



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Third Quarter ended 30 September 2017 (Unaudited)**

	Current Quarter Ended 30-Sep-17 RM'000	Corresponding Quarter Ended 30-Sep-16 RM'000	Cumulative Year To Date 30-Sep-17 RM'000	Corresponding Year To Date 30-Sep-16 RM'000
Revenue	212,803	203,629	521,730	509,040
Operating expenses	(138,605)	(116,350)	(348,667)	(309,232)
<b>Gross profit</b>	<b>74,198</b>	<b>87,279</b>	<b>173,063</b>	<b>199,808</b>
Other income	4,397	16,755	7,521	43,796
Administration expenses	(28,495)	(34,849)	(81,019)	(96,165)
Other operating expenses	(9,358)	(101)	(84,675)	(26,782)
<b>Results from operating activities</b>	<b>40,742</b>	<b>69,084</b>	<b>14,890</b>	<b>120,657</b>
Finance costs	(27,907)	(24,006)	(79,051)	(89,041)
Finance income	1,969	2,421	6,614	5,953
<b>Net finance costs</b>	<b>(25,938)</b>	<b>(21,585)</b>	<b>(72,437)</b>	<b>(83,088)</b>
<b>(Loss)/profit before tax</b>	<b>14,804</b>	<b>47,499</b>	<b>(57,547)</b>	<b>37,569</b>
Income tax expense	(14,057)	(11,161)	(34,961)	(30,380)
<b>Profit/(loss) for the period</b>	<b>747</b>	<b>36,338</b>	<b>(92,508)</b>	<b>7,189</b>
<b>Other comprehensive (expense)/income, net of tax</b>				
Foreign currency translation	(9,807)	18,980	(39,760)	(24,216)
Cash flow hedge	5	159	25	(88)
<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>(9,802)</b>	<b>19,139</b>	<b>(39,735)</b>	<b>(24,304)</b>
<b>Total comprehensive (expense)/ income for the period</b>	<b>(9,055)</b>	<b>55,477</b>	<b>(132,243)</b>	<b>(17,115)</b>
<b>Loss for the period</b>				
Attributable to:				
Owners of the Company	1,122	36,174	(89,681)	7,836
Non-controlling interest	(375)	164	(2,827)	(647)
	<b>747</b>	<b>36,338</b>	<b>(92,508)</b>	<b>7,189</b>
<b>Total comprehensive (expense)/income for the period</b>				
Attributable to:				
Owners of the Company	(8,486)	54,933	(128,628)	(15,985)
Non-controlling interest	(569)	544	(3,615)	(1,130)
	<b>(9,055)</b>	<b>55,477</b>	<b>(132,243)</b>	<b>(17,115)</b>
Weighted average number of ordinary shares in issue ('000)	964,810	877,100	927,541	877,100
Basic earnings/(loss) per ordinary share (sen)	0.12	4.12	(9.67)	0.89

(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 2016 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2017 (Unaudited)**

	<b>UNAUDITED AS AT 30-Sep-17 RM'000</b>	<b>AUDITED AS AT 31-Dec-16 RM'000</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	1,528,571	1,801,610
Prepaid lease payments	9,847	10,123
Intangible assets	15,810	25,763
Deposit	46,847	48,810
Goodwill	653,627	653,627
Deferred tax asset	13,890	15,220
Derivative assets	215	190
<b>TOTAL NON CURRENT ASSETS</b>	<b>2,268,807</b>	<b>2,555,343</b>
<b>CURRENT ASSETS</b>		
Inventories	7,605	5,025
Trade and other receivables	262,432	244,798
Other investments	1,531	1,495
Deposits and prepayments	53,003	15,987
Current tax assets	3,542	7,997
Cash and cash equivalents	214,912	292,373
	543,025	567,675
Non-current asset classified as held for sale	1,423	-
<b>TOTAL CURRENT ASSETS</b>	<b>544,448</b>	<b>567,675</b>
<b>TOTAL ASSETS</b>	<b>2,813,255</b>	<b>3,123,018</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	672,988	438,550
Share premium	-	146,686
Reserves	103,611	685,194
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>776,599</b>	<b>1,270,430</b>
<b>NON-CONTROLLING INTEREST</b>	<b>4,148</b>	<b>7,763</b>
<b>TOTAL EQUITY</b>	<b>780,747</b>	<b>1,278,193</b>
<b>NON CURRENT LIABILITIES</b>		
Loans and borrowings	846,675	1,289,952
Deferred tax liabilities	17,311	19,170
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>863,986</b>	<b>1,309,122</b>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	518,815	348,263
Trade and other payables	181,736	182,177
Dividend payable	452,955	-
Current tax liabilities	15,016	5,263
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,168,522</b>	<b>535,703</b>
<b>TOTAL LIABILITIES</b>	<b>2,032,508</b>	<b>1,844,825</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,813,255</b>	<b>3,123,018</b>
Net assets per share (sen)	80	145

