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 2015and 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 31December2015.

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

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

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

<u>Effective for annual periods commencing on or after 1 January 2016</u>

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

<u>Effective for annual periods commencing on or after 1 January 2017</u>

MFRS 15	*Revenue from Contracts with Customers*

<u>Effective for annual periods commencing on or after 1 January 2018</u>

MFRS 9	*Financial Instruments (2014)*

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 cashflows 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 9 month period ended 31 December 2015					
Revenue					
Continuing operations					
Revenue for the period	807,691	145,036	138,877	-	1,091,604
	807,691	145,036	138,877	-	1,091,604
Results					
Continuing operations					
Operating profit / (loss)	72,818	(10,418)	8,739	8,245	79,384
Share of result of					
- associated companies	-	-	-	-	-
- jointly controlled entities	-	1,032	-	(2,839)	(1,807)
Other income	12,291	(2,926)	1,569	(8,295)	2,639
Finance cost	(21,418)	(443)	(4,901)	(165)	(26,927)
Segment results	63,691	(12,755)	5,407	(3,054)	53,289
Unallocated costs					(5,725)
					47,564
Taxation					(17,961)
Profit for the period					29,603

	Oilfield Services RM'000	Marine Services RM'000	Transport Solutions RM'000	Elimination RM'000	Group RM'000
Cumulative 9 month period ended 31 December 2014					
Revenue					
Continuing operations					
External sales	956,199	218,372	187,341	-	1,361,912
Inter-segment sales	-	-	-	-	-
	956,199	218,372	187,341	-	1,361,912
Results					
Continuing operations					
Operating profit / (loss)	101,937	(1,241)	3,229	(2,406)	101,519
Share of result of					
- associated companies	-	(124)	-	-	(124)
- jointly controlled entities	-	3,549	-	-	3,549
Other income	868	504	807	-	2,179
Finance cost	(18,488)	(1,721)	(4,467)	899	(23,777)
Profit / (loss) before tax	84,317	967	(431)	(1,507)	83,346
Discontinued operations					
Profit for the period	(1,547)	-	-	-	(1,547)
Segment results	82,770	967	(431)	(1,507)	81,799
Unallocated costs					(10,991)
					70,808
Taxation					(24,490)
Profit for the period					46,318

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	2,200

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	3,782	82,874	86,656
Vessels	-	29,437	29,437
Others	146	7,885	8,031
Total	3,928	120,196	124,124

b) Operating lease commitments:

	Current Due within 1 year RM'000	Non-current Due within 1 & 5 years RM'000	Total RM'000
Land	165	-	165
Property	6,075	6,247	12,322
Plant and Machinery	816	332	1,148
Others	4,072	6,244	10,316
Total	11,343	12,823	24,166

A14. Related Party Transactions

The following are the significant related party transactions:

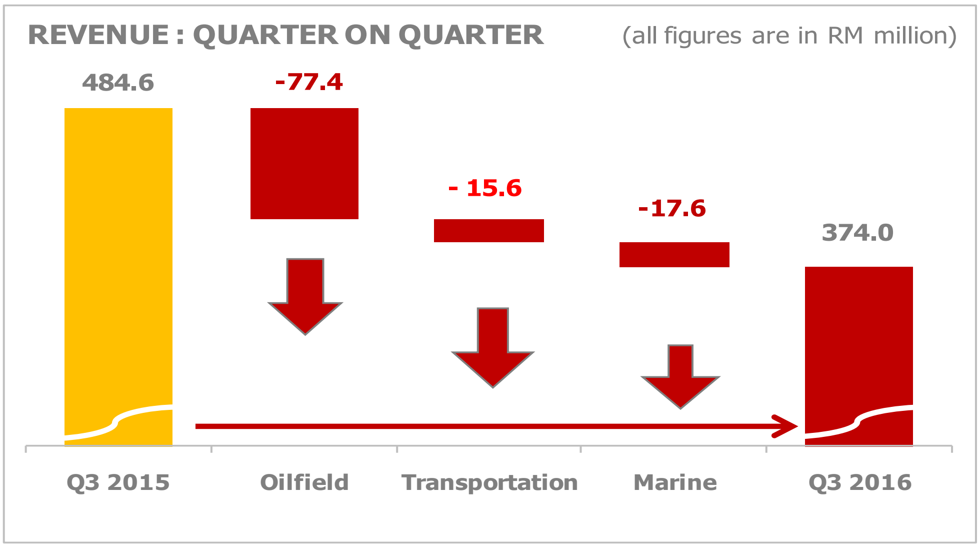
	Current Quarter 3 months ended 31 Dec 2015 RM'000	Cumulative 9 months ended 31 Dec 2015 RM'000
Transactions with a company connected to Directors		
Share registeration and related professional fee	26	66
Human resources processing	106	284

