



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the First Quarter ended 31 March 2013 (Unaudited)**

	Current Quarter Ended 31-Mar-13 RM'000	Corresponding Quarter Ended 31-Mar-12 RM'000	Cumulative Year To Date 31-Mar-13 RM'000	Corresponding Year To Date 31-Mar-12 RM'000
Revenue	87,924	74,840	87,924	74,840
Operating expenses	(42,662)	(46,016)	(42,662)	(46,016)
Gross profit	45,262	28,824	45,262	28,824
Other income***	32,957	440	32,957	440
Administration expenses	(13,827)	(9,791)	(13,827)	(9,791)
Results from operating activities	64,392	19,473	64,392	19,473
Finance costs	(884)	(840)	(884)	(840)
Finance income	1,160	1,538	1,160	1,538
Net finance income	276	698	276	698
Share of results of an associate	1,291	-	1,291	-
Profit before tax	65,959	20,171	65,959	20,171
Income tax expense	(7,564)	(4,444)	(7,564)	(4,444)
Profit for the period	58,395	15,727	58,395	15,727
Other comprehensive income, net of tax				
Fair value changes of available-for-sale financial assets	-	(8,849)	-	(8,849)
Total comprehensive income for the period attributable to Owners of the Company	58,395	6,878	58,395	6,878
Weighted average number of ordinary shares in issue ('000)	549,700	549,700	549,700	549,700
Basic earnings per ordinary share of RM0.50 each (sen)	10.62	2.86	10.62	2.86

***Includes reclassification of fair value reserve (i.e. available-for-sale revaluation reserve) of RM32,798,586 to profit or loss on remeasurement of an available-for-sale investment as an equity-accounted associate.

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Financial Position as at 31 March 2013 (Unaudited)**

	UNAUDITED AS AT 31-Mar-13 RM'000	AUDITED AS AT 31-Dec-12 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	266,654	267,402
Prepaid lease payments	11,595	11,595
Investment in an associate	148,626	-
Other investments	-	102,072
	<u>426,875</u>	<u>381,069</u>
CURRENT ASSETS		
Inventories	580	1,336
Trade and other receivables	171,566	166,489
Other investments	15,328	35,680
Current tax asset	213	213
Cash and bank balances	147,057	153,632
	<u>334,744</u>	<u>357,350</u>
TOTAL ASSETS	<u>761,619</u>	<u>738,419</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	275,000	275,000
Share premium	107,787	107,787
Reserves	214,484	214,523
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>597,271</u>	<u>597,310</u>
NON CURRENT LIABILITIES		
Borrowings	45,376	45,376
Deferred tax liabilities	2,874	2,874
TOTAL NON CURRENT LIABILITIES	<u>48,250</u>	<u>48,250</u>
CURRENT LIABILITIES		
Loans and borrowings	15,427	22,146
Trade and other payables	95,048	66,733
Current tax liabilities	5,623	3,980
TOTAL CURRENT LIABILITIES	<u>116,098</u>	<u>92,859</u>
TOTAL LIABILITIES	<u>164,348</u>	<u>141,109</u>
TOTAL EQUITY AND LIABILITIES	<u>761,619</u>	<u>738,419</u>
Net Assets per share (sen)	109	109

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity
For the First Quarter ended 31 March 2013 (Unaudited)**

	Attributable to the Owners of the Company					Total Equity RM'000
	Non-Distributable				Distributable	
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	
At 31 December 2011/1 January 2012	275,000	107,787	2,817	(460)	137,762	522,906
Profit for the year	-	-	-	-	101,242	101,242
Fair value change of available-for- sale financial asset	-	-	28,132	-	-	28,132
Total comprehensive income for the year	-	-	28,132	-	101,242	129,374
Dividends paid	-	-	-	-	(54,970)	(54,970)
At 31 December 2012/1 January 2013	275,000	107,787	30,949	(460)	184,034	597,310
Profit for the period	-	-	-	-	58,395	58,395
Fair value change of available-for- sale financial asset	-	-	1,850	-	-	1,850
***Reclassification of fair value reserve to profit or loss	-	-	(32,799)	-	-	(32,799)
Dividend payable	-	-	-	-	(27,485)	(27,485)
At 31 March 2013	275,000	107,787	-	(460)	214,944	597,271