(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 2016 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity**  
**For the Third Quarter ended 30 September 2017 (Unaudited)**

	Attributable to the Owners of the Company				Total	Non-controlling interest	Total Equity
	Non-Distributable		Distributable				
	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 2016</b>	<b>438,550</b>	<b>146,686</b>	<b>87,239</b>	<b>516,381</b>	<b>1,188,856</b>	<b>7,778</b>	<b>1,196,634</b>
					-		
Profit for the year	-	-	-	54,543	54,543	(563)	53,980
Foreign currency translation differences for foreign operations	-	-	26,769	-	26,769	543	27,312
Cash flow hedge	-	-	262	-	262	5	267
Total comprehensive income for the year	-	-	27,031	54,543	81,574	(15)	81,559
<b>At 31 December 2016</b>	<b>438,550</b>	<b>146,686</b>	<b>114,270</b>	<b>570,924</b>	<b>1,270,430</b>	<b>7,763</b>	<b>1,278,193</b>



**Condensed Consolidated Statement of Changes in Equity (Cont'd)**  
**For the Third Quarter ended 30 September 2017 (Unaudited)**

	Attributable to the Owners of the Company				Total	Non-controlling interest	Total Equity
	Non-Distributable		Distributable				
	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 2017</b>	<b>438,550</b>	<b>146,686</b>	<b>114,270</b>	<b>570,924</b>	<b>1,270,430</b>	<b>7,763</b>	<b>1,278,193</b>
Transfer in accordance with Section 618(2) of the Companies Act 2016 (Note A8)	146,686	(146,686)	-	-	-	-	-
Loss for the period	-	-	-	(89,681)	(89,681)	(2,827)	(92,508)
Foreign currency translation differences for foreign operations	-	-	(38,971)	-	(38,971)	(789)	(39,760)
Cash flow hedge	-	-	24	-	24	1	25
Total comprehensive expense for the period	-	-	(38,947)	(89,681)	(128,628)	(3,615)	(132,243)
Dividends to owners of the company	-	-	-	(452,955)	(452,955)	-	(452,955)
Issuance of ordinary shares under private placements (net of placement issue expenses)	87,752	-	-	-	87,752	-	87,752
<b>At 30 September 2017</b>	<b>672,988</b>	<b>-</b>	<b>75,323</b>	<b>28,288</b>	<b>776,599</b>	<b>4,148</b>	<b>780,747</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 2016 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Cash Flows**  
**For the Third Quarter ended 30 September 2017 (Unaudited)**

	Current period-to-date 30-Sep-17 RM'000	Corresponding period-to-date 30-Sep-16 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(57,547)	37,569
Adjustments for:-		
- Non-cash items	193,988	72,175
- Non-operating items	72,400	86,672
Operating profit before changes in working capital	208,841	196,416
<u>Changes in working capital</u>		
Inventories	(2,580)	488
Trade and other receivables	(111,681)	(10,568)
Trade and other payables	65,277	(14,264)
Total changes in working capital	(48,984)	(24,344)
<b>Cash generated from operations</b>	<b>159,857</b>	<b>172,072</b>
Interest received	5,744	5,847
Interest paid	(1,048)	(1,941)
Tax paid	(24,538)	(41,234)
Total interest and tax paid	(19,842)	(37,328)
<b>Net cash generated from operating activities</b>	<b>140,015</b>	<b>134,744</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Refundable deposits refunded	-	26,999
Withdrawal/(Placement) of fixed deposits	11,902	(42,446)
Acquisition of property, plant and equipment	(1,876)	(10,152)
<b>Net cash used in investing activities</b>	<b>10,026</b>	<b>(25,599)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of Sukuk Bonds	-	635,000
Proceeds from private placement of shares	87,752	-
Proceeds from borrowings	190,000	-
Repayment of borrowings	(445,686)	(585,906)
Payments of finance lease liabilities	(9,448)	(148,314)
Term loan interest paid	(51,765)	(91,644)
Coupon paid	(14,842)	-
<b>Net cash used in financing activities</b>	<b>(243,989)</b>	<b>(190,864)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(93,948)</b>	<b>(81,719)</b>
<b>Effect of foreign exchange translation</b>	<b>28,347</b>	<b>28,605</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>234,487</b>	<b>218,315</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>168,886</b>	<b>165,201</b>

**Breakdown of cash and cash equivalents at the end of the period:-**

Short term deposits	123,025	187,221
Cash and bank balances	91,887	40,372
	<b>214,912</b>	<b>227,593</b>
Less: Deposits pledged as security	(46,026)	(62,392)
Cash and cash equivalents	168,886	165,201

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 2016 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 2016 and the accompanying explanatory notes attached to this interim financial report.

