

Company No.: 662315-U

**TANJUNG OFFSHORE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
(the figures have not been audited)

	2015 Current Period Quarter Ended 31-Dec (Unaudited) (RM'000)	2014 Preceding Period Quarter Ended 31-Dec (Audited) (RM'000)	2015 Current Year Cumulative to Date 31-Dec (Unaudited) (RM'000)	2014 Preceding Year Cumulative to Date 31-Dec (Audited) (RM'000)
<b>Continuing Operations</b>				
Revenue	18,812	19,405	60,683	107,345
Cost of Sale	(20,457)	(17,208)	(54,858)	(84,070)
<b>Gross (Loss)/Profit</b>	<b>(1,645)</b>	<b>2,197</b>	<b>5,825</b>	<b>23,275</b>
Other Income	155	(1,424)	676	1,373
Operating Expenses	(24,057)	(2,147)	(80,335)	(24,197)
Finance Cost	89	215	24	(323)
Share of Profit From Joint Venture	325	77	6	77
<b>(Loss)/Profit Before Taxation From Continuing Operations</b>	<b>(25,133)</b>	<b>(1,082)</b>	<b>(73,804)</b>	<b>205</b>
Taxation: Company and Subsidiary Companies	(1,239)	(1,795)	(2,275)	(2,917)
<b>Loss For The Year From Continuing Operations</b>	<b>(26,372)</b>	<b>(2,877)</b>	<b>(76,079)</b>	<b>(2,712)</b>
<b>Discontinued Operations</b>				
Profit/(Loss) For The Year After Tax	22	3,567	(176)	3,773
<b>Net (Loss)/Profit For the Year</b>	<b>(26,350)</b>	<b>690</b>	<b>(76,255)</b>	<b>1,061</b>
Attributable to:				
Equity Holders of the Company	(26,350)	690	(76,255)	1,061
	(26,350)	690	(76,255)	1,061
<b>(Losses)/Earnings Per Share</b>				
<b>Basic</b>				
- Continuing Operations	(6.96)	(0.77)	(20.13)	(0.74)
- Discontinued Operations	0.01	0.96	(0.05)	1.03
	(6.95)	0.19	(20.18)	0.29
<b>Diluted</b>				
- Continuing Operations	(6.96)	(0.77)	(20.13)	(0.74)
- Discontinued Operations	0.01	0.96	(0.05)	1.03
	(6.95)	0.19	(20.18)	0.29

Company No.: 662315-U

TANJUNG OFFSHORE BERHAD  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015  
(the figures have not been audited)

	2015 Current Period Quarter Ended 31-Dec (Unaudited) (RM'000)	2014 Preceding Period Quarter Ended 31-Dec (Audited) (RM'000)	2015 Current Year Cummulative to Date 31-Dec (Unaudited) (RM'000)	2014 Preceding Year Cummulative to Date 31-Dec (Audited) (RM'000)
Net (Loss)/Profit For the Year	(26,350)	690	(76,255)	1,061
Other Comprehensive Income/(Loss): <i>Items that will be Reclassified Subsequently to Profit or Loss</i>				
Exchange Differences on Translating Foreign Operations	4,198	(179)	4,622	(152)
Fair Value Changes in Short Term Investment	-	3	(34)	18
	4,198	(176)	4,588	(134)
<b>Total Comprehensive (Loss)/Income For The Year</b>	<b>(22,152)</b>	<b>514</b>	<b>(71,667)</b>	<b>927</b>
Attributable to:				
Equity Holders of the Company	(22,152)	514	(71,667)	927
	(22,152)	514	(71,667)	927

