



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Fourth Quarter ended 31 December 2015 (Unaudited)**

	Current Quarter Ended 31-Dec-15 RM'000	Corresponding Quarter Ended 31-Dec-14 RM'000	Cumulative Year To Date 31-Dec-15 RM'000	Corresponding Year To Date 31-Dec-14 RM'000
Revenue	222,195	241,539	779,099	876,870
Operating expenses	(105,394)	(172,603)	(440,493)	(576,508)
Gross profit	116,801	68,936	338,606	300,362
Other income	30,574	397	27,923	1,618
Administration expenses	(113,711)	(35,784)	(210,693)	(102,342)
Results from operating activities	33,664	33,549	155,836	199,638
Finance costs	(43,689)	(1,945)	(60,934)	(7,191)
Finance income	1,137	1,237	4,527	3,149
Net finance costs	(42,552)	(708)	(56,407)	(4,042)
Other non-operating income	26,876	-	108,975	-
Share of (loss)/profit of an associate	-	4,120	(6,387)	23,010
Profit before tax	17,988	36,961	202,017	218,606
Income tax expense	(731)	(4,203)	(32,015)	(37,530)
Profit for the period	17,257	32,758	170,002	181,076
Other comprehensive income/(loss), net of tax				
Foreign currency translation	88,937	-	88,937	-
Cash flow hedge	102	-	102	-
Share of other comprehensive income/(loss) of an associate	-	3,874	15,171	3,337
Remeasurement of financial assets reclassified to income statement	-	-	(22,563)	-
Other comprehensive income for the period, net of tax	89,039	3,874	81,647	3,337
Total comprehensive income for the period attributable to Owners of the Company	106,296	36,632	251,649	184,413
Profit/(loss)for the period				
Attributable to:				
Owners of the Company	15,872	32,758	171,562	181,076
Non-controlling interest	1,385	-	(1,560)	-
	17,257	32,758	170,002	181,076
Total comprehensive income for the period				
Attributable to:				
Owners of the Company	106,628	36,632	251,441	184,413
Non-controlling interest	(332)	-	208	-
	106,296	36,632	251,649	184,413
Weighted average number of ordinary shares in issue ('000)	877,100	825,000	877,100	825,000
Basic (loss)/earnings per ordinary share of RM0.50 each (sen)	1.81	3.97	19.56	21.95

(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 2014 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Financial Position
As at 31 December 2015 (Unaudited)**

	UNAUDITED AS AT 31-Dec-15 RM'000	AUDITED AS AT 31-Dec-14 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,849,898	470,983
Intangible asset	798,195	-
Prepaid lease payments	10,491	10,859
Investment in an associate	-	237,739
Refundable deposits	75,357	-
Deferred tax assets	13,842	1,874
TOTAL NON CURRENT ASSETS	2,747,783	721,455
CURRENT ASSETS		
Inventories	6,886	6,161
Trade and other receivables	312,849	317,668
Other investments	1,447	76,502
Current tax assets	4,396	-
Cash and cash equivalents	235,417	194,896
TOTAL CURRENT ASSETS	560,995	595,227
TOTAL ASSETS	3,308,778	1,316,682
EQUITY AND LIABILITIES		
EQUITY		
Share capital	438,550	438,550
Share premium	146,686	146,686
Reserves	604,187	379,528
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,189,423	964,764
NON-CONTROLLING INTEREST	7,770	-
TOTAL EQUITY	1,197,193	964,764

**Condensed Consolidated Statement of Financial Position (continued)**

As at 31 December 2015 (Unaudited)

	UNAUDITED AS AT 31-Dec-15 RM'000	AUDITED AS AT 31-Dec-14 RM'000
NON CURRENT LIABILITIES		
Borrowings	1,461,601	69,005
Trade and other payables	77	-
Deferred tax liabilities	21,547	5,518
TOTAL NON CURRENT LIABILITIES	1,483,225	74,523
CURRENT LIABILITIES		
Loans and borrowings	343,590	84,865
Trade and other payables	160,538	189,069
Current tax liabilities	124,232	3,461
TOTAL CURRENT LIABILITIES	628,360	277,395
TOTAL LIABILITIES	2,111,585	351,918
TOTAL EQUITY AND LIABILITIES	3,308,778	1,316,682
Net Assets per share (sen)	136	117

(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 2014 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 Fourth Quarter ended 31 December 2015 (Unaudited)**

