



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

	Current Quarter Ended 31-Dec-14 RM'000	Corresponding Quarter Ended 31-Dec-13 RM'000	Cumulative Year To Date 31-Dec-14 RM'000	Corresponding Year To Date 31-Dec-13 RM'000
Revenue	241,539	190,749	876,870	561,680
Operating expenses	(173,277)	(121,209)	(577,182)	(331,819)
Gross profit	68,262	69,540	299,688	229,861
Other income	1,071	86	2,292	*** 33,265
Administration expenses	(35,720)	(44,140)	(102,278)	(101,932)
Results from operating activities	33,613	25,486	199,702	161,194
Finance costs	(1,957)	(1,230)	(7,203)	(3,712)
Finance income	1,237	763	3,149	3,568
Net finance costs	(720)	(467)	(4,054)	(144)
Share of results of an associate	4,119	5,471	22,065	14,127
Profit before tax	37,012	30,490	217,713	175,177
Income tax expense	(5,835)	(6,836)	(39,162)	(25,883)
Profit for the period	31,177	23,654	178,551	149,294
Other comprehensive income/(loss), net of tax				
Fair value changes of available-for-sale financial assets	-	-	-	1,850
Reclassification of fair value reserve to profit or loss	-	-	-	(32,799)
Share of other comprehensive income/(loss) of an associate	3,874	(147)	3,337	4,055
Other comprehensive income/(loss) for the period, net of tax	3,874	(147)	3,337	(26,894)
Total comprehensive income for the period attributable to Owners of the Company	35,051	23,507	181,888	122,400
Weighted average number of ordinary shares in issue ('000)	877,100	824,587	838,132	824,587
Basic earnings per ordinary share of RM0.50 each (sen)	3.55	2.87	21.30	18.11

***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 December 2014 (Unaudited)

	UNAUDITED AS AT 31-Dec-14 RM'000	AUDITED AS AT 31-Dec-13 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	470,983	392,561
Prepaid lease payments	10,859	11,227
Investment in an associate	237,739	165,516
	<hr/>	<hr/>
	719,581	569,304
CURRENT ASSETS		
Inventories	6,161	3,221
Trade and other receivables	321,052	297,682
Other investments	76,502	15,645
Current tax asset	479	351
Cash and bank balances	194,896	101,911
	<hr/>	<hr/>
	599,090	418,810
TOTAL ASSETS	<hr/> 1,318,671	<hr/> 988,114
EQUITY AND LIABILITIES		
EQUITY		
Share capital	438,550	275,000
Share premium	146,686	109,016
Reserves	377,947	282,414
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<hr/> 963,183	<hr/> 666,430
NON CURRENT LIABILITIES		
Borrowings	70,922	43,576
Deferred tax liabilities	6,458	6,458
TOTAL NON CURRENT LIABILITIES	<hr/> 77,380	<hr/> 50,034
CURRENT LIABILITIES		
Loans and borrowings	82,960	78,728
Trade and other payables	192,390	192,530
Current tax liabilities	2,758	392
TOTAL CURRENT LIABILITIES	<hr/> 278,108	<hr/> 271,650
TOTAL LIABILITIES	<hr/> 355,488	<hr/> 321,684
TOTAL EQUITY AND LIABILITIES	<hr/> 1,318,671	<hr/> 988,114
Net Assets per share (sen)	110	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).



