



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Second Quarter ended 30 June 2016 (Unaudited)**

	Current Quarter Ended 30-Jun-16 RM'000	Corresponding Quarter Ended 30-Jun-15 RM'000	Cumulative Year To Date 30-Jun-16 RM'000	Corresponding Year To Date 30-Jun-15 RM'000
Revenue	193,581	174,434	305,411	364,484
Operating expenses	(112,806)	(93,707)	(192,882)	(215,242)
<b>Gross profit</b>	<b>80,775</b>	<b>80,727</b>	<b>112,529</b>	<b>149,242</b>
Other income	24,636	1,255	27,041	2,013
Administration expenses	(55,247)	(31,329)	(87,997)	(56,889)
<b>Results from operating activities</b>	<b>50,164</b>	<b>50,653</b>	<b>51,573</b>	<b>94,366</b>
Finance costs	(39,224)	(1,975)	(65,035)	(3,694)
Finance income	1,868	1,133	3,532	2,402
<b>Net finance costs</b>	<b>(37,356)</b>	<b>(842)</b>	<b>(61,503)</b>	<b>(1,292)</b>
Share of loss of an associate	-	(3,729)	-	(1,244)
<b>Profit/(Loss) before tax</b>	<b>12,808</b>	<b>46,082</b>	<b>(9,930)</b>	<b>91,830</b>
Income tax expense	(15,155)	(10,706)	(19,219)	(22,094)
<b>(Loss)/Profit for the period</b>	<b>(2,347)</b>	<b>35,376</b>	<b>(29,149)</b>	<b>69,736</b>
<b>Other comprehensive (loss)/income, net of tax</b>				
Foreign currency translation	15,279	-	(43,196)	-
Cash flow hedge	(54)	-	(247)	-
Share of other comprehensive income of an associate	-	7,139	-	15,171
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>15,225</b>	<b>7,139</b>	<b>(43,443)</b>	<b>15,171</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>12,878</b>	<b>42,515</b>	<b>(72,592)</b>	<b>84,907</b>
<b>(Loss)/Profit for the period</b>				
Attributable to:				
Owners of the Company	(1,953)	35,376	(28,338)	69,736
Non-controlling interest	(394)	-	(811)	-
	<b>(2,347)</b>	<b>35,376</b>	<b>(29,149)</b>	<b>69,736</b>
<b>Total comprehensive income/(loss) for the period</b>				
Attributable to:				
Owners of the Company	12,970	42,515	(70,918)	84,907
Non-controlling interest	(92)	-	(1,674)	-
	<b>12,878</b>	<b>42,515</b>	<b>(72,592)</b>	<b>84,907</b>
Weighted average number of ordinary shares in issue ('000)	877,100	877,100	877,100	877,100
Basic (loss)/earnings per ordinary share of RM0.50 each (sen)	(0.22)	4.03	(3.23)	7.95

(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 2015 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2016 (Unaudited)**

	<b>UNAUDITED AS AT 30-Jun-16 RM'000</b>	<b>AUDITED AS AT 31-Dec-15 RM'000</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	1,700,653	1,853,733
Prepaid lease payments	10,307	10,491
Intangible assets	34,354	42,946
Deposit	42,047	75,357
Goodwill	653,627	755,250
Deferred tax asset	13,315	13,315
<b>TOTAL NON CURRENT ASSETS</b>	<b>2,454,303</b>	<b>2,751,092</b>
<b>CURRENT ASSETS</b>		
Inventories	7,171	6,886
Trade and other receivables	208,195	278,420
Other investments	1,471	1,447
Deposits and prepayments	14,312	19,023
Current tax assets	3,788	5,703
Cash and cash equivalents	298,777	238,261
<b>TOTAL CURRENT ASSETS</b>	<b>533,714</b>	<b>549,740</b>
<b>TOTAL ASSETS</b>	<b>2,988,017</b>	<b>3,300,832</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	438,550	438,550
Share premium	146,687	146,687
Reserves	532,701	603,619
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>1,117,938</b>	<b>1,188,856</b>
<b>NON-CONTROLLING INTEREST</b>	<b>6,104</b>	<b>7,778</b>
<b>TOTAL EQUITY</b>	<b>1,124,042</b>	<b>1,196,634</b>
<b>NON CURRENT LIABILITIES</b>		
Loans and borrowings	1,410,532	1,317,581
Derivative liability	324	77
Deferred tax liabilities	22,409	22,410
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>1,433,265</b>	<b>1,340,068</b>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	291,441	487,611
Trade and other payables	113,592	151,623
Current tax liabilities	25,677	124,896
<b>TOTAL CURRENT LIABILITIES</b>	<b>430,710</b>	<b>764,130</b>
<b>TOTAL LIABILITIES</b>	<b>1,863,975</b>	<b>2,104,198</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,988,017</b>	<b>3,300,832</b>
Net Assets per share (sen)	127	136