**A2. Changes in Accounting policies****A2.1 Adoption of Accounting 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 2016, except for the adoption of the following Accounting Standards, Amendments and Interpretations from 1 January 2017:

<b>MFRS/ Amendment/ Interpretation</b>	<b>Effective date</b>
Amendments to MFRS 12, <i>Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)</i>	1 January 2017
Amendments to MFRS 107, <i>Statement of Cash Flows - Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112, <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

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

**A2. Changes in Accounting policies (Cont'd)****A2.2 Accounting Standards, Amendments and Interpretations issued but not yet effective**

<b>MFRS/ Amendment/ Interpretation</b>	<b>Effective date</b>
MFRS 9, <i>Financial Instruments</i> (2014)	1 January 2018
MFRS 15, <i>Revenue from Contracts with Customers</i> Clarifications to MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
IC Interpretation 22, <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 2, <i>share-based payment- Classification and Measurement of Share-based Payment Transaction</i>	1 January 2018
Amendments to MFRS 4, <i>insurance Contracts-Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 128, <i>Investments in Associates and Joint Venture (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 140, <i>Investment Property – Transfers of Investment Property</i>	1 January 2018
IC Interpretation 23, <i>Uncertainty Over Income Tax Treatments</i>	1 January 2019
MFRS 16, <i>Leases</i>	1 January 2019
MFRS 17, <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Group and the Company plan to apply:

- from the annual period beginning on 1 January 2018, those accounting standards, amendments or interpretations that are effective for annual period beginning on or after 1 January 2018, except for Amendments to MFRS 2, Amendments to MFRS 4, Amendments to MFRS 128 and Amendments to MFRS 140, which are assessed as presently not applicable to the Group.
- from the annual period beginning on 1 January 2019 for MFRS 16 and IC Interpretation 23 that are effective for annual periods beginning on or after 1 January 2019.
- from the annual period beginning 1 January 2021 for MFRS 17, which is assessed as presently not applicable to the Group.

**A2. Changes in Accounting policies (Cont'd)****A2.2 Standards, Amendments and Interpretations issued but not yet effective (Cont'd)**

The initial application of the above accounting standards, amendments or interpretations is not expected to have any material financial impacts on the financial statements of the Group for the current and prior periods except as mentioned below:

- (i) MFRS 15, *Revenue from Contracts with Customers and Clarifications to MFRS 15, Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue Barter Transactions Involving Advertising Services*.

- (ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

- (iii) MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 15, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transaction Involving the Legal Form of a Lease*.

The adoption of MFRS 15, MFRS 9 and MFRS 16 will result in a change in accounting policies. The Group is currently assessing the financial impact that may arise from the adoption of these accounting standards.

**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 2016.



**A4. Profit/(loss) for the period**

	Current quarter ended	Corresponding quarter ended	Current period-to-date	Corresponding period-to-date
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(loss) for the period is arrived at after charging/(crediting):</b>				
Amortisation of intangible assets	3,318	3,466	9,954	12,887
Depreciation of property, plant and equipment	33,372	34,086	101,835	99,494
Allowance/(reversal) on impairment loss on property, plant and equipment	-	2,060	50,382	5,960
Allowance for impairment loss on receivables	1,443	-	1,443	-
Realised (gain)/ loss on foreign exchange	(316)	101	2,114	26,782
Unrealised loss/(gain) on foreign exchange	8,229	(17,687)	30,374	(34,250)

Save for the above, there were no allowance for impairment loss on receivables or inventories, gain or loss on disposal of quoted or unquoted investments or properties and material exceptional items that are included in the profit of the Group for the current quarter and financial period ended 30 September 2017.

**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, except for the other comprehensive expense arising from realised/unrealised foreign exchange loss and foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars, a reclassification of a leasehold building from non-current asset to current asset resulting from a sale of the leasehold building, as well as an additional allowance for impairment loss on property, plant and equipment (“PPE”) being provided for.

During the current quarter and financial period-to-date, the other expenses comprise of unrealised foreign exchange loss of RM8.2 million and RM30.4 million respectively and realised foreign exchange gain of RM0.3 million and realised foreign exchange loss of RM2.1 million respectively whereas the other comprehensive expenses arising from foreign currency translation amounted to losses of RM9.8 million and RM39.8 million respectively.