	Attributable to the Owners of the Company						Total Equity
	Non-Distributable					Distributable	
	Share Capital	Share Premium	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	
At 31 December 2013/1 January 2014	275,000	109,016	(123)	102	4,076	280,187	668,258
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	-	-	-	-	-	181,076	181,076
Total comprehensive (loss)/income for the year	-	-	-	(47)	3,384	181,076	184,413
Bonus issue (nett of bonus issue expenses)	137,500	(109,016)	-	-	-	(28,605)	(121)
Issuance of ordinary shares under private placements (nett of placement issue expenses)	26,050	146,686	-	-	-	-	172,736
Dividends to owners of the company	-	-	-	-	-	(57,750)	(57,750)
At 31 December 2014	438,550	146,686	(123)	55	7,460	374,908	967,536



Condensed Consolidated Statement of Changes in Equity (continued)
For the Fourth Quarter ended 31 December 2015 (Unaudited)

	Attributable to the Owners of the Company							Non Controlling Interest	Total Equity	
	Non-Distributable						Distributable			
	Share Capital	Share Premium	Revaluation Reserve	Other Capital Reserve	Cash Flow Hedge Reserve	Translation Reserve	Retained Earnings			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 31 December 2014/1 January 2015	438,550	146,686	-	(123)	55	7,460	374,908	967,536	-	967,536
Foreign currency translation						87,171		87,171	1,766	88,937
Cash flow hedge					100			100	2	102
Share of other comprehensive (loss)/income of an equity-accounted associate	-	-	-	-	78	15,093	-	15,171	-	15,171
Remeasurement of financial assets reclassified to income statement	-	-	-	123	(133)	(22,553)	-	(22,563)	-	(22,563)
Total other comprehensive income for the year	-	-	-	123	45	79,711	-	79,879	1,768	81,647
Profit for the year	-	-	-	-	-	-	171,562	171,562	(1,560)	170,002
Total comprehensive income for the year	-	-	-	123	45	79,711	171,562	251,441	208	251,649
Dividends to owners of the company	-	-	-	-	-	-	(30,699)	(30,699)	-	(30,699)
Acquisition of new subsidiary	-	-	1,145	-	-	-	-	1,145	7,562	8,707
At 31 December 2015	438,550	146,686	1,145	-	100	87,171	515,771	1,189,423	7,770	1,197,193

(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 2014 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Cash Flows
For the Fourth Quarter ended 31 December 2015 (Unaudited)**

	Current Year-to-date 31-Dec-15 RM'000	Corresponding Year-to-date 31-Dec-14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	202,017	218,606
Adjustments for:-		
- Non-cash items	33,786	17,197
- Non-operating items	76,819	4,042
Operating profit before changes in working capital	312,622	239,845
<u>Changes in working capital</u>		
Inventories	1,532	(2,941)
Trade and other receivables	49,639	(3,461)
Trade and other payables	(35,440)	(19,986)
Total changes in working capital	15,731	(26,388)
Cash generated from operations	328,353	213,457
Interest received	4,527	3,149
Interest paid	(62,770)	(3,718)
Tax paid	(36,999)	(36,924)
Total interest and tax paid	(95,242)	(37,493)
Net cash generated from operating activities	233,111	175,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional investment in a subsidiary	(848,757)	-
Increase in investment in an existing associate		(51,047)
Acquisition of other investments	(10,000)	(60,000)
Acquisition of property, plant and equipment	(39,226)	(119,118)
Proceeds from disposal of property, plant and equipment	196	526
Proceeds from disposal of other investments	86,357	-
Dividend received from quoted associate	-	4,227
Net cash used in investing activities	(811,430)	(225,412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares from exercise of warrants	21,281	-
Proceeds from private placement of shares	-	175,577
Share issue expenses	-	(2,962)
Proceeds from borrowings	688,430	80,296
Repayment of borrowings	(101,886)	(48,730)
Term loan interest paid	(19,950)	(3,999)
Dividend paid	(30,699)	(57,750)
Net cash generated from financing activities	557,176	142,432
Net (decrease)/increase in cash and cash equivalents	(21,143)	92,984
Cash and cash equivalents at the beginning of the period	256,560	101,912
Cash and cash equivalents at the end of the period	235,417	194,896
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	70,127	157,790
Cash and bank balances	165,290	37,106
	235,417	194,896