(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 2015 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity  
For the Second Quarter ended 30 June 2016 (Unaudited)**

	Attributable to the Owners of the Company						
	Non-Distributable			Distributable	Total	Non-controlling interest	Total Equity
	Share Capital	Share Premium	Other reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2015, restated</b>	<b>438,550</b>	<b>146,687</b>	<b>7,747</b>	<b>374,909</b>	<b>967,893</b>	<b>-</b>	<b>967,893</b>
					-		
Share of other comprehensive income of an equity-accounted associate	-	-	16,290	-	16,290	-	16,290
Total other comprehensive income for the year	-	-	16,290	-	16,290	-	16,290
Profit for the year	-	-	-	172,170	172,170	(1,493)	170,677
Foreign currency translation differences for foreign operations	-	-	87,138	-	87,138	1,765	88,903
Cash flow hedge	-	-	100	-	100	2	102
Remeasurement of financial assets reclassified to income statement	-	-	(24,037)	-	(24,037)	-	(24,037)
Total comprehensive income for the year	-	-	79,491	172,170	251,661	274	251,935
Dividends to owners of the company	-	-	-	(30,698)	(30,698)	-	(30,698)
Changes in ownership interests in a subsidiary	-	-	-	-	-	7,504	7,504
<b>At 31 December 2015</b>	<b>438,550</b>	<b>146,687</b>	<b>87,238</b>	<b>516,381</b>	<b>1,188,856</b>	<b>7,778</b>	<b>1,196,634</b>



**Condensed Consolidated Statement of Changes in Equity (continued)**  
**For the Second Quarter ended 30 June 2016 (Unaudited)**

	Attributable to the Owners of the Company						
	Non-Distributable		Distributable		Total	Non-controlling interest	Total Equity
	Share Capital	Share Premium	Other reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 31 December 2015/1 January 2016</b>	<b>438,550</b>	<b>146,687</b>	<b>87,238</b>	<b>516,381</b>	<b>1,188,856</b>	<b>7,778</b>	<b>1,196,634</b>
Loss for the period	-	-	-	(28,338)	(28,338)	(811)	(29,149)
Foreign currency translation differences for foreign operations	-	-	(42,338)	-	(42,338)	(858)	(43,196)
Cash flow hedge	-	-	(242)	-	(242)	(5)	(247)
Total comprehensive loss for the period	-	-	(42,580)	(28,338)	(70,918)	(1,674)	(72,592)
<b>At 30 June 2016</b>	<b>438,550</b>	<b>146,687</b>	<b>44,658</b>	<b>488,043</b>	<b>1,117,938</b>	<b>6,104</b>	<b>1,124,042</b>

(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 2015 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Cash Flows**  
**For the Second Quarter ended 30 June 2016 (Unaudited)**