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

B1. Review of Operating Segments

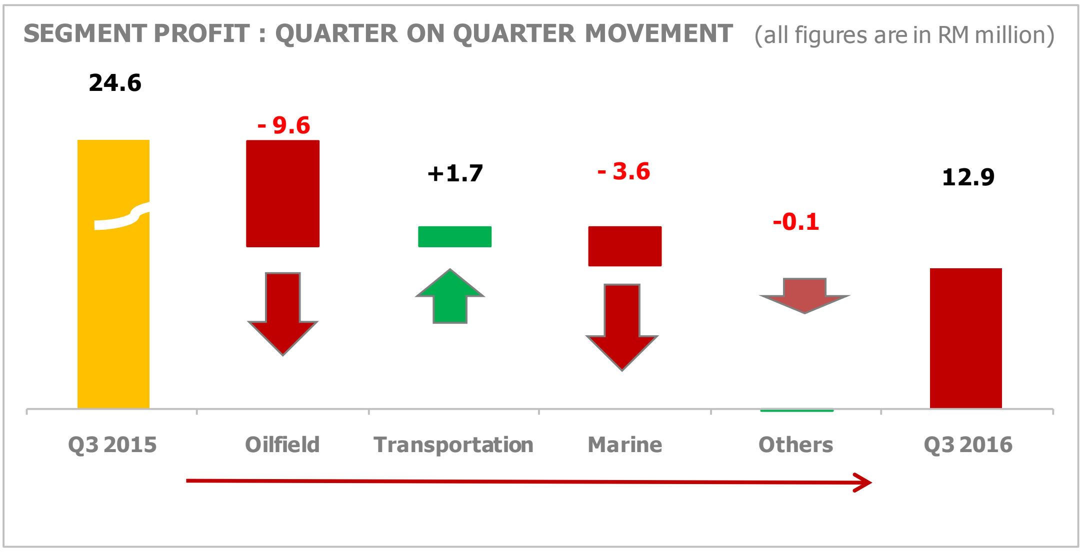
Current Quarter

Overall revenue for the current quarter ended 31 December 2015 ("Q3 2016") was RM374.0 million, a 22.8% reduction from RM484.6 million recorded in the corresponding quarter ("Q3 2015"). Details of the key factors driving the performance of each segment are provided in the respective section below.



Total segment results for Q3 2016 and Q3 2015 were as follows:

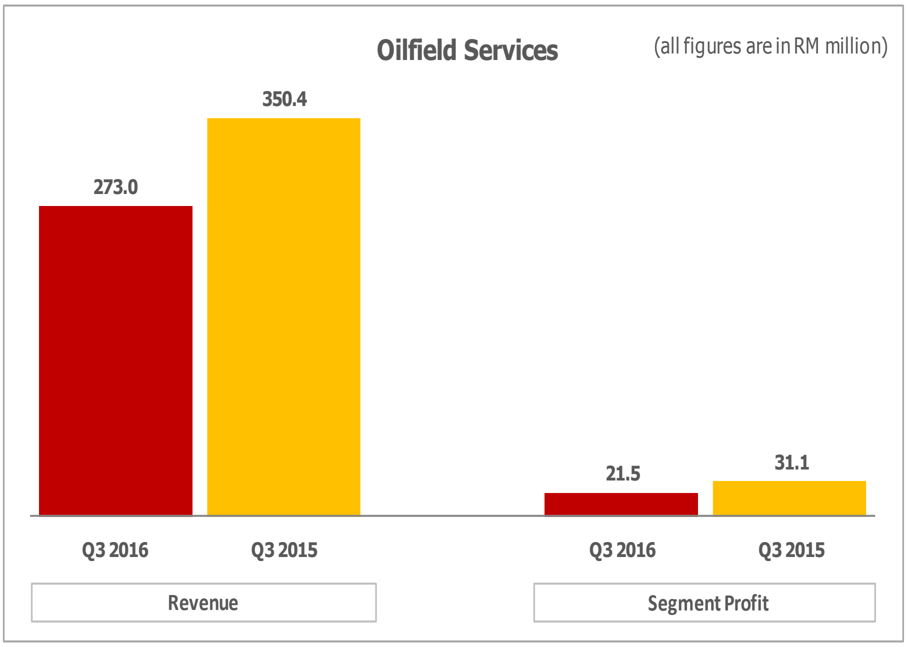
	Q3 2016 RM'000	Q3 2015 RM'000
Results		
Continuing operations		
Profit before tax	12,853	24,555
Discontinued operations		
Net loss for the period	-	(189)
Profit before tax	12,853	24,366



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 RM273.0 million, as compared to RM350.4 million in Q3 2015, due to lower drilling activities in Malaysia, Indonesia, Myanmar and West Africa.