**Condensed Consolidated Statement of Changes in Equity
For the Fourth Quarter ended 31 December 2014 (Unaudited)**

	Attributable to the Owners of the Company								Total Equity RM'000
	Non-Distributable						Distributable	Retained Earnings RM'000	
	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		
At 31 December 2012/1 January 2013	275,000	107,787	30,949	(460)	-	-	-	184,035	597,311
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)/income of an equity-accounted associate	-	-	-	-	(123)	102	4,076	-	4,055
Total other comprehensive (loss)/income for the year	-	-	(30,949)	-	(123)	102	4,076	-	(26,894)
Profit for the year	-	-	-	-	-	-	-	149,294	149,294
Total comprehensive (loss)/ income for the year	-	-	(30,949)	-	(123)	102	4,076	149,294	122,400
Sale of treasury shares	-	1,229	-	460	-	-	-	-	1,689
Dividends to owners of the company	-	-	-	-	-	-	-	(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 Fourth Quarter ended 31 December 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 2013/1 January 2014	275,000	109,016	-	-	(123)	102	4,076	278,359	666,430
Share of other comprehensive (loss)/ income of an equity-accounted associate	-	-	-	-	-	(47)	3,384	-	3,337
Total other comprehensive (loss)/income for the year	-	-	-	-	-	(47)	3,384	-	3,337
Profit for the year	-	-	-	-	-	-	-	178,551	178,551
Total comprehensive (loss)/ income for the year	-	-	-	-	-	(47)	3,384	178,551	181,888
Bonus issue	137,500	(108,895)	-	-	-	-	-	(28,605)	-
Bonus issue expenses	-	(121)	-	-	-	-	-	-	(121)
Issuance of ordinary shares under private placements	26,050	149,527	-	-	-	-	-	-	175,577
Placement issue expenses	-	(2,841)	-	-	-	-	-	-	(2,841)
Dividends to owners of the company	-	-	-	-	-	-	-	(57,750)	(57,750)
At 31 December 2014	438,550	146,686	-	-	(123)	55	7,460	370,555	963,183

(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 December 2014 (Unaudited)**

	Current Year-to-date 31-Dec-14 RM'000	Corresponding Year-to-date 31-Dec-13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	217,713	175,177
Adjustments for:-		
- Non-cash items	18,999	(17,552)
- Non-operating items	4,054	144
Operating profit before changes in working capital	240,766	157,769
<u>Changes in working capital</u>		
Inventories	(2,940)	(1,885)
Trade and other receivables	(23,370)	(131,192)
Trade and other payables	(140)	125,797
Total changes in working capital	(26,450)	(7,280)
Cash generated from operations	214,316	150,489
Interest received	3,149	3,568
Interest paid	(3,718)	(553)
Tax paid	(36,924)	(26,025)
Total interest and tax paid	(37,493)	(23,010)
Net cash generated from operating activities	176,823	127,479
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional investment in an associate	(51,047)	(43,412)
Acquisition of other investment	(60,857)	(463)
Acquisition of property, plant and equipment	(119,433)	(154,100)
Proceeds from disposal of property, plant and equipment	314	67
Proceeds from disposal of other investments	-	20,498
Dividend received	4,227	-
Net cash used in investing activities	(226,796)	(177,410)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	175,577	-
Proceeds from sale of treasury shares	-	1,689
Share issue expenses	(2,962)	-
Proceeds from borrowings	80,296	76,864
Repayment of borrowings	(48,718)	(20,449)
Term loan interest paid	(3,485)	(3,291)
Dividend paid	(57,750)	(54,970)
Net cash generated from/(used in) financing activities	142,958	(157)
Net increase/(decrease) in cash and cash equivalents	92,985	(50,088)
Cash and cash equivalents at the beginning of the year	101,911	151,999
Cash and cash equivalents at the end of the year	194,896	101,911
Breakdown of cash and cash equivalents at the end of the year:-		
Short term deposits	157,790	83,265
Cash and bank balances	37,106	18,646
	194,896	101,911