	Current period-to-date 30-Jun-16 RM'000	Corresponding period-to-date 30-Jun-15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	(9,930)	91,830
Adjustments for:-		
- Non-cash items	50,223	22,542
- Non-operating items	60,438	1,293
Operating profit before changes in working capital	100,731	115,665
<u>Changes in working capital</u>		
Inventories	(285)	347
Trade and other receivables	73,785	7,587
Trade and other payables	(30,788)	(62,055)
Total changes in working capital	42,712	(54,121)
<b>Cash generated from operations</b>	<b>143,443</b>	<b>61,544</b>
Interest received	3,532	2,402
Interest paid	(1,285)	(1,512)
Tax paid	(17,165)	(17,204)
Total interest and tax paid	(14,918)	(16,314)
<b>Net cash generated from operating activities</b>	<b>128,525</b>	<b>45,230</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investment in an existing associate	-	(45,759)
Acquisition of other investments	-	(20,687)
Refundable deposits refunded	26,999	-
Withdrawal of fixed deposits	11,034	-
Acquisition of property, plant and equipment	(5,612)	(20,599)
Proceeds from disposal of other investments	-	86,363
<b>Net cash generated from/(used in) investing activities</b>	<b>32,421</b>	<b>(682)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of Sukuk Bonds	635,000	-
Proceeds from borrowings	-	13,432
Repayment of borrowings	(527,491)	(26,395)
Payments of finance lease liabilities	(140,996)	-
Borrowings interest paid	(63,750)	(2,182)
Dividend paid	-	(30,699)
<b>Net cash used in financing activities</b>	<b>(97,237)</b>	<b>(45,844)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>63,709</b>	<b>(1,296)</b>
<b>Effect of foreign exchange translation</b>	<b>7,840</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>218,315</b>	<b>194,896</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>289,864</b>	<b>193,600</b>
<b>Breakdown of cash and cash equivalents at the end of the period:-</b>		
Short term deposits	164,352	148,509
Cash and bank balances	134,425	45,091
	<b>298,777</b>	<b>193,600</b>
Less: Deposits pledged as security	(8,913)	-
Cash and cash equivalents	<b>289,864</b>	<b>193,600</b>

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 2015 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 2015 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 2015, except for the adoption of the following Standards, Amendments and Interpretations from 1 January 2016:

<b>MFRS/Amendment/Interpretation</b>	<b>Effective date</b>
• 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 11: <i>Joint Arrangements-Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
• MFRS 14, <i>Regulatory Deferral Accounts</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 138, <i>Intangible Assets- Clarification of Acceptable Methods of Depreciation and Amortisation</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

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 107, <i>Disclosure Initiative</i>	1 January 2017
• Amendments to MFRS 112, <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
• MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
• MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
• Clarifications to MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
• Amendments to MFRS 16, <i>Leases</i>	1 January 2019
• 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>	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 141 and MFRS 14 which are assessed as presently not applicable to the Group.
- from the annual period beginning on 1 January 2017 for Amendments to MFRS 107 and Amendments to MFRS 112 which are both effective for annual period beginning on or after 1 January 2017.
- 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.
- from the annual period beginning on 1 January 2019 for Amendments to MFRS 16 which is effective for annual period beginning on or after 1 January 2019.

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 2015.

**A4. Profit for the period**

	Current quarter ended 30-Jun-16 RM'000	Current year-to-date 30-Jun-16 RM'000
<b>Profit for the period is arrived at after charging:</b>		
Depreciation of property, plant and equipment	32,262	65,408
Amortisation of intangible assets	4,972	9,421
Realised loss on foreign exchange	24,231	26,681
<b>and after crediting:</b>		
Unrealised gain on foreign exchange	14,893	16,563
Reversal on impairment loss on property, plant and equipment	8,020	8,020

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**

In accordance with MFRS 3, *Business Combination*, an entity shall have a measurement period of not exceeding one year from the acquisition date to adjust the provisional amount (including goodwill) recognised for a business combination. Pursuant to that, the Group has adjusted the goodwill by approximately RM101.6 million subsequent to the completion of settlement of contingent liability of the subsidiary acquired.

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, except for the other comprehensive expense arising from foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars. During the current quarter, the other comprehensive expense arising from foreign currency translation amounted to RM43.2 million.

**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**

No dividend was paid during the current quarter and financial period to date.







**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.

The group reassessed its assets (except for inventories, deferred tax assets and financial assets) as at 30 June 2016 to determine whether there is any indication that its assets may be further impaired or recovered.

The group has adopted value-in-use (“VIU”) estimations which entail discounting the estimated future cash flows from the continuing use of PPE. The recoverable amounts were compared against the carrying amounts of the PPE.

As at the current financial period ended 30 June 2016, the group has made a reversal of impairment losses on PPE of USD2.0 million (equivalent to RM8.0 million), with accumulated impairment losses of USD5.1 million (2015: USD7.1 million).