***This comprises reclassification of fair value reserve (i.e. available-for-sale revaluation reserve) of RM32,798,586 to profit or loss on remeasurement of the Company's investment in Perdana Petroleum Bhd from available-for-sale investment as an equity accounted associate.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Cash Flows
For the First Quarter ended 31 March 2013 (Unaudited)**

	Current Year-to-date 31-Mar-13 RM'000	Corresponding Year-to-date 31-Mar-12 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	65,959	20,171
Adjustments for:-		
- Non-cash items	3,634	4,318
- Non-operating items	(33,073)	(698)
Operating profit before changes in working capital	36,520	23,791
<u>Changes in working capital</u>		
Inventories	756	301
Trade and other receivables	(5,077)	11,341
Trade and other payables	830	(14,261)
Total changes in working capital	(3,491)	(2,619)
Cash generated from operations	33,029	21,172
Interest received	1,160	1,538
Interest paid	(884)	(840)
Tax paid	(5,921)	(6,176)
Total interest and tax paid	(5,645)	(5,478)
Net cash generated from operating activities	27,384	15,694
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional investment in an associate	(43,412)	-
Acquisition of other investment	(146)	(20,244)
Purchase of property, plant and equipment	(4,180)	(15,790)
Proceeds from disposal of other investments	20,498	-
Net cash (used in)/generated from investing activities	(27,240)	(36,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	12,748
Repayment of borrowings	(5,086)	(2,000)
Net cash (used in)/generated from financing activities	(5,086)	10,748
Net decrease in cash and cash equivalents	(4,942)	(9,592)
Cash and cash equivalents at the beginning of the period	151,999	211,487
Cash and cash equivalents at the end of the period	147,057	201,895
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	93,996	162,671
Cash and bank balances	53,061	39,224
	147,057	201,895

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying notes attached to this interim financial report).



A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 (MFRS134), *Interim Financial Reporting* and with IAS 34, *Interim Financial Reporting* and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in Accounting policies

A2.1 Adoption of Standards, Amendments and Interpretations

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the following:

MFRS/Amendment/Interpretation	Effective date
• MFRS 10, <i>Condolidated Financial Statements</i>	1 January 2013
• MFRS 13, <i>Fair Value Measurements</i>	1 January 2013
• MFRS 128, <i>Investments in Associates and Joint Ventures</i>	1 January 2013
• Amendments to MFRS 7, <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
• Amendments to MFRS 101, <i>Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)</i>	1 January 2013
• Amendments to MFRS 116, <i>Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)</i>	1 January 2013
• Amendments to MFRS 132, <i>Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)</i>	1 January 2013
• Amendments to MFRS 134, <i>Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)</i>	1 January 2013
• Amendments to MFRS 10, <i>Consolidated Financial Statements: Transition Guidance</i>	1 January 2013



A2.2 Standards and amendments issued but not yet effective

• Amendments to MFRS 10, <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
• Amendments to MFRS 12, <i>Disclosure of Interests in Other Entities: Investment Entities</i>	1 January 2014
• Amendments to MFRS 127, <i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
• Amendments to MFRS 132, <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
• MFRS 9, <i>Financial Instruments (2009)</i>	1 January 2015
• MFRS 9, <i>Financial Instruments (2010)</i>	1 January 2015
• Amendments to MFRS 7, <i>Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>	1 January 2015

The Group plans to apply:

- from the annual period beginning on 1 January 2014 those standards, amendments or interpretations that are effective for annual periods beginning on 1 January 2014, except Amendments to MFRS 12 and Amendments to MFRS 127 which are presently assessed as being not applicable to the Group.
- from annual period beginning on 1 January 2015 those standards, amendments or interpretations that are effective for annual periods beginning on 1 January 2015.

The initial application of the above standards are not expected to have any material impacts to the financial statements for current and prior periods upon their first adoption.