(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 2014 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 2014 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 2014, except for the adoption of the following Standards, Amendments and Interpretations from 1 January 2015:

MFRS/Amendment/Interpretation	Effective date
• 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

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

• MFRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
• Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 138, <i>Intangible Assets- Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
• Amendments to MFRS 11: <i>Joint Arrangements-Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
• Amendments to MFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016
• Amendments to MFRS 7, <i>Financial Instruments: Disclosures – (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> , MFRS 12, <i>Disclosure of interests in Other Entities</i> and MFRS 128, <i>Investments in Associates and Joint Ventures-Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
• Amendments to MFRS 101, <i>Presentation of Financial Statements-Disclosure Initiative</i>	1 January 2016
• Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 141, <i>Agriculture – Agriculture: Bearer Plants</i>	1 January 2016
• Amendments to MFRS 119, <i>Employee Benefits (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016
• Amendments to MFRS 127, <i>Equity Method in Separate Financial Statements</i>	1 January 2016
• Amendments to MFRS 134, <i>Interim Financial Reporting (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016
• MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
• MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investment in Associates and Joint Ventures – Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture</i>	Yet to be confirmed

The Group plans to apply:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for Amendments to MFRS 5, Amendments to MFRS 11, Amendments to MFRS 138, Amendments to MFRS 141 and MFRS 14 which are assessed as presently not applicable to the Group.
- from the annual period beginning on 1 January 2018 for MFRS 15 and MFRS 9 which are both effective for annual period beginning on or after 1 January 2018

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 2014.

**A4. Profit for the period**

	Current quarter ended 31-Dec-15 RM'000	Current year-to-date 31-Dec-15 RM'000
Profit for the period is arrived at after charging:		
Depreciation of property, plant and equipment	44,044	96,079
Impairment loss on property, plant and equipment	28,065	28,065
Net foreign exchange loss	-	15,887
Property, plant and equipment written off	36,463	36,463

and after crediting:

Net foreign exchange gain	1,444	-
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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 RM30,698,497.75 was declared on 25 February 2015 and paid to shareholders on 14 April 2015.

**A10. Segmental information**

The Group is organized into the following operating segments:-

1. Investment holding
2. Offshore Topside Maintenance Services (“Offshore TMS”)
3. Charter of Marine Vessels (“Marine Charter”)
4. Rental of offshore equipment (“Equipment Rental”)

Segmental Reporting

Cummulative 12 months ended 31 December 2015	Investment Holding	Offshore TMS	Marine Charter	Equipment Rental	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue

External revenue	486	703,676	74,937	-	779,099	-	779,099
Inter-segment revenue	35,140	-	103,862	31,247	170,249	(170,249)	-
Total revenue	35,626	703,676	178,799	31,247	949,348	(170,249)	779,099

Results

Segment results	25,730	155,600	(34,509)	13,163	159,984	(4,148)	155,836
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Finance costs	(15,495)	(2,750)	(42,689)	-	(60,934)	-	(60,934)
Inter-segment finance costs	-	-	(1,423)	-	(1,423)	1,423	-
Total finance costs	(15,495)	(2,750)	(44,112)	-	(62,357)	1,423	(60,934)

Finance income	1,331	2,437	537	222	4,527	-	4,527
Inter-segment finance income	1,423	-	-	-	1,423	(1,423)	-
Total finance income	2,754	2,437	537	222	5,950	(1,423)	4,527

Other non-operating income 108,975

Share of loss of an associate (6,387)

Profit before tax **202,017**

Income tax expense **(32,015)**

Profit after tax **170,002**



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:-

Approved and contracted for

Construction of offices and warehouses in Labuan	13,944
Purchase of property, plant and equipment	144,278
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	158,222
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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 22 February 2016 (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, except for any additional tax that may be imposed on the Group following a recent tax audit by the Inland Revenue Board. The Group is currently responding to the queries raised vide their letter dated 19 October 2015 and is thereby unable to quantify the additional tax that may be payable, if any. Should the tax audit be concluded before the financial statements for the year ended 31 December 2015 are signed, the additional tax payable arising from the audit, being an adjusting event will be incorporated into the said financial statements. The loss after taxation for the quarter and year ended 31 December 2015 as disclosed in this interim report could consequently be affected and adjusted as appropriate in the audited financial statements for the year ended 31 December 2015.

