

PART A: EXPLANATORY NOTES AS PER FRS 134

A1. Basis of preparation of interim financial reports

The interim financial statements are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 March 2015 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries, and the Group's interest in associates and joint ventures as at and for the quarter ended 30 September 2015.

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the audited consolidated financial statements for the year ended 31 March 2015.

As of 1 April 2015, the Group and the Company have adopted the following MFRSs and amendments which are effective for annual periods beginning on or after 1 January 2014.

Effective for annual periods commencing on or after 1 January 2014

Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Separate Financial Statements (2011): Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoption of the above MFRSs and amendments does not have any material impact on the financial statements

The following MFRS, amendments and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted.

Effective for annual periods commencing on or after 1 July 2014

Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)</i>
Amendments to MFRS 2	<i>Share-based Payment (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 3	<i>Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>
Amendments to MFRS 8	<i>Operating Segments (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 13	<i>Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 119	<i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i>

Amendments to MFRS 124	<i>Related Party Disclosures (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 138	<i>Intangible Assets (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 140	<i>Investment Property (Annual Improvements 2011-2013 Cycle)</i>

Effective for annual periods commencing on or after 1 January 2016

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

Effective for annual periods commencing on or after 1 January 2017

MFRS 15	<i>Revenue from Contracts with Customers</i>
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Effective for annual periods commencing on or after 1 January 2018

MFRS 9	<i>Financial Instruments (2014)</i>
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The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

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*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting MFRS 15.

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.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

A2. Qualification of financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A3. Seasonal and cyclical factors

The Group's results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual and extraordinary items

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A5. Material changes in estimates

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date including impairment of intangible assets, depreciation on property, plant and equipment, and deferred tax assets that could arise from unused tax losses and unabsorbed capital allowances.

There was no material changes in estimates reported in the current quarter under review.

A6. Issuance and repayment of debt and equity securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back or repayment of debt and equity securities during the current quarter.

A7. Dividends Paid

No dividends were paid during the current quarter.

A8. Segmental Information

The segmental information is as tabulated below.

	Oilfield Services RM'000	Marine Services RM'000	Transport Solutions RM'000	Others/ Elimination RM'000	Group RM'000
Cumulative 6 month period ended 30 Sept 2015					
Revenue					
Continuing operations					
Revenue for the period	534,685	93,567	89,399	-	717,651
	534,685	93,567	89,399	-	717,651
Discontinued operations					
Revenue for the period	-	-	-	-	-
	534,685	93,567	89,399	-	717,651
Results					
Continuing operations					
Operating profit / (loss)	56,182	(9,543)	5,905	2,195	54,739
Share of result of					
- associated companies	-	-	-	-	-
- jointly controlled entities	-	2,452	-	(2,608)	(156)
Finance income	537	44	1,309	-	1,890
Finance cost	(14,483)	(320)	(3,349)	(109)	(18,261)
Profit / (loss) before tax	42,236	(7,367)	3,865	(522)	38,212
Discontinued operations					
Net loss for the period	-	-	-	-	-
Segment results	42,236	(7,367)	3,865	(522)	38,212
Unallocated costs					(3,501)
					34,711
Taxation					(14,134)
Profit for the period					20,577

	<u>Oilfield Services</u> RM'000	<u>Marine Services</u> RM'000	<u>Transport Solutions</u> RM'000	<u>Others/ Elimination</u> RM'000	<u>Group</u> RM'000
Cumulative 6 month period ended 30 September 2014					
Revenue					
<u>Continuing operations</u>					
Revenue for the period	605,807	149,275	122,269	-	877,351
	<u>605,807</u>	<u>149,275</u>	<u>122,269</u>	<u>-</u>	<u>877,351</u>
<u>Discontinued operations</u>					
Revenue for the period	-	-	-	-	-
	<u>605,807</u>	<u>149,275</u>	<u>122,269</u>	<u>-</u>	<u>877,351</u>
Results					
<u>Continuing operations</u>					
Operating profit / (loss)	65,465	1,275	1,603	(959)	67,384
Share of result of					
- associated companies	-	(120)	-	-	(120)
- jointly controlled entities	-	2,372	-	-	2,372
Finance income	188	222	628	-	1,038
Finance cost	(12,602)	(870)	(2,532)	653	(15,351)
Profit / (loss) before tax	<u>53,051</u>	<u>2,879</u>	<u>(301)</u>	<u>(306)</u>	<u>55,323</u>
<u>Discontinued operations</u>					
Net loss for the period	(1,358)	-	-	-	(1,358)
Segment results	<u>51,693</u>	<u>2,879</u>	<u>(301)</u>	<u>(306)</u>	<u>53,965</u>
Unallocated costs					<u>(7,523)</u>
					46,442
Taxation					<u>(16,775)</u>
Profit for the period					<u>29,667</u>

A9. Valuation of property, plant and equipment

There is no revaluation of property, plant and equipment, as the Group does not adopt a revaluation policy on property, plant and equipment.