A3. Auditors' report

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

A4. Profit for the period

	Current quarter ended 31-Mar-13 RM'000	Current year-to-date 31-Mar-13 RM'000
Profit for the period is arrived at after charging:		
Depreciation of property, plant and equipment	4,926	4,926
Loss on disposal of property, plant and equipment	2	2
and after crediting:		
Reclassification of fair value reserve to profit or loss on remeasurement of an available-for-sale investment as an equity-accounted associate	32,799	32,799
Net foreign exchange gain	4	4

No impairment of assets, write down/off of inventories, gain or loss on derivatives or material exceptional items are included in the profit of the Group for the period under review or for the comparative period.



A5. Seasonal or cyclical factors

Seasonality due to weather is not foreseen to affect the Group's vessel chartering operations. However, the offshore topside maintenance operations is normally affected by bad weather at the beginning and the end of the year and this factor has been taken into consideration in the Group's annual business plan.

A6. Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence for the current quarter and financial year-to-date other than the reclassification of fair value reserve of RM32,798,586 to profit or loss on remeasurement of an available-for-sale investment as an equity-accounted associate.

A7. Material changes in estimates

There were no changes in the estimates of amounts reported in the prior interim periods of the current financial quarter or changes in the estimates of amounts relating to the prior financial years that have a material effect in the current quarter and financial year-to-date.

A8. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year-to-date.

A9. Dividend paid

An interim dividend, in respect of the financial year ended 31 December 2012, of 5 sen per ordinary share tax exempt amounting to RM27,484,975 was declared on 26 February 2013 and paid to shareholders on 12 April 2013.



A11. Valuation of property, plant and equipment

The property, plant and equipment of the Group have been brought forward without amendment from their previous annual financial statements.

A12. Capital commitments

Capital commitments as at end of the current quarter are as follows:-

	31-Mar-13
	RM'000
Approved and contracted for	
Development of a piece of land for minor fabrication in Telok Kalong, Terengganu.	193
Construction of a workboat	53,728 *
Purchase of a crane	3,690
Construction of a new open yard and surau in Telok Kalong, Terengganu	880
Renovation work at 15-16th floor, VSQ Commercial Center, Petaling Jaya (KL office)	1,463
	<hr/>
	59,954
	<hr/>

* To be partly financed by borrowings

A13. Material events subsequent to the end of period reported

There are no material events subsequent to the end of the current quarter and current period up to 15 May 2013 (not earlier than 7 days from the date of announcement of this interim financial report) that have not been reflected in the financial statements for the current quarter.

A14. Changes in composition of the group

Subsequent to 31 December 2012, the Company has acquired additional shares in Perdana Petroleum Berhad (PPB) from the open market. As at 6 February 2013, the Company holds in total 100,793,500 ordinary shares (31 December 2012: 94,510,900 ordinary shares) of RM0.50 each in PPB representing 20.36% (31 December 2012: 19.09%) of the issued and paid-up share capital in PPB, which has since become an associate of the Company.

As at 31 March 2013, the Company holds in total 129,212,700 ordinary shares of RM0.50 each in PPB representing 26.10% of the issued and paid-up share capital in PPB.

Except for the above, there were no changes in the composition of the Group.

**A15. Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets that had arisen since the last financial year end.

A16. Significant related party transactions

The Group entered into the following transactions with related parties, in addition to compensations to Directors and other Key Management personnel, during the current quarter:-

Transactions with Directors and a company in which certain Directors have substantial financial interests:-	Nature	Amount for 3 months ended 31 March 2013	Unsettled balance as at 31 March 2013
		RM'000	RM'000
Ling Suk Kiong and Joe Ling Siew Loung @ Lin Shou Long	Rental of open yard fabrication facilities with workshop, warehouse and office	180	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office	8	-
Joe Ling Siew Loung @ Lin Shou Long and his spouse Chong Siaw Choon	Rental of office	10	-
Kunci Prima Sdn Bhd (Directors and shareholders are Tengku Yusof Bin Tengku Ahmad Shahrudin, Joe Ling Siew Loung @ Lin Shou Long, Ling Suk Kiong and his spouse Wong Siew Hong)	Rental of office	169	-
		<hr/>	<hr/>
		367	-