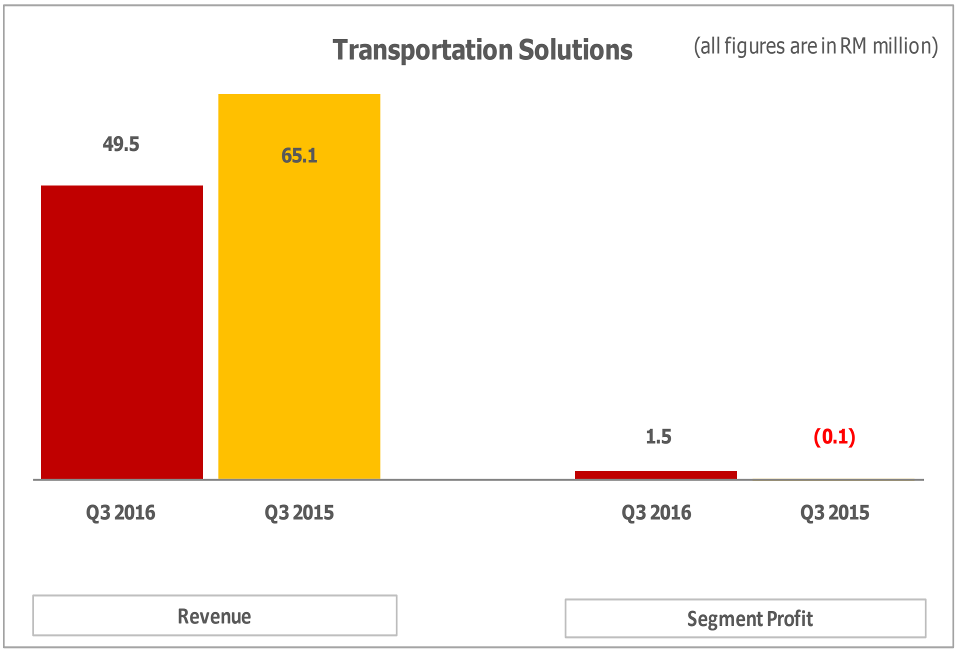


As tabulated below, the division posted a segment profit from continuing operations of RM21.5 million, as compared to a profit of RM31.1 million in Q3 2015. The decrease is due principally to lower profit from operations as well as higher finance cost.

	Q3 2016 RM'000	Q3 2015 RM'000
Continuing operations		
Operating profit	16,636	36,472
Share of result of		
- jointly controlled entities	-	-
Other income	11,754	680
Finance cost	(6,935)	(5,886)
Profit before tax	21,455	31,266
Discontinued operations		
Net loss for the period	-	(189)
Segment results	21,455	31,077

Transport Solutions

The Transport Solutions division recorded lower revenue of RM49.5 million, as compared to RM65.1 million in Q3 2015. This is principally due to lower value of work done on monorail projects in Malaysia, India and Brazil.

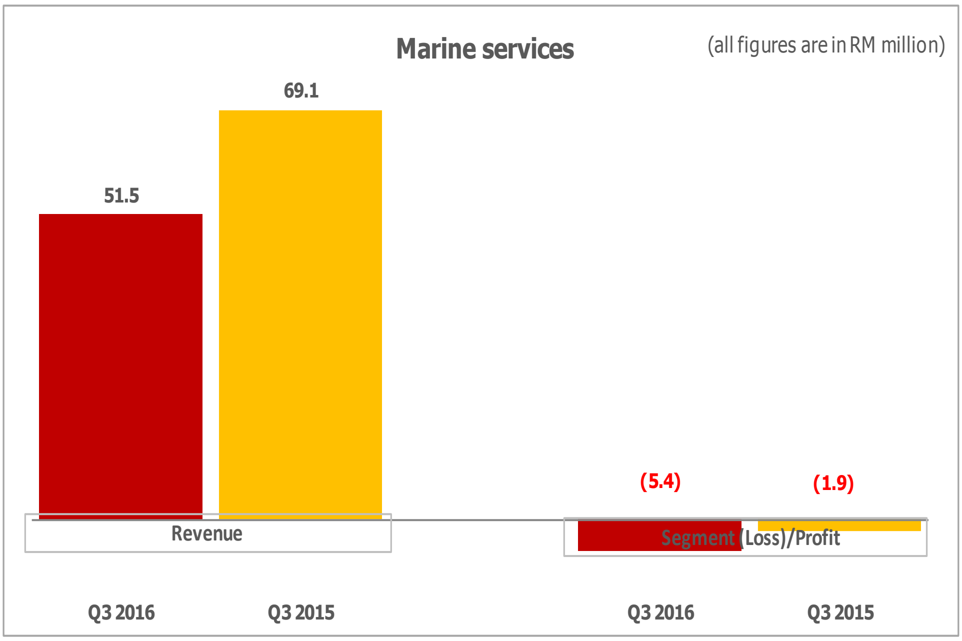


However, the division posted a higher profit of RM1.5 million, as compared to a loss of RM0.1 million in Q3 2015 due to cost rationalisation efforts and favourable forex.