A10. Subsequent Events

There were no material events subsequent to the end of the quarter under review.

A11. Changes in composition of the Group

There were no material changes in composition of the Group during the quarter under review.

A12. Contingent liabilities

Details of contingent liabilities of the Group at the end of the quarter are as follows:

	RM'000
Contingent liabilities arising from :	
- tax matters	<u>2,200</u>

A13. Capital and operating lease commitments

a) Capital commitments:

	Approved and contracted for RM'000	Approved but not contracted for RM'000	Total RM'000
Property, plant and equipment	1,671	64,723	66,394
Vessels	-	34,994	34,994
Others	-	8,061	8,061
Total	<u>1,671</u>	<u>107,778</u>	<u>109,449</u>

b) Operating lease commitments:

	Current Due within 1 year RM'000	Non-current Due within 1 & 5 years RM'000	Total RM'000
Land	180	75	255
Property	6,675	6,683	13,358
Plant and Machinery	1,206	559	1,765
Others	5,338	6,456	11,794
Total	<u>13,399</u>	<u>13,773</u>	<u>27,172</u>

A14. Related Party Transactions

The following are the significant related party transactions:

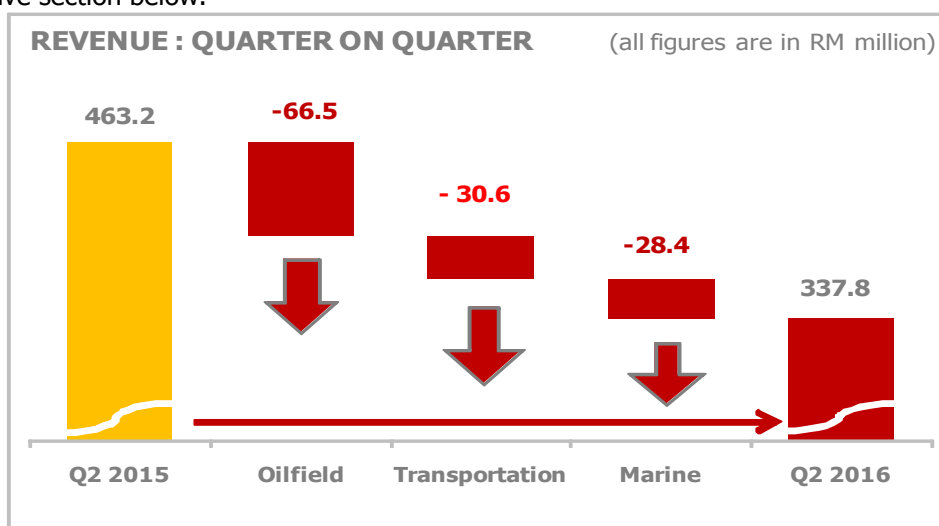
	Current Quarter 3 months ended 30 Sept 2015 RM'000	Cumulative 6 months ended 30 Sept 2015 RM'000
<i>Transactions with a company connected to Directors</i>		
Share registration and related professional fee	36	40
Human resources processing	87	177