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favourable than those transacted with unrelated parties.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS****B1. Review of performance of the Company and its principal subsidiaries****B1.1 The Group's performance for the quarter under review versus the corresponding quarter of the previous financial year is tabled below:**

	Current Quarter ended 31-Mar-13 RM'000	Corresponding Quarter ended 31-Mar-12 RM'000	Variance	
			RM'000	%
Revenue	87,924	74,840	13,084	17
Profit before tax (excluding reclassification of fair value reserve to profit or loss and share of results of an associate)	31,869	20,171	11,698	58
Share of results of an associate	1,291	-	1,291	
Reclassification of fair value reserve to profit or loss on remeasurement of available-for-sale investment as an equity-accounted associate	32,799	-	32,799	
Profit before tax	65,959	20,171	45,788	227
Profit for the period	58,395	15,727	42,668	271
Other comprehensive income, net of tax	-	(8,849)	8,849	
Total comprehensive income for the period attributable to owners of the Company	58,395	6,878	51,517	749

Comparatively, the Group's revenue for the current quarter ended 31 March 2013 increased by 17% while profit before tax (excluding reclassification of fair value reserve to profit or loss and share of results of an associate) for the current quarter increased by 58% when compared to the corresponding quarter ended 31 March 2012. The higher revenue in the current quarter as compared to the corresponding quarter is mainly due to higher fleet utilisation and higher revenue from topside maintenance services.

Whilst revenue increased by RM13.1 million ie 17%, profit before tax (excluding reclassification of fair value reserve to profit or loss and share of results of an associate) for the current quarter increased by RM11.7 million ie. 58% because of a higher profit margin contribution from the topside maintenance services and also from the HUC contract as compared to the corresponding quarter.

The reclassification of fair value reserve of RM32,798,586 to profit or loss is occasioned by the remeasurement of the investment in Perdana Petroleum Bhd from an available-for-sale investment to an equity-accounted associate.

In the opinion of the Directors, the results for the current quarter and financial year-to-date have not been affected by any transactions or events of a material nature which have arisen between 31 December 2012 and the date of this report other than the reclassification of fair value reserve as explained above.

**B2. Material changes in the quarterly results compared to the results of the preceding quarter**

	Current Quarter ended 31-Mar-13 RM'000	Preceding Quarter ended 31-Dec-12 RM'000	Variance RM'000	%
Revenue	87,924	84,538	3,386	4
Profit before tax (excluding reclassification of fair value reserve to profit or loss and share of results of an associate)	31,869	18,725	13,144	70
Share of results of an associate	1,291	-		
Reclassification of fair value reserve to profit or loss on remeasurement of available-for-sale investment as an equity-accounted associate	32,799	-	32,799	
Profit before tax	65,959	18,725	47,234	252

In the current quarter, the Group's revenue was 4% higher as compared to the preceding quarter while the profit before tax was 70% higher as compared to the preceding quarter.

The higher revenue of RM87.9 million for the current quarter as compared to RM84.5 million for the preceding quarter is mainly due to higher vessel utilisation rate and higher work orders received and performed in the current quarter.

Whilst revenue increased by RM3.4 million ie. 4%, profit before tax (excluding reclassification of fair value reserve to profit or loss and share of results of an associate) increased by RM13.1 million ie. 70% in view of the fact that the increase in marine charter business in the current quarter has contributed to a higher profit margin as compared to those of the preceding quarter.

B3. Prospects for the 2013 financial year

The Directors remain positive of the Group's prospects for the remaining quarters of 2013 as the Group has on-going contracts of about RM3.5 billion to last at least until 2018. The Group has recently been awarded a contract for the sum of RM313.6 million for the provision of Hook-up, Commissioning and Topside Major Maintenance Services from Murphy Sarawak Oil Co., Ltd. and a contract for the sum of slightly over RM2.0 billion for the provision of Hook-up, Commissioning and Topside Major Maintenance Services from Sarawak Shell Berhad/Sabah Shell Petroleum Company Limited.

