



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the First Quarter ended 31 March 2014 (Unaudited)**

| | Current Quarter Ended 31-Mar-14 RM'000 | Corresponding Quarter Ended 31-Mar-13 RM'000 | Cumulative Year To Date 31-Mar-14 RM'000 | Corresponding Year To Date 31-Mar-13 RM'000 |
|--|---|---|---|--|
| Revenue | 177,351 | 87,924 | 177,351 | 87,924 |
| Operating expenses | (117,778) | (42,662) | (117,778) | (42,662) |
| Gross profit | 59,573 | 45,262 | 59,573 | 45,262 |
| Other income | 461 | ***32,957 | 461 | ***32,957 |
| Administration expenses | (20,969) | (13,827) | (20,969) | (13,827) |
| Results from operating activities | 39,065 | 64,392 | 39,065 | 64,392 |
| Finance costs | (1,170) | (884) | (1,170) | (884) |
| Finance income | 627 | 1,160 | 627 | 1,160 |
| Net finance (costs)/income | (543) | 276 | (543) | 276 |
| Share of results of an associate | 5,440 | 1,291 | 5,440 | 1,291 |
| Profit before tax | 43,962 | 65,959 | 43,962 | 65,959 |
| Income tax expense | (9,235) | (7,564) | (9,235) | (7,564) |
| Profit for the period | 34,727 | 58,395 | 34,727 | 58,395 |
| Other comprehensive loss, net of tax | | | | |
| Fair value changes of available-for-sale financial assets | - | 1,850 | - | 1,850 |
| Reclassification of fair value reserve to profit or loss | - | (32,799) | - | (32,799) |
| Share of other comprehensive loss of an associate | (1,280) | - | (1,280) | - |
| Other comprehensive loss for the period, net of tax | (1,280) | (30,949) | (1,280) | (30,949) |
| Total comprehensive income for the period attributable to Owners of the Company | 33,447 | 27,446 | 33,447 | 27,446 |
| Weighted average number of ordinary shares in issue ('000) | 825,000 | 824,587 | 825,000 | 824,587 |
| Basic earnings per ordinary share of RM0.50 each (sen) | 4.21 | 7.08 | 4.21 | 7.08 |

***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 2013 and the accompanying notes attached to this interim financial report).



Condensed Consolidated Statement of Financial Position as at 31 March 2014 (Unaudited)

| | UNAUDITED AS AT 31-Mar-14 RM'000 | AUDITED AS AT 31-Dec-13 RM'000 |
|---|--|--------------------------------------|
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | 422,474 | 392,561 |
| Prepaid lease payments | 11,135 | 11,227 |
| Investment in an associate | 169,676 | 165,516 |
| | <u>603,285</u> | <u>569,304</u> |
| CURRENT ASSETS | | |
| Inventories | 2,827 | 3,221 |
| Trade and other receivables | 297,631 | 297,682 |
| Other investments | 15,749 | 15,645 |
| Current tax asset | 451 | 351 |
| Cash and bank balances | 103,309 | 101,911 |
| | <u>419,967</u> | <u>418,810</u> |
| TOTAL ASSETS | 1,023,252 | 988,114 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 412,500 | 275,000 |
| Share premium | - | 109,016 |
| Reserves | 258,381 | 282,414 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | 670,881 | 666,430 |
| NON CURRENT LIABILITIES | | |
| Borrowings | 53,504 | 43,576 |
| Deferred tax liabilities | 6,458 | 6,458 |
| TOTAL NON CURRENT LIABILITIES | 59,962 | 50,034 |
| CURRENT LIABILITIES | | |
| Loans and borrowings | 115,560 | 78,728 |
| Trade and other payables | 173,560 | 192,530 |
| Current tax liabilities | 3,289 | 392 |
| TOTAL CURRENT LIABILITIES | 292,409 | 271,650 |
| TOTAL LIABILITIES | 352,371 | 321,684 |
| TOTAL EQUITY AND LIABILITIES | 1,023,252 | 988,114 |
| Net Assets per share (sen) | 81 | 81 |

(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 2013 and the accompanying notes attached to this interim financial report).