A14. Changes in composition of the group

As at 24 July 2015, the Company held in total approximately 51.2% of the voting shares of PPB, thus making PPB a subsidiary of the Company.

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

A15. Contingent Liabilities and Contingent Assets

In addition to the contingent tax liability as disclosed in Note A13, the following are the contingent liabilities outstanding as at 31 December 2015:

	As at 31-Dec-15 RM'000
<u>Unsecured:-</u>	
Bank guarantee granted to third parties for the benefit of a subsidiary	4,800
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	2,413
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	7,213
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**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 2015	Unsettled balance as at 31 December 2015
		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	36	-
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	744	-
Kunci Prima Sdn Bhd	Rental of office in Petaling Jaya	796	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	322	-
		<u>2,618</u>	<u>-</u>

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-15 RM'000	Corresponding Quarter ended 31-Dec-14 RM'000		Variance RM'000	%
Revenue	222,195	241,539	(19,344)		(8)
Profit before tax (excluding fair value gain and share of results of an associate)	(8,888)	32,841	(41,729)		(127)
Share of results of an associate	-	4,120	(4,120)		(100)
Fair value gain from re-measurement of equity interest held in an associate at acquisition date (fair value gain)	26,876	-	26,876		
Profit before tax	17,988	36,961	(18,973)		(51)
Profit for the period	17,257	32,758	(15,501)		(47)
Other comprehensive income/(loss), net of tax	89,039	3,874	85,165		
Total comprehensive income for the period attributable to owners of the Company	106,296	36,632	69,664		190

Comparatively, the Group's revenue for the current quarter ended 31 December 2015 decreased by 8% while profit before tax (excluding share of results of an associate and fair value gain) for the current quarter decreased by 127% when compared to the corresponding quarter ended 31 December 2014. The lower revenue in the current quarter as compared to the corresponding quarter is due to lower vessel utilisation and lower value of work orders received and performed in the current quarter.

Whilst revenue decreased by RM19.3 million ie 8%, profit before tax (excluding share of results of an associate and fair value gain) for the current quarter decreased by RM41.7 million ie. 127%.

The Group's subsidiary company, Perdana Petroleum Berhad, contributed a loss of approximately RM77.3 million for the current quarter primarily due to lower vessel utilisation rate and write off of PPE of RM36.5 million and impairment of vessels of RM28.1 million.

The fair value gain of RM26.8 million is occasioned by the re-measurement of the equity interest held in Perdana Petroleum Bhd (PPB) on 24 July 2015 to fair value.

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	Corresponding	Variance	
	year-to-date 31-Dec-15 RM'000	year-to-date 31-Dec-14 RM'000	RM'000	%
Revenue	779,099	876,870	(97,771)	(11)
Profit before tax (excluding share of results of an associate and non-operating income)	99,429	195,596	(96,167)	(49)
Share of results of an associate	(6,387)	23,010	(29,397)	(128)
<u>Non-operating income</u>				
Fair value gain from re-measurement of equity interest held in an associate at acquisition date (fair value gain)	108,975	-	108,975	
Profit before tax	202,017	218,606	(16,589)	(8)
Profit for the period	170,002	181,076	(11,074)	(6)
Other comprehensive income, net of tax	81,647	3,337	78,310	2,347
Total comprehensive income for the period attributable to owners of the Company	251,649	184,413	67,236	36

Revenue decreased by 11% from RM876.9 million in the previous corresponding period to RM779.1 million in the current year. The lower revenue in the current year as compared to the corresponding year is mainly due to lower vessel utilisation rate and work order received and performed in the current year.

The profit before tax (excluding share of results of an associate and fair value gain) decreased by 49% from RM195.6 million to RM99.4 million due to lower vessel utilisation rate and profit margin contribution from work orders performed as compared to the corresponding year.

The Group's subsidiary company, Perdana Petroleum Berhad, contributed a loss of approximately RM101.0 million for the current year primarily due to lower vessel utilisation rate and write off of PPE of RM36.5 million and impairment of vessels of RM28.1 million.

The fair value gain of RM109.0 million is occasioned by the re-measurement of the equity interest held in Perdana Petroleum Bhd (PPB) on 24 July 2015 to fair value.