While the Directors are optimistic of the future prospects of the Group, 2013 would still pose a great challenge amid the unsettled global economic climate. Nonetheless, the Directors will continue to exercise due care in the running and administration of the Company's business and in ensuring that shareholders' values be enhanced.

B4. Profit forecast and profit guarantee

There was no profit guarantee issued by the Group.

**B5. Taxation**

	Current quarter ended 31-Mar-13 RM'000	Current year-to-date 31-Mar-13 RM'000
Malaysian income tax	7,564	7,564
Tax expense	<u>7,564</u>	<u>7,564</u>

The lower effective tax rate applicable to the Group for the current quarter was mainly due to exemption from income tax under Section 54A of the Income Tax Act, 1967, in respect of revenue derived from the charter of some marine vessels by a subsidiary.

B6. Profit from sale of unquoted investments and/or properties

There were no disposals of unquoted investments and properties for the current quarter.

B7. Quoted securities**Movement in unit trusts:**

	Current quarter ended 31-Mar-13 RM'000	Cummulative Year-to-date 31-Mar-13 RM'000
At beginning of the period	35,680	35,680
Addition	146	146
Disposal	(20,498)	(20,498)
At end of the period	<u>15,328</u>	<u>15,328</u>
Market value	<u>15,328</u>	<u>15,328</u>

B8. Status of corporate proposal

There was no corporate proposal announced or not completed by the Group as at the latest practicable date of 15 May 2013.

**B9. Status of utilisation of proceeds****Proceeds from Rights Issue**

	Proposed utilisation	Actual utilisation	Intended time frame for utilisation	Remark
	RM'000	RM'000		RM'000
Capital expenditure and/or investments	100,000	100,000	Within 2 years from the listing of the Rights Shares	- Available for use
Working capital of the Group	19,750	19,716	Within 2 years from the listing of the Rights Shares	34 Available for use
Estimated expenses for Rights issue	1,250	1,284	Within 1 month from the listing of Rights Shares	(34) See *** below
	<u>121,000</u>	<u>121,000</u>		<u>-</u>

*** The excess of actual utilisation of share issue expenses over the proposed utilisation will be deducted from the actual utilisation for working capital of the Group. As the proceeds from the rights issue have been fully utilised, no reporting on this subject will be made in future interim financial reports.

B10. Group borrowings and debt securities

Total Group's borrowings as at 31 March 2013 were as follows:

	RM'000
Short term borrowings-secured	
Term loan	<u>15,427</u>
	<u>15,427</u>
Long term borrowings-secured	
Term loan	<u>45,376</u>
	<u>45,376</u>
Total	<u>60,803</u>

There are no foreign currency borrowings.

B11. Material litigation

As at 15 May 2013, (not earlier than 7 days from the date of announcement of this interim financial report), our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which will have a material effect on our financial position.

B12. Dividend

The board declared on 26 February 2013 a second interim dividend of 5 sen per ordinary share tax exempt totalling RM27,484,975 in respect of the financial year ended 31 December 2012. This dividend was paid on 12 April 2013.

**B13. Earnings per share**

Basic Earnings Per Share	Current Quarter Ended 31-Mar-13	Corresponding Quarter Ended 31-Mar-12	Cumulative Period Ended 31-Mar-13	Corresponding Period Ended 31-Mar-12
Profit for the period attributable to Owners of the Company (RM'000)	58,395	15,727	58,395	15,727
Weighted average number of ordinary shares in issue ('000)	549,700	549,700	549,700	549,700
Basic earnings per share (sen)	10.62	2.86	10.62	2.86

B14. Retained earnings

The breakdown of retained earnings of the Group as at reporting date, into realised and unrealised is as follows:

	As at 31-Mar-13 RM'000	As at 31-Dec-12 RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	185,019	186,908
Unrealised	29,925	(2,874)
Total retained earnings as per consolidated accounts	<u>214,944</u>	<u>184,034</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

B15. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 May 2013.