DAYANG ENTERPRISE HOLDINGS BHD (712243-U)

**Condensed Consolidated Statement of Changes in Equity
For the First Quarter ended 31 March 2014 (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 | Other Capital Reserve RM'000 | Cash Flow Hedge Reserve RM'000 | Translation Reserve RM'000 | Retained Earnings RM'000 | |
| At 31 December 2012/1 January 2013 | 275,000 | 107,787 | 30,948 | (460) | - | - | - | 184,035 | 597,310 |
| Fair value of available-for-sale financial asset | - | - | 1,850 | - | - | - | - | - | 1,850 |
| ***Reclassification of fair value reserve to profit or loss | - | - | (32,798) | - | - | - | - | - | (32,798) |
| Share of other comprehensive income of an associate | - | - | - | - | (123) | 102 | 4,076 | - | 4,055 |
| Total other comprehensive loss for the year | - | - | (30,948) | - | (123) | 102 | 4,076 | - | (26,893) |
| Profit for the year | - | - | - | - | - | - | - | 149,294 | 149,294 |
| Total comprehensive income for the year | - | - | (30,948) | - | (123) | 102 | 4,076 | 149,294 | 122,401 |
| Sale of treasury shares | - | 1,229 | - | 460 | - | - | - | - | 1,689 |
| Dividends paid | - | - | - | - | - | - | - | (54,970) | (54,970) |
| At 31 December 2013/1 January 2014 | 275,000 | 109,016 | - | - | (123) | 102 | 4,076 | 278,359 | 666,430 |



Condensed Consolidated Statement of Changes in Equity (continued)
For the First Quarter ended 31 March 2014 (Unaudited)

| | Attributable to the Owners of the Company | | | | | | | | Total Equity |
|---|---|----------------|--------------------|-----------------|-----------------------|-------------------------|---------------------|-------------------|----------------|
| | Non-Distributable | | | | | | | Distributable | |
| | Share Capital | Share Premium | Fair Value Reserve | Treasury Shares | Other Capital Reserve | Cash Flow Hedge Reserve | Translation Reserve | Retained Earnings | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 31 December 2013/1 January 2014 | 275,000 | 109,016 | - | - | (123) | 102 | 4,076 | 278,359 | 666,430 |
| Share of other comprehensive loss of an associate | - | - | - | - | - | 12 | (1,292) | - | (1,280) |
| Total other comprehensive loss for the period | - | - | - | - | - | 12 | (1,292) | - | (1,280) |
| Profit for the period | - | - | - | - | - | - | - | 34,727 | 34,727 |
| Total comprehensive income for the period | - | - | - | - | - | 12 | (1,292) | 34,727 | 33,447 |
| Bonus issue | 137,500 | (108,895) | - | - | - | - | - | (28,605) | - |
| Bonus issue expenses | - | (121) | - | - | - | - | - | - | (121) |
| Dividend payable | - | - | - | - | - | - | - | (28,875) | (28,875) |
| At 31 March 2014 | 412,500 | - | - | - | (123) | 114 | 2,784 | 255,606 | 670,881 |

(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 2013 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Cash Flows
For the Fourth Quarter ended 31 March 2014 (Unaudited)**