	Q3 2016 RM'000	Q3 2015 RM'000
Continuing operations		
Operating profit	2,834	1,626
Other income	260	179
Finance cost	(1,552)	(1,935)
Segment results	1,542	(130)

Marine Services

The Marine Services division recorded lower revenue of RM51.5 million in Q3 2016 against RM69.1 million in Q3 2015, due to lower tonnage carried and lesser shipments for all contracts.



Consequently, the division posted a loss ofRM5.4 million against a loss of RM1.9 million in Q3 2015.

	Q3 2016 RM'000	Q3 2015 RM'000
Continuing operations		
Operating loss	(875)	(2,516)
Share of result of		
- associated companies	-	(4)
- jointly controlled entities	(1,420)	1,177
Other (expense)/income	(2,970)	282
Finance cost	(123)	(851)
Segment results	(5,388)	(1,912)

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

The Group recorded a profit before taxation from continuing operations of RM12.9 million in the current quarter ended 31 December 2015 ("Q3 2016") as compared to RM14.7 million in the preceding quarter ended 30 September 2015 ("Q2 2016").

As tabulated below, the decrease in profit was principally due to higher losses from Marine Services Division.

Performance as Compared to Preceding Quarter

	Current Quarter Q3 2016 RM'000	Current Quarter Q2 2016 RM'000
Continuing operations		
Revenue	373,953	337,756
Cost of revenue	(310,438)	(271,773)
Gross profit	63,515	65,983
Gross margin	17.0%	19.5%
Segment results from continuing operations of :		
- Oilfield Services Division	21,455	21,815
- Marine Services Division	(5,388)	(4,997)
- Transport Solutions Division	1,542	1,906
	17,609	18,724
SGB Corporate income/(costs),net	(2,531)	(3,420)
	15,078	15,304
Others/ Elimination, net	(2,225)	(618)
Profit before tax	12,853	14,686

B3. Future prospects

Oilfield Services Division continues to actively bid for contracts, including into 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 Q3 is still very robust with over USD830 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 and volatile currency movements, 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 31 Dec 2015 RM'000	Cumulative Period 9 months ended 31 Dec 2015 RM'000
Continuing operations		
Current tax:		
Malaysian income tax	2,791	5,459
Foreign tax	21	12,502
	2,812	17,961
Deferred tax	1,015	0
Total from continuing operations	3,827	17,961
Total income tax expense	3,827	17,961

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) different corporate tax rates for different 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 31 December 2015 RM'000
Current	680,040
Non Current	116,988
Total	797,028

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

	As at 31 December 2015 RM'000
Denominated in:	
Ringgit Malaysia	553,838
US Dollar	186,695
Indian Rupee	52,941
Others	3,554
Total	797,028

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 31 December 2015	Cumulative Period 9 months ended 31 December 2015
Basic earnings per share			
Net profit attributable to shareholders	(RM'000)	5,712	20,455
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)	1,554,210	1,554,210
Basic earnings per share	(sen)	0.37	1.32
Diluted earnings per share			
Net profit attributable to shareholders	(RM'000)	5,712	20,455
Issued shares at opening	('000)	1,554,210	1,554,210
Effect of conversion of convertible Bonds	('000)	348,873	348,873
Weighted average number of shares	('000)	1,903,083	1,903,083
Diluted earnings per share	(sen)	0.30	1.07

B11. Realised and Unrealised Retained Profits

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

	As at 31 December 2015 RM'000	As at 31 March 2015 RM'000 (Audited)
Total retained profits of company and its subsidiaries:		
- Realised	1,722,451	1,034,028
- Unrealised	(778,862)	(400,601)
	943,589	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	21,541	24,465
- Unrealised	-	-
	948,397	641,035
Consolidation adjustments	(795,609)	(508,702)
Total retained earnings	152,788	132,333

B12. Profit for the period

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

	Current Quarter 3 months ended 31 December 2015 RM'000	Cumulative Period 9 months ended 31 December 2015 RM'000
Interest income	(749)	(2,639)
Interest expense	8,668	26,928
Unrealized foreign exchange gain, net	(5,337)	(14,690)
Realized foreign exchange gain, net	(1,163)	(6,534)
Depreciation and amortisation	25,025	76,317
Reversal of doubtful debt provision	1,904	1,904
Loss on disposal of property, plant and equipment	34	321

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 25 February 2016.