**A12. Capital commitments**

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

<b>Approved and contracted for</b>	<b>30-Jun-16</b>
	RM'000
Purchase of property, plant and equipment	135,240

**A13. Material events subsequent to the end of period reported**

Following the conclusion during the quarter under review of the tax audit of Perdana Petroleum Bhd (PPB), an agreement was reached with the Inland Revenue Board for an additional tax payable of RM10.3 million for the past years of assessment covered by the said audit. Pursuant to that, the Group has adjusted the goodwill by approximately RM101.6 million subsequent to the completion of settlement of contingent liability.

Except for the above, there are no material events subsequent to the end of the current quarter and current period up to 17 August 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.

**A14. Changes in composition of the group**

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 30 June 2016:

	As at 30-Jun-16
	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	2,090
	<u>6,890</u>

**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 6 months ended 30 June 2016	Unsettled balance as at 30 June 2016
		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	360	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	18	-
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	372	-
Kunci Prima Sdn Bhd	Rental of office in Petaling Jaya	398	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	161	-
		<hr/>	
		1,309	-
		<hr/>	

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 30-Jun-16 RM'000	Corresponding Quarter ended 30-Jun-15 RM'000	Variance	
			RM'000	%
Revenue	193,581	174,434	19,147	11
Profit before amortisation expenses, share of results of an associate and tax	17,104	49,811	(32,707)	(66)
Amortisation expenses of intangible assets	(4,296)	-	(4,296)	
Share of results of an associate	-	(3,729)	3,729	(100)
Profit before tax	12,808	46,082	(33,274)	(72)
(Loss)/profit for the period	(2,347)	35,376	(37,723)	(107)
Other comprehensive income, net of tax	15,225	7,139	8,086	
Total comprehensive income for the period attributable to owners of the Company	12,878	42,515	(29,637)	(70)

Comparatively, the Group's revenue for the current quarter ended 30 June 2016 increased by 11% while profit before amortization expenses, share of results of an associate and tax for the current quarter decreased by 66% when compared to the corresponding quarter ended 30 June 2015. The higher revenue in the current quarter as compared to the corresponding quarter is due to the consolidation of revenue of a newly acquired subsidiary (Perdana Petroleum Bhd) as compared to the corresponding quarter.

Whilst revenue increased by RM19.1 million ie 11%, profit before tax for the current quarter decreased by RM33.2 million ie. 72%. The sharp decrease is due to lower vessel utilisation rate, lower profit margin contribution from work orders performed, amortization expenses of RM4.3 million and high interest incurred amounting to RM27.9 million from higher borrowings and a one-off breakfund costs of RM11.3 million incurred for the settlement of term loans for 12 vessels as compared to the corresponding quarter.

Following the conclusion of the review of tax audit of PPB as disclosed under Note A13, an additional tax charge of RM7.0 million is recognized in the current quarter under review.

The intangible assets arose from the existing charter contracts between Perdana Petroleum Bhd and its customers, which expires in 2018. These assets will be amortised until 2018.

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 2015 and the date of this report.



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

	Cummulative period-to-date 30-Jun-16 RM'000	Corresponding period-to-date 30-Jun-15 RM'000	Variance	
			RM'000	%
Revenue	305,411	364,484	(59,073)	(16)
Profit before amortisation expenses, share of results of an associate and tax	(1,338)	93,074	(94,412)	(101)
Amortisation expenses of intangible assets	(8,592)	-	(8,592)	
Share of results of an associate	-	(1,244)	1,244	(100)
Loss before tax	(9,930)	91,830	(101,760)	(111)
Loss for the period	(29,149)	69,736	(98,885)	(142)
Other comprehensive (loss)/income, net of tax	(43,443)	15,171	(58,614)	(386)
Total comprehensive (loss)/income for the period attributable to owners of the Company	(72,592)	84,907	(157,499)	(185)

Revenue decreased by 16% from RM364.5million in the previous corresponding period to RM305.4 million in the current period. The lower revenue in the current period as compared to the corresponding period is mainly due to lower vessel utilisation rate and lower value of work order received and performed in the current period.