During the financial period to-date, the Group’s non-current asset comprises of a leasehold building is reclassified from property, plant and equipment to non-current asset classified as held for sale due to the change in nature of the said leasehold building. On 22 May 2017, the Group entered into a Sale and Purchase Agreement with an individual third party (“Purchaser”) to sell a piece of the leasehold land together with a four (4) storeys shop-office (“Property”) located at Kuala Lumpur, Malaysia. The Group had on 13 July 2017 obtained the State Authority’s approval to transfer the Property to the Purchaser. The sale transaction of the Property is expected to be completed by October 2017.

In addition, the Group has made an additional allowance of USD11.7 million (equivalent to RM50.4 million) for impairment loss on PPE (refer Note A12) and RM1.4 million for impairment loss on receivables during the financial period to-date.

**A7. Material changes in estimates**

There were no changes in the estimates of amounts reported in the current quarter and financial period to-date.

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

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter, except for private placement of up to 10% of the total number of issued shares of the company [see detail in note B8 (ii)]

In accordance with Section 618 of the Companies Act 2016, any amount standing to the credit of the share premium account and the capital redemption reserve has become part of the Company’s share capital. The Company has 24 months upon the commencement of the Companies Act 2016 on 31 January 2017 to utilize the credit.

**A9. Dividend**

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









**A11. Valuation of goodwill**

Under MFRS 136, *Impairment of Assets* the Group is required to annually carry out impairment test on the cash generated units (“CGUs”), of which goodwill is allocated. For the purpose of impairment testing, goodwill is allocated to the Group’s operating activities (i.e. marine charter) which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

MFRS 136 states that the annual impairment test for the following items may be performed at any time within an annual reporting period, provided that the test is performed at the same time every year. The Group will reassess the valuation of its CGUs as at 30 September 2017 to determine whether there is any indication that its CGUs may be impaired.

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

**A12. Valuation of property, plant and equipment (“PPE”)**

The Group reassessed its assets (except for inventories, deferred tax assets and financial assets) as at 30 September 2017 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.

For the current financial quarter ended 30 September 2017, there were no further allowance for impairment loss nor reversal of impairment loss on PPE. The Group’s accumulated impairment losses has been increased from RM7.6 million as at 31 December 2016 to RM58.0 million as at 30 September 2017, taking into account, *inter alia*, a potential loss on disposal of a vessel.

**A13. Capital commitments**

As at 30 September 2017, the Group has no outstanding or additional capital commitments which are approved and/or contracted for.

**A14. Material events subsequent to the Reporting Period**

There were no material events subsequent to the current financial quarter ended 30 September 2017 up to 14 November 2017 (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.

**A15. Changes in composition of the group**

There were no changes in the composition of the Group for the current quarter ended 30 september 2017.

**A16. Contingent Liabilities**

The following are the contingent liabilities outstanding as at 30 September 2017:

	As at 30-Sep-17 RM'000
<u>Unsecured:-</u>	
Bank guarantee granted to third parties for the benefit of a subsidiary	4,800
	4,800

Further to the conclusion of the tax audit for Year of Assessment (“YA”) 2007 to YA2010 as disclosed in Note 32 to the audited financial statements for the year ended 31 December 2016, the Inland Revenue Board (IRB) has requested the subsidiary of the Group to revise its tax computations for YA2011 and subsequent years. The subsidiary of the Group has engaged a tax consultant to assist in the matter and assess the tax impacts thereof. In February 2017, The subsidiary of the Group responded to IRB that it disagreed with applying the same computation method used for the earlier tax audit exercise based on reasonable technical grounds. The Group may need to provide for additional tax payable, if any, arising from any revision of the tax computations for YA2011 and subsequent years, the outcome of which cannot be ascertained at this present stage. As at the latest practicable date 14 November 2017, the subsidiary of the Group has not received any response from the IRB to its reply of February 2017.

**A17. 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 9 months ended 30 September 2017 RM'000	Unsettled balance as at 30 September 2017 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	495	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	27	-
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	558	-
Kunci Prima Sdn Bhd	Rental of office in Petaling Jaya	597	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	221	-
		1,898	-

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 favorable than those transacted with unrelated parties.



**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS****B1. Review of Financial Performance**

**B1.1 The Group's performance for the current quarter under review versus the corresponding quarter of the previous financial year is tabled below:**

	Current Quarter ended 30-Sep-17 RM'000	Corresponding Quarter ended 30-Sep-16 RM'000	Variance	
			RM'000	%
Revenue	212,803	203,629	9,174	5
Gross profit	74,198	87,279	(13,081)	(15)
Profit before interest and tax	40,742	69,084	(28,342)	(41)
Profit before tax	14,804	47,499	(32,695)	(69)
Profit after tax	747	36,338	(35,591)	(98)
Profit attributable to ordinary equity Holders of the Parent	1,122	36,174	(35,052)	(97)

Comparatively, the Group's revenue for the current quarter ended 30 September 2017 increased by 5% while the group made a profit before tax of RM14.8 million for the current quarter as opposed to profit before tax of RM47.5 million in the corresponding quarter ended 30 September 2016.