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

	Current Quarter ended	Preceding Quarter ended	Variance	
	31-Dec-15 RM'000	30-Sep-15 RM'000	RM'000	%
Revenue	222,195	192,420	29,775	15
Profit before tax (excluding share of results of an associate and fair value gain)	(8,888)	15,242	(24,130)	(158)
Share of results of an associate	-	(5,143)	5,143	(100)
Fair value gain from re-measurement of equity interest held in an associate at acquisition date (fair value gain)	26,876	82,099	(55,223)	
Profit before tax	17,988	92,198	(74,210)	(80)

In the current quarter, the Group's revenue was 15% higher as compared to the preceding quarter while the profit before tax (excluding share of results of an associate and fair value gain) was 158% lower as compared to the preceding quarter.

The higher revenue of RM222.2 million for the current quarter as compared to RM192.4 million for the preceding quarter is mainly due to consolidation of Perdana Petroleum Bhd's external revenue from acquisition date 24 July 2015.

Whilst revenue increased by RM29.8 million ie. 15%, profit before tax (excluding share of results of an associate and fair value gain) decreased by RM24.1 million ie. 158% mainly due to losses incurred by Perdana Petroleum Bhd for the periods under consolidation.

The Group's subsidiary, Perdana Petroleum Berhad contributed a loss of approximately RM77.3 million in the current quarter mainly from write off of vessels deposits and impairment of vessels of RM36.5 million and RM28.1 million respectively.

B3. Prospects for 2016

Despite a very tough operating environment in 2015, the Group overcame many difficulties in achieving a commendable result last year. This was made possible through the concerted effort of employees and management team work and the team will be asked to deliver more of the same in 2016 as the Group anticipates yet another very challenging operating business environment for the year 2016. The global economic uncertainties coupled with the prolonged slump in crude oil price have driven our primary client, Petronas, to reduce as much as RM50 billion from their CAPEX and OPEX over the next four years. Our Group would inevitably be impacted one way or another and invariably we would need to re-strategize and refocus on how best to sustain and maintain our market position under such realities. The reality is that under a low crude oil price scenario, opportunities in the areas of maintenance are abound and prospects look brighter as this area has been our specialty.

Presently, the Group has call-out contracts estimated at about RM3.8 billion to last at least until 2018 and an outstanding tender book of approximately RM350 million. The Board of Directors remain confident that we will prevail through this difficult time.

The Directors will continue to exercise due care and prudence in the pursuit of running the Group's business and in ensuring that shareholders' interest and 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-15 RM'000	Current year-to-date 31-Dec-15 RM'000
Malaysian income tax	731	32,015
Income tax expense	<u>731</u>	<u>32,015</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-Dec-15 RM'000	Cummulative Year-to-date 31-Dec-15 RM'000
At beginning of the period	1,457	76,502
Change in fair value	(15)	1,303
Addition	-	10,000
Redemption	-	(86,363)
At end of the period	<u>1,442</u>	<u>1,442</u>
Market value	<u>1,442</u>	<u>1,442</u>



B8. Status of corporate proposal

The Company has also announced its proposal to undertake the mandatory general offer (MGO) for all the remaining PPB shares not already owned after the proposed acquisition for a cash consideration of RM1.55 per PPB share and all the remaining PPB warrants not already owned for a cash consideration of RM0.84 per PPB warrant (“proposed MGO”)

The offer has closed on 13 August 2015. The level of acceptance of the offered securities were as follows:-

	Shares		Warrants	
	No. of Shares (‘000)	%	No. of Warrants (‘000)	%
Paid-up capital	748,489	100.00%	30,628	100.00%
Total no. of shares/warrants owned by the Company	709,573	94.80%	27,904	91.11%
Total no. of shares/warrants not owned by the Company	38,916	5.20%	2,724	8.89%

In view of the level of acceptances as at the closing date, a notice was issued in accordance with subsection 223(2) of the CMSA to holders of PPB shares who have not accepted the offer informing them that they may exercise their rights to require Dayang to acquire the PPB shares held by them on the same terms as the MGO . This offer closed on 21 November 2015.

The level of acceptance of the offered securities as at 18 February 2016 were as follows:-

	Shares		Warrants	
	No. of Shares (‘000)	%	No. of Warrants (‘000)	%
Paid-up capital	778,471	100.00%	645	100.00%
Total no. of shares owned by the Company	763,015	98.02%	-	0.00%
Total no. of shares/warrants not owned by the Company	15,456	1.98%	645	100.00%

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 2016.