The Group suffered a loss of RM9.9 million in the current period as compared to profit before tax of RM91.8 million in the corresponding period. This is mainly due to an additional tax charge of RM7.0 million from the conclusion of PPB's tax audit as disclosed under Note A13, amortization expenses of RM8.6 million, high interest costs incurred amounting to RM53.7 million from higher borrowings, a one-off break fund costs of RM11.3 million incurred in the settlement of USD term loans for 12 vessels which were refinanced via Sukuk bonds and lower profit margin contribution from work orders performed in the current period as compared to the corresponding period.

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

	Current Quarter ended	Preceding Quarter ended	Variance	
	30-Jun-16 RM'000	31-Mar-16 RM'000	RM'000	%
Revenue	193,581	111,830	81,751	73
Profit before amortisation expenses and tax	17,104	(18,443)	35,547	193
Amortisation expenses of intangible assets	(4,296)	(4,296)	-	-
Profit before tax	12,808	(22,739)	35,547	156

In the current quarter, the Group's revenue was 73% higher as compared to the preceding quarter while profit before tax was 156% higher as compared to the preceding quarter.

The higher revenue of RM193.6 million for the current quarter as compared to RM111.8 million for the preceding quarter is mainly due to higher vessel utilisation rate and higher work orders received and performed.

Whilst revenue increased by RM81.8 million ie. 73%, profit before tax increased by RM35.5 million ie. 156% mainly due to higher vessel utilisation rate and higher profit margin contribution from work orders performed in the current quarter as compared to the preceding quarter.

**B3. Prospects for remaining of 2016**

The improvement of oil price to about USD50 per barrel currently brings some reprieve to the O&G sector and oil majors definitely have to address the problems of corrosion on O&G assets in order to maintain asset integrity and operability, to sustain or even enhance production. It is in this area that the Group anticipates more maintenance jobs to come in the next quarters or years as Petronas recalibrates its budget.

Our Group is optimistic that maintenance activities for the O&G industry would still be resilient and the longer term prospects are still intact considering the Group's healthy order book estimated at around RM3.2 billion to last at least until 2018 and an outstanding tender book of approximately RM4.0 billion. The Group has excellent operational track record and has a clear market leadership in the brownfield services segment and there is potential further upside from the rationalisation efforts at Perdana Petroleum and also operational synergies. The management is confident that opportunities in the areas of maintenance are abundant and prospects look brighter as this area has been our specialty.

The Directors will continue to exercise due care and prudence in the pursuit of administering 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 30-Jun-16 RM'000	Current year-to-date 30-Jun-16 RM'000
Malaysian income tax	15,155	19,219
Income tax expense	<u>15,155</u>	<u>19,219</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 30-Jun-16 RM'000	Cummulative Year-to-date 30-Jun-16 RM'000
At beginning of the period	1,459	1,442
Change in fair value	12	29
At end of the period	<u>1,471</u>	<u>1,471</u>
Market value	<u>1,471</u>	<u>1,471</u>



**B8. Status of corporate proposal**

**(i) Public Shareholding Spread**

Perdana Petroleum Bhd (PPB) had on 3 February 2016 submitted to Bursa Securities an application for a further extension of time to comply with the public spread requirement. Bursa Securities has vide their letter dated 1 April 2016 granted PPB a further extension of time of 6 months i.e. from 13 February 2016 to 12 August 2016 to comply with the public shareholding spread requirement.

On 15 July 2016, the Company had applied for a further extension of time of 3 months i.e. from 13 August 2016 to 12 November 2016 to comply with the public shareholding spread requirement.

**(ii) Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of Sukuk Based on the Shariah Principle of Murabahah of up to RM635,000,000 in Nominal Value**

On 11 March 2016, United Overseas Bank (Malaysia) Bhd (“UOB”) as the Principal Adviser/Lead Arranger/Lead Manager for a Proposed Sukuk Issue, on behalf of Perdana Petroleum Bhd (PPB), had made the lodgement in respect of the Proposed Sukuk Issue with the Securities Commission Malaysia.

The first issuance under the Proposed Sukuk Issue will be guaranteed by Danajamin Nasional Berhad pursuant to an Al-Kafalah Facility. The tenure of the Sukuk Murabahah Programme shall be twelve (12) years from the date of the first issue of the Sukuk Murabahah.