| | Current Year-to-date 31-Mar-14 RM'000 | Corresponding Year-to-date 31-Mar-13 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 43,962 | 65,959 |
| Adjustments for:- | | |
| - Non-cash items | 3,692 | 3,634 |
| - Non-operating items | 543 | (33,073) |
| Operating profit before changes in working capital | 48,197 | 36,520 |
| <u>Changes in working capital</u> | | |
| Inventories | 394 | 756 |
| Trade and other receivables | 51 | (5,077) |
| Trade and other payables | (47,845) | 830 |
| Total changes in working capital | (47,400) | (3,491) |
| Cash generated from operations | 797 | 33,029 |
| Interest received | 627 | 1,160 |
| Interest paid | (546) | - |
| Tax paid | (6,439) | (5,921) |
| Total interest and tax paid | (6,358) | (4,761) |
| Net cash (used in)/generated from operating activities | (5,561) | 28,268 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of additional investment in an associate | - | (43,412) |
| Acquisition of other investment | (104) | (146) |
| Acquisition of property, plant and equipment | (38,953) | (4,180) |
| Proceeds from disposal of other investments | - | 20,498 |
| Net cash used in investing activities | (39,057) | (27,240) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Bonus issue expenses | (121) | - |
| Proceeds from borrowings | 53,432 | - |
| Repayment of borrowings | (6,672) | (5,086) |
| Term loan interest paid | (624) | (884) |
| Net cash generated from/(used in) financing activities | 46,015 | (5,970) |
| Net increase/(decrease) in cash and cash equivalents | 1,397 | (4,942) |
| Cash and cash equivalents at the beginning of the period | 101,912 | 151,999 |
| Cash and cash equivalents at the end of the period | 103,309 | 147,057 |
| Breakdown of cash and cash equivalents at the end of the period:- | | |
| Short term deposits | 57,481 | 93,996 |
| Cash and bank balances | 45,828 | 53,061 |
| | 103,309 | 147,057 |

(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 2013 and the accompanying notes attached to this interim financial report).



A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 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 2013 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 2013, except for the adoption of the following Standards, Amendments and Interpretations from 1 January 2014:

| MFRS/Amendment/Interpretation | Effective date |
|--|-----------------------|
| • 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 |
| • Amendments to MFRS 136, <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> | 1 January 2014 |
| • Amendments to MFRS 139, <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i> | 1 January 2014 |
| • IC Interpretation 21, <i>Levies</i> | 1 January 2014 |

The adoption of the above Standards, Amendments and Interpretations does not have a material impact on the financial statements of the Group and the Company.



A2.2 Standards, Amendments and Interpretations issued but not yet effective

| | |
|--|---------------------|
| • Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2011-2013 Cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 2, <i>Share-based Payment (Annual Improvements to MFRSs 2010-2012 Cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 3, <i>Business Combinations (Annual Improvements to MFRSs 2010-2012 Cycle and 2011-2013 Cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 8, <i>Operating Segments (Annual Improvements to MFRSs 2010-2012 cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 13, <i>Fair Value Measurement (Annual Improvements to MFRSs 2010-2012 Cycle and 2011-2013 Cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 116, <i>Property, Plant and Equipment (Annual Improvements to MFRSs 2010-2012 Cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 119, <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i> | 1 July 2014 |
| • Amendments to MFRS 124, <i>Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 138, <i>Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)</i> | 1 July 2014 |
| • Amendments to MFRS 140, <i>Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)</i> | 1 July 2014 |
| • MFRS 9, <i>Financial Instruments (2009)</i> | Yet to be confirmed |
| • MFRS 9, <i>Financial Instruments (2010)</i> | Yet to be confirmed |
| • MFRS 9, <i>Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139</i> | Yet to be confirmed |
| • Amendments to MFRS 7, <i>Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures</i> | Yet to be confirmed |

The Group plans to apply:

- from the annual period beginning on 1 January 2015 those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except Amendments to MFRS 2, Amendments to MFRS 119, Amendments to MFRS 138 and Amendments to MFRS 140 which are assessed as presently not applicable to the Group.

The initial application of the above accounting standards, amendments and interpretations are not expected to have any material financial impacts to the financial statements for current and prior period financial statements of the Group.

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 2013.

**A4. Profit for the period**

| | Current quarter ended 31-Mar-14 RM'000 | Current year-to-date 31-Mar-14 RM'000 |
|--|--|---|
| Profit for the period is arrived at after charging: | | |
| Depreciation of property, plant and equipment | 9,137 | 9,137 |
| Net foreign exchange loss | 9 | 9 |

and after crediting:

| | | |
|---|---|---|
| Gain on disposal of property, plant and equipment | 5 | 5 |
|---|---|---|

No write down/off of inventories, gain or loss on derivatives or material exceptional items are included in the profit of the Group for the year 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.

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.

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.

A9. Dividend paid

An interim dividend, in respect of the financial year ended 31 December 2013, of 3.5 sen per ordinary share tax exempt amounting to RM28,874,997.75 was declared on 26 February 2014 and paid to shareholders on 16 April 2014.