The slight increase in revenue in the current quarter is mainly due to higher work orders received and performed. Despite that the group registered a lower profit before tax in the current quarter due to lower profit margins from lower charter rates and taken into account expenses such as net unrealised foreign exchange loss of RM8.2 million as well as impairment loss on receivables of RM1.4 million.

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 30 September 2017 and the date of this report.

**B1. Review of Financial Performance (Cont'd)**

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

	Cummulative period-to-date 30-Sep-17 RM'000	Corresponding period-to-date 30-Sep-16 RM'000	Variance	
			RM'000	%
Revenue	521,730	509,040	12,690	2
Gross profit	173,063	199,808	(26,745)	(13)
Profit before interest and tax	14,890	120,657	(105,767)	(88)
(Loss)/Profit before tax	(57,547)	37,569	(95,116)	(253)
(Loss)/Profit after tax	(92,508)	7,189	(99,697)	(1,387)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(89,681)	7,836	(97,517)	(1,244)

Revenue increased by 2% from RM509.0 million in the previous corresponding period-to-date to RM521.7 million in the current period-to-date. The higher revenue in the current year as compared to the corresponding year is mainly due to higher value of work order received and performed in the current period-to-date.

Despite that, the Group registered a higher loss before tax for the financial period ended 30 September 2017 mainly due to an impairment loss on property, plant and equipment of RM50.4 million, impairment loss on receivables of RM1.4 million and net realised/unrealised foreign exchange loss of RM32.5 million as compared to a net realised/unrealised foreign exchange gain of RM7.4 million in the corresponding period-to-date.

**B2. Financial review for current quarter results compared to the results of the immediate preceding quarter**

	Current Quarter ended 30-Sep-17 RM'000	Preceding Quarter ended 30-Jun-17 RM'000	Variance	
			RM'000	%
Revenue	212,803	191,017	21,786	11
Gross profit	74,198	78,571	(4,373)	(6)
Profit before interest and tax	40,742	(12,147)	52,889	(435)
Profit/(Loss) before tax	14,804	(35,598)	50,402	(142)
Profit/(Loss) after tax	747	(49,761)	50,508	(102)
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent	1,122	(48,098)	49,220	(102)

In the current quarter, the Group's revenue was 11% higher as compared to the preceding quarter. In the current quarter the Group generated profit before tax of RM14.8 million as compared to loss before tax of RM35.6 million in the preceding quarter.

The slight increase in revenue in the current quarter as compared to the immediate preceding quarter is mainly due to higher vessel utilisation rate and higher work orders from the maintenance contracts. The higher vessel utilisation is a result of improved work orders/contracts awarded from the oil majors during the third quarter of 2017.

The loss before tax of RM35.6 million in the preceding quarter is mainly attributed to impairment loss on property, plant and equipment of RM50.4 million as well as net realised/unrealised foreign exchange loss of RM16.5 million, as compared to a net realised/unrealised foreign exchange loss of RM7.9 million.

**B3. Prospects**

Generally, in the third quarter of 2017 business activities have improved although the financials for the whole nine months period appeared atrocious as a result of mostly one-offs impairments and unrealised forex translation losses that accounted for more than RM85 million at the subsidiary company, Perdana Petroleum Bhd. In reality, the Group is experiencing an increase in work activities for the topside maintenance services (TSM), Hook-up and Commissioning (HUC) contracts, Engineering Procurement Construction and Commissioning (EPCC) services and fleet utilisation of its 25 offshore support vessels also improved. More work orders were received as compared to that of last year. The fleet utilisation rate of the vessels have improved from 44% in the second quarter to above 75% in the third quarter bringing the average fleet utilisation to 53%. This evidently shows that after the prolonged decline in the price of crude oil for the last 2 years, oil majors are gradually increasing activities largely in the areas of maintenance and rejuvenation works.

Going into 2018, the Group will continue to draw down its revenue from its balance contract order book of slightly above RM3.0 billion that stood as at 31 October 2017. The Group will continue to operate within the core competencies of the new Maintenance Construction and Modification (MCM) contract and also the remaining HUC and EPCC contracts and OSVs charter. Based on current work orders received from the oil majors and the work planning activity programs that are on hand currently, it is therefore envisaged that 2018 should be a very busy year and we remain upbeat. The MCM, Pan HUC and EPCC is now experiencing more renewed activities as the price of crude is now hovering above USD60 per barrel.