Company No.: 662315-U

TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (the figures have not been audited)	As at 31-Dec-15 Unaudited (RM'000)	As at 31-Dec-14 Audited (RM'000)
<b>NON-CURRENT ASSETS</b>		
Associate Companies	1	1
Joint Venture	338	332
Other Investment	3,511	490
Investment Property	2,969	36,440
Property, Plant and Equipment	14,175	15,563
Intangible Assets	26,619	3,243
Other Receivables, Prepayment and Deposits	6,480	6,480
<b>Total Non-Current Assets</b>	<b>54,093</b>	<b>62,549</b>
<b>CURRENT ASSETS</b>		
Inventories	285	1,417
Trade Receivables	34,971	39,985
Other Receivables, Prepayment and Deposits	8,653	59,636
Amount Owing by Associate Company	2,980	100
Amount Owing by Joint Venture	-	2,539
Short Term Investment	554	20,226
Fixed Deposits With Licenced Banks	27,055	40,895
Cash and Bank Balances	39,674	11,468
<b>Total Current Assets</b>	<b>114,172</b>	<b>176,266</b>
<b>Total Assets</b>	<b>168,265</b>	<b>238,815</b>
<b>NON-CURRENT LIABILITY</b>		
Hire Purchase and Lease Payables	2,739	3,499
<b>Total Non-Current Liability</b>	<b>2,739</b>	<b>3,499</b>
<b>CURRENT LIABILITIES</b>		
Trade Payables	28,326	31,645
Other Payables and Accruals	13,645	10,217
Hire Purchase and Lease Payables	794	713
Provision For Taxation	343	2,163
<b>Total Current Liabilities</b>	<b>43,108</b>	<b>44,738</b>
<b>Total Liabilities</b>	<b>45,847</b>	<b>48,237</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share Capital	190,768	187,261
Reserves	(63,953)	7,714
Treasury Shares	(4,397)	(4,397)
<b>Total Equity</b>	<b>122,418</b>	<b>190,578</b>
<b>Total Liabilities and Equity</b>	<b>168,265</b>	<b>238,815</b>

Company No: 662315-U

**TANJUNG OFFSHORE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**  
(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company								Total RM'000
	Distributable				Non-Distributable				
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium RM'000	Capital Reserves RM'000	Foreign Currency Translation Reserve RM'000	Investment Revaluation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Treasury Shares RM'000	
Balance as at 01.01.2015	187,261	(41,916)	68,739	(19,579)	(633)	22	1,081	(4,397)	190,578
Total comprehensive loss for the year	-	(76,255)	-	-	4,622	(34)	-	-	(71,667)
Exercise of Share Issuance Scheme	3,507	-	-	-	-	-	-	-	3,507
Balance as at 31.12.2015	190,768	(118,171)	68,739	(19,579)	3,989	(12)	1,081	(4,397)	122,418

**TANJUNG OFFSHORE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(The figures have been audited)

	Equity Attributable to Equity Holders of the Company								Total RM'000
	Distributable				Non-Distributable				
	Share Capital RM'000	Accumulated Losses RM'000	Share Premium RM'000	Capital Reserves RM'000	Foreign Currency Translation Reserve RM'000	Investment Revaluation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Treasury Shares RM'000	
Balance as at 01.01.2014	182,965	(43,154)	68,668	(19,579)	(481)	4	531	(4,397)	184,547
Total comprehensive income for the year	-	1,061	-	-	(152)	18	-	-	927
Exercise of Share Issuance Scheme	4,296	-	81	-	-	-	(81)	-	4,296
Recognition of share-based payments	-	-	-	-	-	-	808	-	808
Effects of cancellation of Share Issuance Scheme	-	-	-	-	-	-	(13)	-	-
Effect of disposal of subsidiary company	-	164	-	-	-	-	(164)	-	-
Balance as at 31.12.2014	187,261	(41,916)	68,739	(19,579)	(633)	22	1,081	(4,397)	190,578