(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, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2011-2013 Cycle)* 1 July 2014
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements to MFRSs 2010-2012 Cycle)* 1 July 2014
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRSs 2010-2012 Cycle and 2011-2013 Cycle)* 1 July 2014
- Amendments to MFRS 8, *Operating Segments (Annual Improvements to MFRSs 2010-2012 cycle)* 1 July 2014
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements to MFRSs 2010-2012 Cycle and 2011-2013 Cycle)* 1 July 2014
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements to MFRSs 2010-2012 Cycle)* 1 July 2014
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions* 1 July 2014
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)* 1 July 2014
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)* 1 July 2014
- Amendments to MFRS 140, *Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)* 1 July 2014
- MFRS 14, *Regulatory Deferral Accounts* 1 January 2016
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets- Clarification of Acceptable Methods of Depreciation and Amortisation* 1 January 2016
- Amendments to MFRS 11: *Joint Arrangements-Accounting for Acquisitions of Interests in Joint Operations* 1 January 2016
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012-2014 Cycle)* 1 January 2016
- Amendments to MFRS 7, *Financial Instruments: Disclosures – (Annual Improvements to MFRSs 2012-2014 Cycle)* 1 January 2016
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investment in Associates and Joint Ventures – Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture* 1 January 2016
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures-Investment Entities: Applying the Consolidation Exception* 1 January 2016
- Amendments to MFRS 101, *Presentation of Financial Statements* 1 January 2016
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants* 1 January 2016
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements to MFRSs 2012-2014 Cycle)* 1 January 2016
- Amendments to MFRS 127, *Equity Method in Separate Financial Statements* 1 January 2016
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements to MFRSs 2012-2014 Cycle)* 1 January 2016
- MFRS 15, *Revenue from Contracts with Customers* 1 January 2017
- MFRS 9, *Financial Instruments (2014)* 1 January 2018
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures* Yet to be confirmed



The Group plans to apply:

- from the annual period beginning on 1 January 2015 for those accounting 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, Amendments to MFRS 140, MFRS 14, Amendments to MFRS 11 and Amendments to MFRS 119 which are assessed as presently not applicable to the Group.

The initial application of the above accounting standards, amendments or 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-Dec-14 RM'000	Current year-to-date 31-Dec-14 RM'000
Profit for the period is arrived at after charging:		
Depreciation of property, plant and equipment	11,048	41,360
Property, plant and equipment written off	193	193
and after crediting:		
Net foreign exchange gain	13	31
Gain on disposal of property, plant and equipment	488	488

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 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.

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 2014, of 3.5 sen per ordinary share tax exempt amounting to RM28,874,997.75 was declared on 22 August 2014 and paid to shareholders on 10 October 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-Dec-14
	RM'000
Approved and contracted for	
Construction of workboats	13,432 *
Purchase of cranes	410
	<hr/>
	13,842
	<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 18 February 2015 (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 December 2014, the Company holds in total 211,330,280 ordinary shares of RM0.50 each in Perdana Petroleum Bhd (PPB). The equity interest in PPB has increased from 24.50% (as at 30 September 2014) to 28.61% (as at 31 December 2014) as a result of additional purchases of PPB shares from the open market.

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 12 months ended 31 December 2014	Unsettled balance as at 31 December 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 in Labuan	720	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	35	-
Joe Ling Siew Loung @ Lin Shou Long and his spouse Chong Siaw Choon	Rental of office in Miri	20	-
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 in Miri	722	-
Kunci Prima Sdn Bhd	Rental of office in Petaling Jaya	796	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	214	-
		2,507	-
Transactions with a wholly owned subsidiary of an associate company	Nature	Amount for 12 months ended 31 December 2014	Unsettled balance as at 31 December 2014
		RM'000	RM'000
Perdana Nautika Sdn Bhd	Vessel charter expenses	120,004	27,550

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-Dec-14 RM'000	Corresponding Quarter ended 31-Dec-13 RM'000	Variance	
			RM'000	%
Revenue	241,539	190,749	50,790	27
Profit before tax (excluding share of results of an associate)	32,893	25,019	7,874	31
Share of results of an associate	4,119	5,471	(1,352)	(25)
Profit before tax	37,012	30,490	6,522	21
Profit for the period	31,177	23,654	7,523	32
Other comprehensive income/(loss), net of tax	3,874	(147)	4,021	
Total comprehensive income for the period attributable to owners of the Company	35,051	23,507	11,544	49

Comparatively, the Group's revenue for the current quarter ended 31 December 2014 increased by 27% while profit before tax (excluding share of results of an associate) for the current quarter increased by 31% when compared to the corresponding quarter ended 31 December 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 RM50.8 million ie 27%, profit before tax (excluding share of results of an associate) for the current quarter increased by RM7.9 million ie. 31% due to almost similar profit margin contribution from the work orders performed as compared to the corresponding quarter.