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-14 |
|------------------------------------|------------------|
| | RM'000 |
| Approved and contracted for | |
| Construction of workboats | 40,296 * |
| Purchase of cranes | 3,690 |
| | <hr/> |
| | 43,986 |
| | <hr/> |

* 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 16 May 2014 (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

As at 31 March 2014, the Company holds in total 180,897,780 ordinary shares of RM0.50 each in Perdana Petroleum Bhd (PPB) representing 24.56% 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 2014 | Unsettled balance as at 31 March 2014 |
|---|--|---|---------------------------------------|
| | | 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 | - |
| 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 | 199 | - |
| | | 566 | - |
| Transactions with a wholly owned subsidiary of an associate company | Nature | Amount for 3 months ended 31 March 2014 | Unsettled balance as at 31 March 2014 |
| | | RM'000 | RM'000 |
| Perdana Nautika Sdn Bhd | Vessel charter expenses | 27,333 | 13,708 |
| | | 27,333 | 13,708 |

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**

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-14 RM'000 | Corresponding Quarter ended 31-Mar-13 RM'000 | Variance | |
|---|---|---|----------|-------|
| | | | RM'000 | % |
| Revenue | 177,351 | 87,924 | 89,427 | 102 |
| Profit before tax (excluding share of results of an associate and reclassification of fair value reserve to profit or loss) | 38,522 | 31,869 | 6,653 | 21 |
| Share of results of an associate | 5,440 | 1,291 | 4,149 | 321 |
| 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) | (100) |
| Profit before tax | 43,962 | 65,959 | (21,997) | (33) |
| Profit for the period | 34,727 | 58,395 | (23,668) | (41) |
| Other comprehensive loss, net of tax | (1,280) | (30,949) | 29,669 | (96) |
| Total comprehensive income for the period attributable to owners of the Company | 33,447 | 27,446 | 6,001 | 22 |

Comparatively, the Group's revenue for the current quarter ended 31 March 2014 increased by 102% while profit before tax (excluding share of results of an associate and reclassification of fair value reserve to profit or loss) for the current quarter increased by 21% when compared to the corresponding quarter ended 31 March 2013. The higher revenue in the current quarter as compared to the corresponding quarter is mainly due to higher value of work orders received and performed in the current quarter for the new hook-up and commissioning contracts that were awarded in May 2013.

Whilst revenue increased by RM89.4 million ie 102%, profit before tax (excluding share of results of an associate and reclassification of fair value reserve to profit or loss) for the current quarter only increased by RM6.6 million ie. 21% because of lower profit margin contribution from the work orders performed 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 2013.

The Group's associate, Perdana Petroleum Berhad, contributed approximately 12.4% to the profit before tax of the group for the current quarter.

In the opinion of the Directors, the results for the current quarter have not been affected by any transactions or events of a material nature which have arisen between 31 March 2014 and the date of this report.

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

| | Current Quarter ended 31-Mar-14 RM'000 | Preceding Quarter ended 31-Dec-13 RM'000 | Variance RM'000 | % |
|---|---|---|--------------------|-----|
| Revenue | 177,351 | 190,749 | (13,398) | (7) |
| Profit before tax (excluding share of results of an associate) | 38,522 | 25,019 | 13,503 | 54 |
| Share of results of an associate | 5,440 | 5,472 | (32) | (1) |
| Profit before tax | 43,962 | 30,491 | 13,471 | 44 |

In the current quarter, the Group's revenue was 7% lower as compared to the preceding quarter while the profit before tax (excluding share of results of an associate) was 54% higher as compared to the preceding quarter.

The lower revenue of RM177.4 million for the current quarter as compared to RM190.7 million for the preceding quarter is mainly due to lower vessel utilisation rate and lower work orders received and performed in the current quarter.

Whilst revenue reduced by RM13.4 million ie. 7%, profit before tax (excluding share of results of an associate) increased by RM13.5 million ie. 54% in view of the fact that the work orders in the current quarter have a higher profit margin contribution as compared to those of the preceding quarter. An impairment loss of RM4.0 million was provided for in the preceding quarter ended 31 December 2013.