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA

B1. Review of Operating Segments

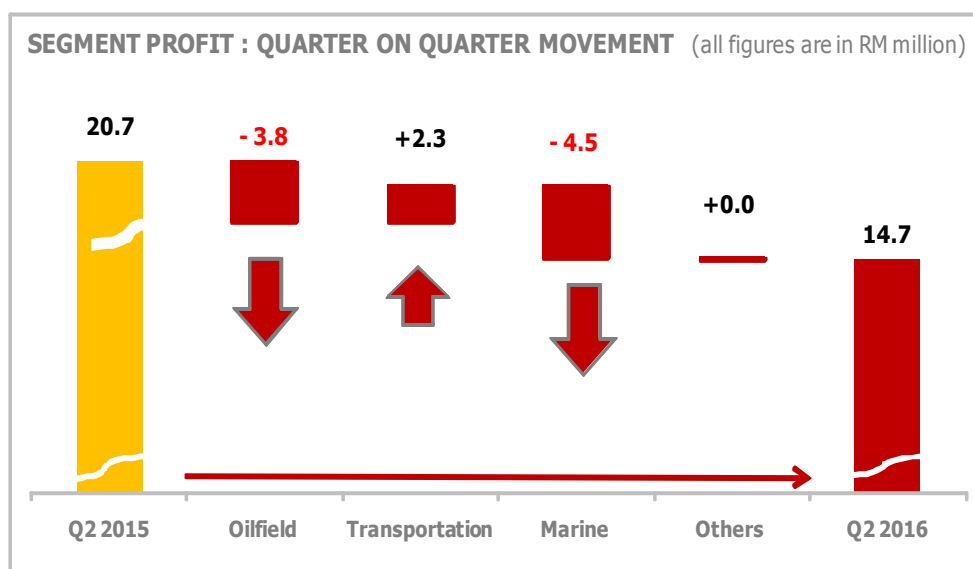
Current Quarter

Overall revenue for the current quarter ended 30 September 2015 ("Q2 2016") was RM337.8 million, a reduction of 27.1% from RM463.2 million recorded in the corresponding quarter ("Q2 2015"). Details of the key factors driving the performance of each segment are provided in the respective section below.



Total segment results for Q2 2016 and Q2 2015 were as follows:

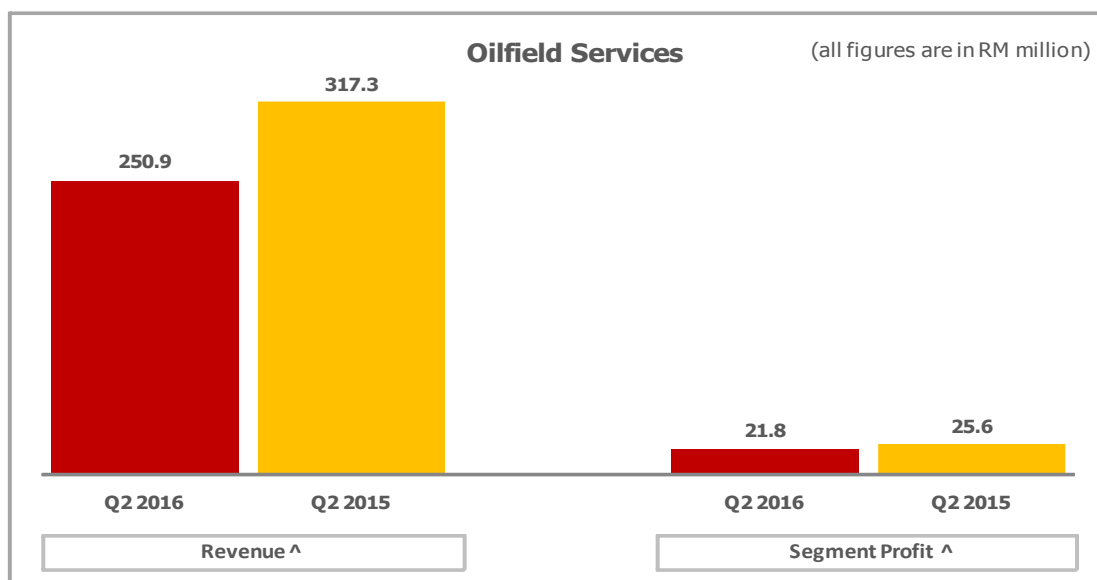
	Q2 2016	Q2 2015
	RM'000	RM'000
Results		
<u>Continuing operations</u>		
Profit before tax	14,686	20,736
<u>Discontinued operations</u>		
Net loss for the period	-	(897)
Profit before tax	<u>14,686</u>	<u>19,839</u>



Details of the key factors driving the performance of each segment are provided in the respective sections below.

Oilfield Services

The Oilfield Services division recorded lower revenue of RM250.9 million, as compared to RM317.3 million in Q2 2015, due to lower drilling activities in Malaysia, Indonesia, Myanmar and West Africa.