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	170,677	Within 2 years from receipt of funds	- Fully utilised
Estimated expenses for placement share issue	4,900	4,900	Upon completion of the private placement	- Fully utilised
	<u>175,577</u>	<u>175,577</u>		<u>-</u>

B10. Group borrowings and debt securities

Total Group's borrowings as at 31 December 2015 were as follows:

	RM'000
Short term borrowings-secured	
Revolving credit	50,000
Term loan	293,590
	<u>343,590</u>
Long term borrowings-secured	
Term loan	1,461,601
	<u>1,461,601</u>
Total	<u>1,805,191</u>

There are borrowings in US Dollars equivalent to RM979.0 million

B11. Material litigation

As at 22 February 2016, (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 except for the following:

Perdana Petroleum Bhd (PPB) had on 22 June 2011 filed a suit in the High court against Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong, Lee Mee Jiong, TA Securities Holdings Bhd, Yap Hock Heng and TA First Credit Sdn Bhd to claim for losses and damages suffered by the Company in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Bhd (PEB) by PBB to the parties on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by PPB as conducted by TA Securities Holdings Bhd and Yap Hock Heng on 11 December 2009.

This suit is mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and the Company is seeking from the High Court, various declaratory reliefs, damages (general and/or fiduciary and/or aggravated) to be assessed, interest, account and disbursement and costs.



B11. Material litigation (continued)

On 7 September 2012, the Company filed notices of discontinuance pursuant to a negotiated settlement with TASB, Yap Hock Heng and TAFC, with no admission of liability and with no liberty to file afresh. In this connection, TASB had also agreed to discontinue their suit against the Company in relation to a claim of approximately RM2.796 million as placement fees due to them ("TASB Suit") with no admission of liability and with no liberty to file afresh. With the discontinuance of the TASB Suit, the Company has reversed the provisions made earlier.

The trial at the High Court ended on 26 April 2013 and oral submissions by respective counsels were made on 21 November 2013 and 28 November 2013. On 21 March 2014, the Company announced that the High Court gave its decision that the Company was unsuccessful in the Suit. On 17 April 2014, the Company filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

On 9 September 2014, the Company announced that the High Court has made a decision on costs and ordered PPB to pay the Defendant Parties, a total cost of RM841,731. The High Court has also ordered Tengku Dato' Ibrahim Petra bin Tengku Indra Petra to pay PPB the sum of RM192,780 with post judgement interest calculated at 5% per annum starting from 22 March 2014 ("Judgement Sum"). The earnings of the Group for the quarter ending 31 December 2014 was reduced by the differential sum of the total cost payable and the judgement sum receivable.

On 24 September 2014, the Company announced that the Court of Appeal has fixed the hearing of the Appeal on 2 December 2014. This was subsequently adjourned and fixed to be heard on 11 March 2015.

The Appeal was heard on 11 March 2015 and 25 March 2015.

On 25 August 2015, the Company announced that the Court of Appeal has made the following judgements:-

- (a) PPB's appeal is allowed with costs against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;
- (b) PPB's appeal is dismissed with costs against Lee Mee Jiong; and
- (c) Tengku Dato' Ibrahim Petra bin Tengku Indra Petra's cross appeal is dismissed with costs.

On 25 September 2015, the Company had on 23 September 2015 received the Notices of Motion from the solicitors of Tengku Dato' Ibrahim bin Tengku Indra Petra and Wong Fook Heng & Tiong Young Kong respectively, to apply for leave to appeal to the Federal Court against the decision of the Court of Appeal on 25 August 2015.



B12. 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>2015</u>			
Second interim 2014 ordinary (single-tier)	3.50	<u>30,699</u>	14-Apr-15
<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>57,750</u>	

B13. Earnings per share

Basic Earnings Per Share	Current Quarter Ended 31-Dec-15	Corresponding Quarter Ended 31-Dec-14	Cumulative Period Ended 31-Dec-15	Corresponding Period Ended 31-Dec-14
Profit for the period attributable to Owners of the Company (RM'000)	15,872	32,758	171,562	181,076
Weighted average number of ordinary shares in issue ('000)	877,100	825,000	877,100	825,000
Basic earnings per share (sen)	1.81	3.97	19.56	21.95



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-15 RM'000	As at 31-Dec-14 RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	512,187	383,340
Unrealised	3,584	(8,432)
Total retained earnings as per consolidated accounts	515,771	374,908

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 29 February 2016.