The Group's associate, Perdana Petroleum Berhad, contributed approximately 11.1% 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 December 2014 and the date of this report.

**B1.2 The Group's performance for the current financial year under review versus the previous financial year is tabled below:**

	Cummulative year-to-date 31-Dec-14 RM'000	Corresponding year-to-date 31-Dec-13 RM'000	Variance	
			RM'000	%
Revenue	876,870	561,680	315,190	56
Profit before tax (excluding share of results of an associate and reclassification of fair value reserve to profit or loss)	195,648	128,251	67,397	53
Share of results of an associate	22,065	14,127	7,938	56
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	217,713	175,177	42,536	24
Profit for the year	178,551	149,294	29,257	20
Other comprehensive loss, net of tax	3,337	(26,894)	30,231	(112)
Total comprehensive income for the period attributable to owners of the Company	181,888	122,400	59,488	49

Revenue increased by 56% from RM561.7 million in the previous year to RM876.8 million in the current year. The higher revenue in the current year as compared to the corresponding year is mainly due to higher revenue from the new hook-up and commissioning contracts.

The profit before tax (excluding reclassification of fair value reserve to profit or loss and share of results of an associate) increased by 53% from RM128.2 million to RM195.6 million due to almost similar profit margin contribution from work orders performed as compared to the corresponding year.

The Group's associate, Perdana Petroleum Berhad, contributed approximately 10.1% to the profit before tax of the group for the current year.

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 first quarter of 2013.



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

	Current Quarter ended	Preceding Quarter ended	Variance	
	31-Dec-14 RM'000	30-Sep-14 RM'000	RM'000	%
Revenue	241,539	236,826	4,713	2
Profit before tax (excluding share of results of an associate)	32,893	63,722	(30,829)	(48)
Share of results of an associate	4,119	6,618	(2,499)	(38)
Profit before tax	37,012	70,340	(33,328)	(47)

In the current quarter, the Group's revenue was 2% higher as compared to the preceding quarter while the profit before tax (excluding share of results of an associate) was 48% lower as compared to the preceding quarter.

The higher revenue of RM241.5 million for the current quarter as compared to RM236.8 million for the preceding quarter is mainly due to higher work orders received and performed in the current quarter.

Whilst revenue increased by RM4.7 million ie. 2%, profit before tax (excluding share of results of an associate) decreased by RM30.8 million ie. 48% in view of the fact that the work orders in the current quarter have a lower profit margin contribution as compared to that of the preceding quarter due to inclement weather in the last 2 months of 2014.

The Group's associate, Perdana Petroleum Berhad contributed a profit of approximately RM4.1 million in the current quarter ie a decrease of 38% from the preceding quarter.

B3. Prospects for 2015

The Group anticipates a challenging operating business environment for this financial year especially with the recent sharp decline in crude oil prices. Coupled with the global economic uncertainties particularly on the Greek debts and the depreciation of our currency, oil majors are currently undertaking measures to reduce their operating expenditure as well as capital expenditure. Other initiatives by oil majors could include postponement of new projects or renegotiation of contracts with service providers and contractors.

Nevertheless, the Group has call out contracts estimated at about RM4.0 billion to last at least until 2018 and an outstanding tender book of approximately RM800.0 million together with various cost cutting initiatives and available reserves plus a healthy balance sheet have placed the Group in a more resilient state. The Board of Directors are confident that we will prevail through this challenging time.