The proceeds of the first issuance of the Sukuk Murabahah shall be utilised for the following Shariah-compliant purposes:

- (a) first, an amount of up to RM630 million to be utilised for refinancing of outstanding borrowings undertaken by PPB and/or its subsidiaries for purchase of the certain charged vessels;
- (b) second, an amount of up to RM20 million to defray any fees and expenses for the Proposed Sukuk Issue and the Al-Kafalah Facility and to prefund the finance service reserve account to be opened and maintained under the Al-Kafalah Facility; and
- (c) third, any unutilised balance after meeting purposes in items (a) and (b) above can be utilised for PPB’s working capital requirements subject to a maximum amount of RM40 million.

The proceeds of subsequent issuances of the Sukuk Murabahah shall be utilised for the PPB’s working capital requirements (including refinancing) which includes advances to the Issuer’s subsidiaries via Shariah-compliant mode and general corporate purposes which shall be Shariah-compliant.





**(ii) Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of Sukuk Based on the Shariah Principle of Murabahah of up to RM635,000,000 in Nominal Value (Cont'd)**

On 28 April 2016, the first issuance of the Sukuk Murabahah has been completed for the amount of RM635,000,000, the revised nominal value.

The first issuance under the Sukuk Murabahah is guaranteed by Danajamin Nasional Berhad pursuant to an Al-Kafalah Facility.

The proceeds of the first issuance received from the Sukuk Murabahah issuance will be utilised for the following Shariah-compliant purposes:

- (a) first, an amount of RM615,000,000.00 to be utilised for refinancing of outstanding borrowings identified by the PPB and undertaken by PPB and/or its subsidiaries for purchase of the certain charged vessels; and
- (b) second, an amount of RM20,000,000.00 to defray any fees and expenses for the Sukuk Murabahah Programme and the Al-Kafalah Facility and to prefund the finance service reserve account to be opened and maintained under the Al-Kafalah Facility.

Save for the above, there was no corporate proposal announced or not completed by the Group as at the latest practicable date of 17 August 2016.

**B9. Group borrowings and debt securities**

Total Group's borrowings as at 30 June 2016 were as follows:

	RM'000
<b>Short term borrowings</b>	
Secured	271,441
Unsecured	20,000
	<hr/>
	291,441
	<hr/>
<b>Long term borrowings</b>	
Secured	1,410,532
	<hr/>
	1,410,532
	<hr/>
<b>Total</b>	1,701,973
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The above includes borrowings in US Dollars equivalent to RM273 million (2015: RM648 million)



**B10. Material litigation**

As at 17 August 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 PPB in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Bhd (PEB) by PPB 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 PPB is seeking from the High Court, various declaratory reliefs, damages (general and/or fiduciary and/or aggravated) to be assessed, interest, account and disgorgement and costs.

On 7 September 2012, PPB 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 PPB 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, PPB 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, PPB announced that the High Court gave its decision that PPB was unsuccessful in the Suit. On 17 April 2014, PPB filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

On 9 September 2014, PPB 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, PPB 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, PPB 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 23 September 2015, PPB announced that PPB 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.



**B10. Material litigation (Cont'd)**

The Federal Court has on 1 March 2016 allowed the leave applications by the Applicants and the Applicants will proceed with the filing of the appeal papers for Case Management. The Case Management date has yet to be fixed by the Federal Court.

**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>2015</u>			
Second interim 2014 ordinary (single-tier)	3.50	<u>30,698</u>	14-Apr-15

**B12. Earnings per share**

<b>Basic Earnings Per Share</b>	Current Quarter Ended 30-Jun-16	Corresponding Quarter Ended 30-Jun-15	Cumulative Period Ended 30-Jun-16	Corresponding Period Ended 30-Jun-15
Profit for the period attributable to Owners of the Company (RM'000)	(1,953)	35,376	(28,338)	69,736
Weighted average number of ordinary shares in issue ('000)	877,100	877,100	877,100	877,100
Basic earnings per share (sen)	(0.22)	4.03	(3.23)	7.95



**B13. Retained earnings**

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

	As at 30-Jun-16 RM'000	As at 31-Dec-15 RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	788,804	780,014
Unrealised	2,195	2,194
less: Consolidation adjustments	(302,957)	(265,827)
Total retained earnings as per consolidated accounts	<u>488,043</u>	<u>516,381</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 24 August 2016.