**B3. Prospects (Cont'd)**

It should also be noted that the Group is currently awaiting the results of some tenders for contracts with oil majors that are still under evaluation. Any successful win in this should see a further replenishment of the order book lasting for one to four years. The Group is currently preparing to submit more tenders by the middle of December for the PAN MCM contracts, which could also be sizable in contract values. Though it is not possible to predict the outcome of these tenders, the Group has always demonstrated its operational and technical supremacy in winning these brownfield contracts.

At PPB it should be noted that the fleet utilisation should improve significantly going into 2018 as more than 10 vessels out of a fleet of 16 will be earmarked for Dayang's offshore maintenance, hook-up commissioning and EPCC contracts, in line with the roll-out of Dayang's contracts with various oil majors.

On the corporate exercise, Dayang has distributed up to 292,229,202 PPB shares representing 37.5% equity interest by way of a dividend-in-specie to all Dayang shareholders. This will improve the public shareholding spread of PPB from 2% to 20%, being the lower public shareholding spread requirement as approved by Bursa Malaysia on 19 July 2017, for a resumption of trading of PPB shares, targeted in December 2017. This proposal should allow PPB to tap into the equity capital market to raise funds for its working capital and/or to repay its borrowings, finance its working capital and strengthen its capital structure. This should ultimately improve PPB's gearing level, reduce interest expenses and add financial flexibility to its cash flow management to carry out its operations.

Although the Board is well briefed of the Group's outlook on a much improved prospect going into 2018, the Board remains cautious and vigilant in its pursuit for more contract replenishment and also a longer term charter opportunity for its fleet of vessels. At the same time, it is important that the management be directed to focus diligently in improving the Group cashflows and the sustenance of the Group in a very challenging market environment. The Board and management will continue to exercise due care and prudence in the running and administration of the company's business amidst yet a very challenging industry.

**B4. Profit forecast and profit guarantee**

There was no profit guarantee issued by the Group.

**B5. Income tax expense**

	Current quarter ended 30-Sep-17 RM'000	Corresponding quarter ended 30-Sep-16 RM'000	Current year- to-date 30-Sep-17 RM'000	Corresponding year-to-date 30-Sep-16 RM'000
Malaysian income tax				
Current year	11,212	11,161	32,116	30,380
Prior year	2,845	-	2,845	-
Income tax expense	14,057	11,161	34,961	30,380

Despite the low consolidated profit for the current quarter and consolidated loss for financial period-to-date, the Group still incurs a tax charge of RM14.1 million and RM34.9 million respectively as the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities. In addition, there is an additional tax payable of RM2.8 million arising from prior year's finalized tax computation of one of the subsidiaries.

**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-Sep-17 RM'000	Cumulative Year-to-date 30-Sep-17 RM'000
At beginning of the period	1,519	1,495
Change in fair value	12	36
At end of the period	1,531	1,531
Market value	1,531	1,531

**B8. Status of corporate proposal****(i) Public Shareholding Spread**

The subsidiary of the Group, 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.

PPB had on 20 July 2016 and 28 December 2016 applied for a further extension of time of three months from 13 August 2016 to 12 November 2016 and seven months from 13 November 2016 to 30 June 2017 respectively to comply with the public shareholding spread requirement.

On 24 February 2017, PPB announced that Bursa Securities had vide their letter dated 23 February 2017 granted PPB an extension of time until 12 May 2017 to comply with the public shareholding spread requirement.

PPB had on 8 May 2017 applied for a further extension of time of six months from 13 May 2017 to 12 November 2017 to comply with the public shareholding spread requirement.

Following the above application, Dayang had on 12 May 2017 proposed to undertake a dividend-in-specie to distribute up to 292,229,202 of PPB’s shares, representing 37.5% of Dayang equity interest in PPB to the shareholders of Dayang to improve the public shareholding spread of PPB to 20%.

On 16 May 2017, PPB made an announcement proposing to undertake a private placement of up to 10% of the total number of issued shares of PPB (“Proposal”) to improve its public shareholding spread as well as to raise funds for working capital and partially repay bank borrowings. In addition, PPB had on the same day applied to Bursa Securities to seek resumption of trading of its shares on the Main Market of Bursa securities upon completion of the Dayang Distribution (“Resumption of Trading”). The purpose of the Resumption of Trading is to allow the shareholders of Dayang to commence trading of their PPB shares and also to facilitate the implementation of the Proposal by providing a market reference price for pricing the new PPB shares to be issued pursuant to the proposal.

