group is influenced by the level of capital expenditure spending by the Oil Majors which is in line with the volume of exploration and production activities. Based on the current market condition, the domestic oil and gas industry is expected to be vulnerable and volatile in the interim period due to slower project rollouts and softening charter rates. Despite these challenges, we believe that the sector should be able to withstand short term uncertainties and sustain with solid fundamentals in the long run.

Notwithstanding the above, the Directors will continue to exercise due care in managing and implementing strategies for the Group's business and will ensure that shareholders' values are strategically enhanced from time to time.

**B4. PROFIT FORECAST**

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

**B5. INCOME TAX EXPENSE**

	Current Quarter		Year-To-Date	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Income Taxation				
-Current year	447	365	1,135	726
-(Over)/under-provision in prior year	-	-	-	-
	<u>447</u>	<u>365</u>	<u>1,135</u>	<u>726</u>
Deferred Taxation				
-Current year	2,116	1,722	5,372	3,434
-(Over)/under-provision in prior year	-	-	-	-
	<u>2,116</u>	<u>1,722</u>	<u>5,372</u>	<u>3,434</u>
	<u><b>2,563</b></u>	<u><b>2,087</b></u>	<u><b>6,507</b></u>	<u><b>4,160</b></u>

The effective tax rate for the current financial year of 9.69% is lower than the statutory tax rate of 25% principally due to certain income which is taxed at a lower tax regime, and losses registered by certain subsidiary companies.

**B6. SALE OF PROPERTIES**

There were no sales of properties in the financial quarter under review.

**B7. INVESTMENTS IN QUOTED SECURITIES**

There were no dealings by the Group in quoted securities for the financial quarter under review.

**B8. CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at the end of the financial period under review except as disclosed in note A11.

**B9. BORROWINGS**

	<b>Total As at 31.12.2014 RM'000</b>	<b>Total As at 31.12.2013 RM'000</b>
<b>Short Term Borrowings</b>		
Unsecured:		
Revolving credit facilities	40,001	76,531
Overdraft	-	3,213
Secured:		
MTN - Sukuk Ijarah	115,000	40,000
CP - Murabahah	-	38,008
Term loans	25,884	148,013
Hire purchase	734	5,544
	<b><u>181,619</u></b>	<b><u>311,309</u></b>
<b>Long-term borrowings</b>		
Secured:		
MTN - Sukuk Ijarah	115,000	230,000
Term loans	15,662	17,400
Hire purchase	3,197	3,633
	<b><u>133,859</u></b>	<b><u>251,033</u></b>
<b>Total Borrowings</b>	<b><u>315,478</u></b>	<b><u>562,342</u></b>

**B10. DERIVATIVE FINANCIAL INSTRUMENTS**

There were no outstanding derivatives as at the end of reporting period.

**B11. FAIR VALUE HIERARCHY**

No transfer between any levels of the fair value estimation took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial instrument that subsequently resulted a change in those instruments.

**B12. DISCLOSURE OF GAINS/LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2014 and 31 December 2013.

**B13. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There are no off balance sheet financial instruments as at 27 February 2015.

**B14. CHANGES IN MATERIAL LITIGATION**

The Group is not engaged in any material litigation, whether as plaintiff or defendant, which may have a material impact on the financial position or performance of the Group as at 31 December 2014. The Board of Directors is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial or business position of the Group.

**B15. DISCLOSURE OF NATURE OF OUTSTANDING DERIVATIVE**

There were no outstanding derivatives as at the end of the reporting period.

**B16. EARNINGS PER SHARE ("EPS")****Basic EPS**

Basic earnings per share amount is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares issued during the period.

	Current Quarter		Year-To-Date	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	5,257	951	60,560	74,305
Weighted average number of ordinary shares issued	924,461	794,364	871,886	794,364
<b>Basic EPS (Sen)</b>	<b>0.6</b>	<b>0.1</b>	<b>6.9</b>	<b>9.4</b>

**Diluted EPS**

Diluted earnings per share amount is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issued during the period after adjusting for the dilutive effects of all potential ordinary shares to be issued under ESOS.

	Current Quarter		Year-To-Date	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the parent	5,257	951	60,560	74,305
Weighted average number of ordinary shares issued	924,461	794,364	871,886	794,364
Effects of dilution from ESOS*	3,361	14,757	3,362	14,757
Adjusted weighted average number of ordinary shares in issue and issuable	927,822	809,121	875,248	809,121
<b>Diluted EPS (Sen)</b>	<b>0.6</b>	<b>0.1</b>	<b>6.9</b>	<b>9.2</b>

\*Note: The estimation of effects of dilution from ESOS was based on the average closing price of RM1.34 for the financial period ended 31 December 2014.



**B17. RELATED PARTY TRANSACTIONS**

Significant related party transactions during the financial period are described below:

	<b>Cumulative quarters period ended 31.12.2014 RM'000</b>
<b><u>Jointly controlled entities</u></b>	
Charter hire vessels	169,825
Offshore installation and construction contracts	35,768
Vessel management fees	11,916
<b><u>Associates</u></b>	
Charter hire vessels	<u>83,094</u>

**B18. REALISED AND UNREALISED PROFITS**

	<b>As At 31.12.2014 RM'000</b>
Total retained profits of the Company and its subsidiaries	
- realised	579,321
- unrealised	<u>(289,492)</u>
	289,829
Total share of retained profits from associates:	
- realised	21,086
- unrealised	(95)
Total share of retained profits from jointly controlled entities:	
- realised	179,584
- unrealised	<u>15,206</u>
	505,610
Less: consolidation adjustments	<u>(68,840)</u>
Retained profits as per financial statements	<u>436,770</u>

**B19. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 February 2015.

**BY ORDER OF THE BOARD**

**Fatan Hamamah binti Khalid**  
(MAICSA No. 7039265)  
Company Secretary  
Kuala Lumpur  
27 February 2015