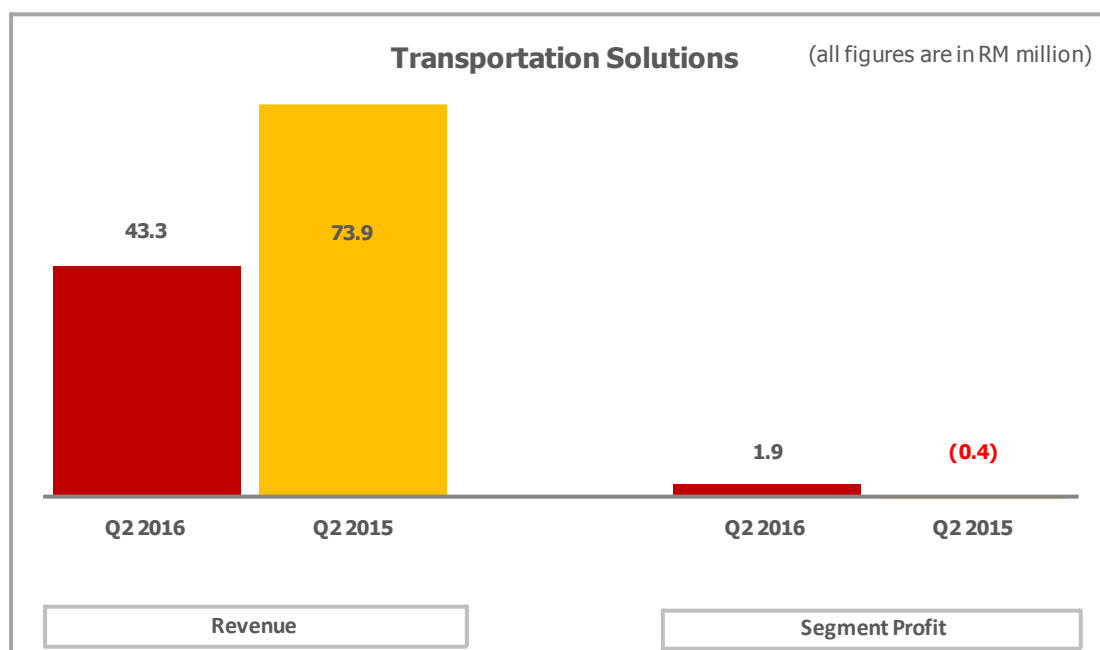


As tabulated below, the division posted a segment profit from continuing operations of RM21.8 million, as compared to a profit of RM25.6 million in Q2 2015. The decrease is due principally to lower profit from operations as well as higher finance cost.

	<u>Q2 2016</u> RM'000	<u>Q2 2015</u> RM'000
<u>Continuing operations</u>		
Operating profit	29,129	32,034
Finance income	377	(105)
Finance cost	(7,691)	(6,322)
Profit before tax	<u>21,815</u>	<u>25,607</u>
<u>Discontinued operations</u>		
Net loss for the period	-	(897)
Segment results	<u><u>21,815</u></u>	<u><u>24,710</u></u>

Transport Solutions

The Transport Solutions division recorded lower revenue of RM43.3 million, as compared to RM73.9 million in Q2 2015. This is principally due to lower value of work done on monorail projects in Malaysia, India and Brazil.