**B8. Status of corporate proposal (Cont'd)****(i) Public Shareholding Spread (Cont'd)**

On 2 June 2017, PPB announced that Bursa Securities had vide their letter dated 25 May 2017 granted the Company an extension of time until 30 November 2017 to comply with the Public Spread requirement.

Subsequently on 19 July 2017, Bursa Securities had vide their letter granted approval and accepted the PPB's application for a lower Public Spread Requirement. Bursa Securities had also approved the PPB's application for the resumption of trading of its shares upon completion of the Dayang Distribution.

PPB will make an announcement as to when its shares will resume trading at a later date.

**(ii) Private Placement of up to 10% of the total number of issued shares of Dayang Enterprise Holdings Bhd ("Dayang")**

The Board of Directors had on 24 February 2017 announced a proposed private placement of up to 10% of the total number of issued shares of Dayang.

Bursa Malaysia Securities Berhad has vide its letter dated 2 March 2017 approve the listing of and quotation for up to 87,709,993 new shares (Placement Shares) on the Main Market of Bursa Securities.

The Private Placement has been completed on 27 April 2017 following the listing and quotation for 87,709,900 placement shares, representing approximately 10% of the total number of issued shares of Dayang, on the Main Market of Bursa Securities. Total gross proceeds of RM89,113,258.40 were raised from placing out 87,709,900 shares at placement price of RM1.016 per share.

**Status of utilisation of proceeds**

Dayang intends to utilize the placement proceeds for repayment of the borrowings of Dayang and its subsidiaries and to defray the expenses relating to the placement exercise as follows:

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Intended time frame for utilisation</b>	<b>Remark RM'000</b>	
Repayment of borrowings	87,613	87,752	Within 6 months from receipt of funds	(139)	Fully utilised
Estimated placement expenses	1,500	1,361	Within 1 month from receipt of funds	139	Fully utilised
	<u>89,113</u>	<u>89,113</u>		<u>-</u>	



**B8. Status of corporate proposal (Cont'd)**

**(iii) Proposed distribution of up to 292,229,202 ordinary shares in Perdana Petroleum Berhad (Perdana) by way of dividend-in-specie to shareholders of Dayang**

The Board of Directors had on 12 May 2017 announced a proposed distribution of up to 292,229,202 Perdana Shares representing about 37.5% equity interest in Perdana, by way of dividend-in-specie to the shareholders of Dayang.

Dayang holds about 98.01% equity interest in Perdana such that Perdana's public shareholding spread stood at about 1.99% only.

The proposed dividend-in-specie is undertaken to improve the public shareholding spread of Perdana as well as to reward the shareholders of Dayang for their continuous support for the Company and to provide them with an opportunity to invest directly in Perdana at no cost.

Dayang had on 9 August 2017 acquired the approval from its shareholders via an EGM to approve the proposed dividend-in-specie.

Bursa Malaysia Depository Sdn Bhd had on 30 October 2017 approved the application for the transfer of securities for proposed distribution.

The entitlement date was on 16 November 2017

Save for the above, there was no corporate proposal announced or not completed by the Group as at the latest practicable date of 14 November 2017.

**B9. Group borrowings**

Total Group's borrowings as at 30 September 2017 were as follows:

	As at 30-Sep-17		As at 31-Dec-16	
	USD'000	RM'000	USD'000	RM'000
<b>Current</b>				
<b>Secured</b>				
Sukuk	-	79,849	-	78,587
Term loans	-	109,920	-	95,433
Term loans	15,753	66,620	20,665	92,734
Finance lease liabilities	3,152	13,426	2,989	13,509
Revolving credit	-	150,000	-	-
<b>Unsecured</b>				
Revolving credit	-	99,000	-	68,000
	18,905	518,815	23,654	348,263
<b>Non-current</b>				
<b>Secured</b>				
Sukuk	-	436,095	-	518,798
Term loans	-	259,819	-	596,863
Term loans	6,883	29,110	7,678	34,453
Finance lease liabilities	28,762	121,651	31,142	139,838
	35,645	846,675	38,820	1,289,952
<b>Total</b>	54,550	1,365,490	62,474	1,638,215

Exchange rate (USD: MYR):

USD1: MYR4.229

USD1: MYR4.4875

Source of reference: Bank Negara Malaysia website

**B10. Material litigation**

As at 14 November 2017, (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:

**B10.1 Notices of Motion to Federal Court to Appeal Against the Whole Decision of the Court of Appeal**

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.





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

**B10.1 Notices of Motion to Federal Court to Appeal Against the Whole Decision of the Court of Appeal (Cont'd)**

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.

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.