The Group's associate, Perdana Petroleum Berhad contributed a profit of approximately RM5.4 million in the current quarter ie a reduction of 1% from the preceding quarter.

B3. Prospects for the 2014 financial year

The Board of Directors remain positive of the Group's prospects for the remaining quarters of 2014 as the Group has on-going hook-up and commissioning contracts of about RM4.0 billion to last at least until 2018. The Board is also optimistic on the prospects for oil and gas in the domestic market going forward as the Group currently has an outstanding tender book of approximately RM400.0 million. Adding on to this, the Board of Directors are also optimistic that with the improving marine charter outlook, its associate company, Perdana Petroleum Berhad will continue to register significant improvements this year.

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. Income tax expense**

| | Current quarter ended 31-Mar-14 RM'000 | Current year-to-date 31-Mar-14 RM'000 |
|----------------------|--|---|
| Malaysian income tax | 9,235 | 9,235 |
| Income tax expense | <u>9,235</u> | <u>9,235</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-14 RM'000 | Cummulative Year-to-date 31-Mar-14 RM'000 |
|----------------------------|---|--|
| At beginning of the period | 15,645 | 15,645 |
| Addition | <u>104</u> | <u>104</u> |
| At end of the period | <u>15,749</u> | <u>15,749</u> |
| Market value | <u>15,749</u> | <u>15,749</u> |

B8. Status of corporate proposal

The Company has effected on the 13 January 2014, a bonus issue of 275 million ordinary shares of RM0.50 each on the basis of one (1) Bonus Share for every two (2) existing ordinary shares of RM0.50 each held in the Company. The listing and quotation of the Bonus shares on the Main Board of Bursa Securities was successfully done on 30 January 2014.

Save as disclosed above, there was no corporate proposal announced or not completed by the Group as at the latest practicable date of 16 May 2014.

**B9. Group borrowings and debt securities**

Total Group's borrowings as at 31 March 2014 were as follows:

| | RM'000 |
|--------------------------------------|---------|
| Short term borrowings-secured | |
| Revolving credit | 90,000 |
| Term loan | 25,560 |
| | <hr/> |
| | 115,560 |
| | <hr/> |
| Long term borrowings-secured | |
| Term loan | 53,504 |
| | <hr/> |
| | 53,504 |
| | <hr/> |
| Total | 169,064 |
| | <hr/> |

There are no foreign currency borrowings.

B10. Material litigation

As at 16 May 2014, (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.

B11. Dividend

No dividend was proposed or declared during the quarter under review.

Total dividends paid during the respective financial years are as follows:

| | Sen per share (net) | Total amount RM'000 | Date of payment |
|--|------------------------|------------------------|-----------------|
| <u>2014</u> | | | |
| Second interim 2013 ordinary (single-tier) | 3.50 | <u>28,875</u> | 16-Apr-14 |
| <u>2013</u> | | | |
| First interim 2013 ordinary (single-tier) | 5.00 | 27,485 | 10-Oct-13 |
| Second interim 2012 ordinary (single-tier) | 5.00 | <u>27,485</u> | 12-Apr-13 |
| | | <u>54,970</u> | |

**B12. Earnings per share**

| Basic Earnings Per Share | Current Quarter Ended 31-Mar-14 | Corresponding Quarter Ended 31-Mar-13 | Cumulative Period Ended 31-Mar-14 | Corresponding Period Ended 31-Mar-13 |
|--|--|--|--|---|
| Profit for the period attributable to Owners of the Company (RM'000) | 34,727 | 58,395 | 34,727 | 58,395 |
| Weighted average number of ordinary shares in issue ('000) | 825,000 | 824,587 | 825,000 | 824,587 |
| Basic earnings per share (sen) | 4.21 | 7.08 | 4.21 | 7.08 |

B13. 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-14 RM'000 | As at 31-Dec-13 RM'000 |
|---|------------------------------|------------------------------|
| Total retained earnings of the Company and its subsidiaries | | |
| Realised | 262,064 | 284,817 |
| Unrealised | (6,458) | (6,458) |
| Total retained earnings as per consolidated accounts | <u>255,606</u> | <u>278,359</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.

B14. 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 23 May 2014.