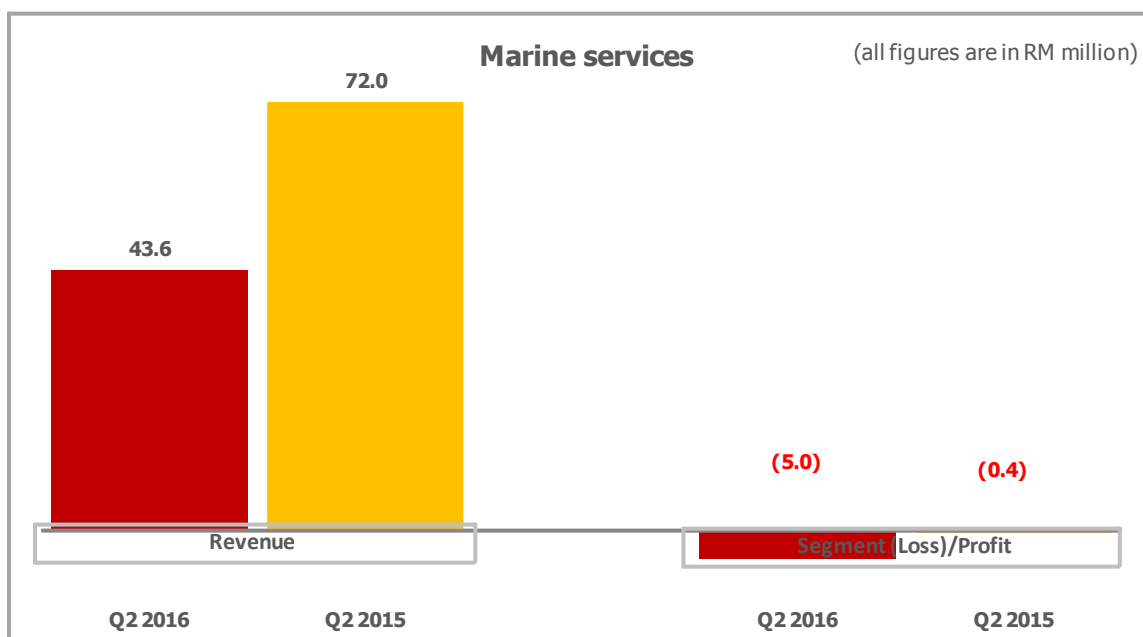


However, the division posted a higher profit RM1.9 million, as compared to a loss of RM0.4 million in Q2 2015.

	<u>Q2 2016</u>	<u>Q2 2015</u>
	RM'000	RM'000
<u>Continuing operations</u>		
Operating profit	3,131	484
Finance income	442	317
Finance cost	(1,667)	(1,158)
Segment results	<u>1,906</u>	<u>(357)</u>

Marine Services

The Marine Services division recorded lower revenue of RM43.6 million in Q2 2016 against RM72.0 million in Q2 2015, due to lower tonnage carried and lesser shipments for all contracts.



Consequently, the division posted a loss of RM5.0 million against a loss of RM0.4 million in Q2 2015.

	<u>Q2 2016</u>	<u>Q2 2015</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Continuing operations</u>		
Operating loss	(5,245)	(1,203)
Share of result of		
- associated companies	-	(52)
- jointly controlled entities	393	1,313
Finance income	22	195
Finance cost	(167)	(702)
Segment results	<u>(4,997)</u>	<u>(449)</u>

B2. Material Change in Profit Before Taxation as Compared to Preceding Quarter

The Group recorded a profit before taxation from continuing operations of RM14.7 million in current quarter ended 30 September 2015 ("Q2 2016") as compared to RM20.0 million in the preceding quarter ended 30 June 2015 ("Q1 2016").

As tabulated below, the drop in profit was principally due to higher losses posted by the Marine Services division of RM5.0 million, as compared to a loss of RM2.4 million in the preceding quarter.

Performance as Compared to Preceding Quarter

	Current Quarter Q2 2016 RM'000	Previous Quarter Q1 2016 RM'000
<u>Continuing operations</u>		
Revenue	337,756	379,895
Cost of revenue	(270,620)	(310,614)
Gross profit	<u>67,136</u>	<u>69,281</u>
Gross margin	19.9%	18.2%
<u>Segment results from continuing operations of :</u>		
- Oilfield Services Division	21,815	20,421
- Marine Services Division	(4,997)	(2,370)
- Transport Solutions Division	1,906	1,959
	<u>18,724</u>	<u>20,010</u>
SGB Corporate income/(costs), net	(3,420)	2,898
	<u>15,304</u>	<u>22,908</u>
Other / Elimination, net	(618)	(2,883)
Profit before tax	<u>14,686</u>	<u>20,025</u>

B3. Future prospects

Oilfield Services Division continues to actively bid for contracts which includes new markets and expanding current product lines. Oil prices are forecast to be subdued over the near term and as such activity levels are likely to remain low. However, the pipeline for tenders in Q2 is still very robust with over USD400 million bids submitted. Moving forward, revenue growth remains challenging, while we continue to explore new areas such as graphene enhanced drilling fluids and lubricants and well rejuvenation. Cash flow and cost optimization remain a focus area and we expect these initiatives to positively impact on cash flow.

Marine Services Division outlook also remains challenging, but management has secured further wins over the quarter as a result of increased bidding activities. For the Indonesian coal market, export forecasts for 2016 are estimated to be lower than current year. Management continues to focus their efforts in managing costs as well as expanding marketing efforts across a wider geographical area. On the offshore side, persistent low oil price have curbed demand for offshore vessels. Competition in this area continues to be tough but management remains focused on prioritizing utilisation of our vessels by being very competitive with our charter rates.