On 10 October 2016, Tengku Ibrahim, Wong Fook Heng and Tiong Young Kong's appeals against the Company were partially heard by the Federal Court. The Federal Court had fixed 18 October 2016 for the continued hearing but unfortunately the continued hearing could not take place on the said date. The Federal Court subsequently fixed 16 November 2016 as the continued hearing date.

However, on 8 November 2016, the Federal Court via a letter informed all parties that the continued hearing scheduled on 16 November 2016 was converted to a Case Management and the new continued hearing date is fixed on 2 February 2017.

**B10. Material litigation (Cont'd)****B10.1 Notices of Motion to Federal Court to Appeal Against the Whole Decision of the Court of Appeal (Cont'd)**

On 2 February 2017, the Federal Court has heard all of the parties for the continued hearing. However, the federal Court has deferred the decision to a later date which is yet to be determined.

**B10.2 Arbitration Between Nam Cheong International Limited (Claimant) and Petra Offshore Limited (Respondent)**

In relation to the proposed acquisition of two units of 500-men accommodation workbarges, identified as Vessel Hull No. SK316 and SK317 from Nam Cheong International Limited (“NCIL”) at a consideration of USD84.0 million, the Company’s wholly owned subsidiary, Petra Offshore Limited (“POL”) had on 1 December 2016 sent a notification to NCIL of the cancellation of the Memorandum of Agreement (“MoA”) on the acquisition of the accommodation work barge identified as Vessel Hull No. SK317 (“Vessel”) as NCIL had not fulfilled the condition of delivery of the Vessel in accordance with the terms and conditions of the MoA. Accordingly, POL had sought for the immediate return of the deposit paid of USD8.4 million (“Deposit”), as advised by the legal counsel.

On 5 December 2016, POL received a letter from NCIL stating that POL has no right to cancel the MoA and in view thereof had breached the terms of the MoA. NCIL had consequently treated the MoA as terminated and had forfeited the Deposit.

Notwithstanding the above claims by NCIL, POL had on 9 December 2016 through its solicitors issued a letter of demand to NCIL for the return of the Deposit.

On 22 December 2016, POL received from the solicitors of NCIL a Notice of Arbitration dated 22 December 2016 that NCIL has filed with the Kuala Lumpur Regional Centre for Arbitrations as Claimant against POL as the Respondent in respect of disputes arising out of the MoA for the sale and purchase of one unit 500-men accommodation work barge (Hull No. SK317) dated 23 June 2014 as amended by the Addendum No. 1 dated 27 May 2015.

NCIL is seeking, inter alia, the relief that POL’s purported termination of the MoA on 1 December 2016 was wrongful and unwarranted and the forfeiture of the 20% deposit amounting to USD8.4 million together with damages arising from failure and/or refusal and/or neglect of POL to take delivery of the Vessel.

On 18 January 2017, POL had via its solicitors issued a Response to Notice of Arbitration to NCIL. POL’s Response to Notice of Arbitration counterclaimed that NCIL’s claim against POL is misconceived and erroneous as the Vessel was not in every respect physically ready for delivery and therefore the relief or remedy sought by NCIL did not arise and the cancellation of the MoA by POL was valid. Hence, POL continued to seek the immediate release of the deposit paid. Both NCIL and POL have since nominated their respective arbitrators and paid the initial deposit for the arbitration.

On 18 July 2017, NCIL had submitted its Claimant’s Statement of Claim to the Kuala Lumpur Regional Centre for Arbitration. POL subsequently file its Respondent’s Statement of Defence and Counterclaim on 17 August 2017.

**B11. Dividend**

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

However, the Board had on the 12 May 2017 proposed distribution by way of dividend-in-specie ('proposed distribution') as disclosed under note B8(iii) to the shareholders of Dayang.

**B12. Earnings/(Loss) per share**

<b>Basic Earnings/(Loss) Per Share</b>	Current Quarter Ended 30-Sep-17	Corresponding Quarter Ended 30-Sep-16	Cumulative Period Ended 30-Sep-17	Corresponding Period Ended 30-Sep-16
Profit/(Loss) for the period attributable to Owners of the Company (RM'000)	1,122	36,174	(89,681)	7,836
Weighted average number of ordinary shares in issue ('000)	964,810	877,100	927,541	877,100
Basic earnings/(loss) per share (sen)	0.12	4.12	(9.67)	0.89

**B13. Disclosure of Realised and Unrealised Profits**

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

	As at 30-Sep-17 RM'000	As at 31-Dec-16 RM'000
Total retained earnings of the Group		
-Realised	732,855	706,514
-Unrealised	(3,421)	81,457
Less: Consolidation adjustments	(248,191)	(217,047)
Total retained earnings as per consolidated accounts	<u>481,243</u>	<u>570,924</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.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

**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 21 November 2017.