The Directors will continue to exercise due care and prudence in the running and administration of the Company's business and in ensuring that shareholders' values be sustained and enhanced.

B4. Profit forecast and profit guarantee

There was no profit guarantee issued by the Group.

**B5. Income tax expense**

	Current quarter ended 31-Dec-14 RM'000	Current year-to-date 31-Dec-14 RM'000
Malaysian income tax	5,835	39,162
Income tax expense	<u>5,835</u>	<u>39,162</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

	Current quarter ended 31-Dec-14 RM'000	Cummulative Year-to-date 31-Dec-14 RM'000
At beginning of the period	15,972	15,645
Addition	<u>60,530</u>	<u>60,857</u>
At end of the period	<u>76,502</u>	<u>76,502</u>
Market value	<u>76,502</u>	<u>76,502</u>

B8. Status of corporate proposal

The company had announced on 3 September 2014 that it proposed to undertake a private placement of up to 10% (82,499,993 shares) of the issued and paid-up share capital of the Company. Bursa Securities had on 12 September 2014 approve the listing and quotation of up to 82,499,993 placement shares to be issued pursuant to the proposed private placement. On 23 September 2014, the company has fixed the issue price at RM3.37 per placement share. 52,100,000 new ordinary shares of RM0.50 each at an issue price of RM3.37 per placement share were listed on 1 October 2014, representing the first tranche of the private placement.

Save as disclosed above, there was no corporate proposal announced or not completed by the Group as at the latest practicable date of 18 February 2015.



B9. Status of utilisation of proceeds

Proceeds from placement shares

	Proposed utilisation	Actual utilisation	Intended time frame for utilisation	Remark	
	RM'000	RM'000		RM'000	
Working capital and/or potential investment project(s)	170,677	20,000	Within 2 years from receipt of funds	150,677	Available for use
Estimated expenses for placement share issue	4,900	2,841	Upon completion of the private placement	2,059	See *** below
	<u>175,577</u>	<u>22,841</u>		<u>152,736</u>	

*** The excess of proposed utilisation over the actual utilisation of share issue expenses over the proposed utilisation will be added to the proposed utilisation for working capital and/or potential investment project(s) of the Group.

B10. Group borrowings and debt securities

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

	RM'000
Short term borrowings-secured	
Revolving credit	70,000
Term loan	12,960
	<u>82,960</u>
Long term borrowings-secured	
Term loan	70,922
	<u>70,922</u>
Total	<u>153,882</u>

There are no foreign currency borrowings.

B11. Material litigation

As at 18 February 2015, (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

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

However, the Board has at its Board of Directors meeting held today, approved a second interim dividend of 3.5 sen per ordinary share tax exempt totaling RM30,698,497.75 in respect of financial year ending 31 December 2014 to be paid on 14 April 2015. The entitlement date shall be 18 March 2015.

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>			
First interim 2014 ordinary (single-tier)	3.50	28,875	10-Oct-14
Second interim 2013 ordinary (single-tier)	3.50	<u>28,875</u>	16-Apr-14
		<u><u>57,750</u></u>	
<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><u>54,970</u></u>	

B13. Earnings per share

Basic Earnings Per Share	Current Quarter Ended 31-Dec-14	Corresponding Quarter Ended 31-Dec-13	Cumulative Period Ended 31-Dec-14	Corresponding Period Ended 31-Dec-13
Profit for the period attributable to Owners of the Company (RM'000)	31,177	23,654	178,551	149,294
Weighted average number of ordinary shares in issue ('000)	877,100	824,587	838,132	824,587
Basic earnings per share (sen)	3.55	2.87	21.30	18.11



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-Dec-14 RM'000	As at 31-Dec-13 RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	377,013	284,817
Unrealised	(6,458)	(6,458)
Total retained earnings as per consolidated accounts	<hr/> 370,555	<hr/> 278,359

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 25 February 2015.