Transport Solutions Division continues to pursue monorail projects in multiple markets together with the new growth opportunities for the commercial vehicles in the leasing and maintenance business, both locally and abroad.

With the continued challenges globally in the currency market movements that have cost impacts in operations, the Group is cautious about the current financial year.

B4. Variance of actual and revenue or profit estimate

The Company has not announced or disclosed any revenue or profit estimate, forecast, projection or internal targets for the Group for the period under review.

B5. Taxation

	Current Quarter 3 months ended 30 Sept 2015 RM'000	Cumulative Period 6 months ended 30 Sept 2015 RM'000
Continuing operations		
Current tax:		
Malaysian income tax	2,104	2,668
Foreign tax	6,558	12,481
	<u>8,662</u>	<u>15,149</u>
Deferred tax	(545)	(1,015)
Total from continuing operations	<u>8,117</u>	<u>14,134</u>
Total income tax expense	<u>8,117</u>	<u>14,134</u>

Domestic current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the taxable profit for the year. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax expense for the current quarter was mainly due to:

- a) non-deductibility of certain expenses for tax purposes;
- b) higher statutory corporate tax rates for certain foreign subsidiaries

B6. Status of corporate proposals announced by the Company

There was no corporate proposal announced by the Company in the current quarter under review.

B7. Group borrowings and debt securities

The Group borrowings and debt securities as at the end of the reporting period are as follows:

	As at 30 Sept 2015 RM'000
Current	695,724
Non Current	180,103
Total	<u>875,827</u>

The Group borrowings and debt securities are denominated in the following currencies:

Denominated in:	As at 30 Sept 2015 RM'000
Ringgit Malaysia	615,284
US Dollar	199,822
Indian Rupee	56,989
Others	3,732
Total	<u>875,827</u>

B8. Change in material litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material adverse effect on the financial position of the Company or any of its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B9. Proposed Dividend

No dividend has been declared for the current quarter under review.

B10. Earnings per share

The computation for earnings per share is as shown below.

		Current Quarter 3 months ended 30 Sept 2015	Cumulative Period 6 months ended 30 Sept 2015
Basic earnings per share			
Net profit attributable to shareholders	(RM'000)	<u>5,009</u>	<u>14,743</u>
Weighted average number of shares			
Issued shares at opening	('000)	1,568,637	1,568,637
Treasury shares	('000)	(14,427)	(14,427)
Weighted average number of shares	('000)	<u>1,554,210</u>	<u>1,554,210</u>
Basic earnings per share	(sen)	<u>0.32</u>	<u>0.95</u>
Diluted earnings per share			
Net profit attributable to shareholders	(RM'000)	<u>5,009</u>	<u>14,743</u>
Issued shares at opening			
Effect of conversion of convertible Bonds	('000)	1,554,210	1,554,210
Weighted average number of shares	('000)	348,873	348,873
Weighted average number of shares	('000)	<u>1,903,083</u>	<u>1,903,083</u>
Diluted earnings per share	(sen)	<u>0.26</u>	<u>0.77</u>

B11. Realised and Unrealised Retained Profits

The breakdown of retained earnings as at reporting date is as follows:

	As at 30 Sept 2015 RM'000	As at 31 March 2015 RM'000 (Audited)
Total retained profits of company and its subsidiaries:		
- Realised	1,727,549	1,034,028
- Unrealised	(755,785)	(400,601)
	<hr/> 971,764	<hr/> 633,427
Total share of retained profits from associated companies:		
- Realised	(16,733)	(16,857)
- Unrealised	-	-
Total share of retained profits from jointly controlled entities:		
- Realised	23,192	24,465
- Unrealised	-	-
	<hr/> 978,224	<hr/> 641,035
Consolidation adjustments	(831,148)	(508,702)
Total retained earnings	<hr/> 147,076	<hr/> 132,333

B12. Profit for the period

Profit for the period is stated after charging / (crediting):

	Current Quarter 3 months ended 30 Sept 2015 RM'000	Cumulative Period 6 months ended 30 Sept 2015 RM'000
Interest income	(841)	(1,890)
Interest expense	8,928	18,260
Unrealized foreign exchange gain, net	(7,135)	(9,353)
Realized foreign exchange gain, net	(2,284)	(5,371)
Depreciation and amortisation	26,706	51,292
Loss on disposal of property, plant and equipment	42	287
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B13. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 November 2015.