Company No. 662315-U

TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015 (The figures have not been audited)		
	As at 31-Dec-15 (Unaudited) (RM'000)	As at 31-Dec-14 (Audited) (RM'000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation from continuing operations	(73,804)	205
(Loss)/Profit before taxation from discontinued operations	(176)	3,773
<b>Total (loss)/profit before taxation</b>	<b>(73,980)</b>	<b>3,978</b>
<b>Adjustments:</b>		
Non-cash items	71,436	3,439
Non-operating items	(423)	(1,614)
<b>Operating (loss)/profit before changes in working capital</b>	<b>(2,967)</b>	<b>5,803</b>
<b>Changes in working capital</b>		
Net change in current assets	5,655	7,450
Net change in current liabilities	109	(10,489)
<b>Cash generated from operating activities</b>	<b>2,797</b>	<b>2,764</b>
Tax paid	(4,094)	(2,271)
Tax refund	-	1,356
Zakat	-	(270)
Refurbishment cost incurred	-	(26,106)
<b>Net cash used in operating activities</b>	<b>(1,297)</b>	<b>(24,527)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	962	1,592
Net cash inflow from disposal of subsidiary company	-	4,136
Net cash on acquisition of a subsidiary company	-	(36,789)
Incorporation of joint venture	-	(255)
Dividend received	62	-
Proceed from disposal of property, plant and equipment	-	880
Proceed from redemption of other investment	13,390	5,000
Purchase of property, plant and equipment	(977)	(272)
Purchase of investment	-	(11,300)
<b>Net cash generated from/(used in) investing activities</b>	<b>13,437</b>	<b>(37,008)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of shares, net of transaction costs	3,506	4,296
Net bank borrowings	(679)	(789)
Interest paid	(602)	(614)
Decrease in fixed deposits pledged	1,760	5,327
<b>Net cash generated from financing activities</b>	<b>3,985</b>	<b>8,220</b>
Net change in cash and cash equivalents	16,125	(53,315)
Opening cash and cash equivalents	50,154	103,469
<b>Closing cash and cash equivalents</b>	<b>66,279</b>	<b>50,154</b>

**NOTES TO THE QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015**

**A1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting, MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements as at and for the year ended 31 December 2014.

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the audited financial statements as at and for the year ended 31 December 2014 under the Malaysian Financial Reporting Standards (MFRS) framework.

**A2 Seasonal or Cyclical Factors**

The business operations of the Group were not affected by any seasonal or cyclical factors in the oil and gas industry.

**A3 Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income or cash flows in the interim financial report for the financial year ended 31 December 2015.

**A4 Change in Estimates of Amounts Reported Previously**

There were no changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect on the current interim financial period.

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**A5 Issues of Debt & Equity Securities**

The allocation and status of the Share Issuance Scheme as at 31 December 2015 are as follows:-

<b>No SIS Options Granted up to 31 December 2015</b>	<b>No of SIS exercised as at 31 December 2015</b>	<b>No of SIS cancelled as at 31 December 2015</b>	<b>No of SIS Options Outstanding as at 31 December 2015</b>	<b>Date of expiry Of SIS Scheme</b>
55,688,000	24,009,100	2,112,900	29,566,000	11 June 2017

Save as disclosed above, there were no issuance of debt and equity securities for the current financial period under review.

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**A6 Dividends Declared or Paid**

No dividend was declared or paid during the current financial quarter under review.

**A7 Segmental Information**

Segmental analysis for the current quarter is set out below:

Cumulative as at 31 December 2015	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	31,925	28,758	60,683
Segment results	(79,510)	5,676	(73,834)
Share of profit from joint venture			6
Finance cost			24
Loss before taxation			(73,804)
Taxation			(2,275)
Net loss from continuing operations			(76,079)
Net loss from discontinued operations			(176)
Net loss for the year			(76,255)

Cumulative as at 31 December 2014	Products and Services RM'000	Maintenance Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	49,691	24,200	33,454	107,345
Segment results	(9,031)	844	8,638	451
Share of profit from joint venture				77
Finance cost				(323)
Profit before taxation				205
Taxation				(2,917)
Net loss from continuing operations				(2,712)
Net profit from discontinued operations				3,773
Net profit for the year				1,061



**A8 Events after the Interim Period**

No material event was registered after the interim period which will materially affect the earnings or income of the Group.

**A9 Changes in the Composition of the Group**

Save as disclosed above, there were no significant changes in the composition of the Group in the interim financial report, including business combinations, obtaining and losing control of subsidiaries and long term investments, restructurings and discontinuing operations.

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**A10 Capital Commitment**

No capital commitments were recorded in the current quarter under review.

**A11 Related Party Transactions**

The followings table provides the total amount of transactions which have been entered into with related parties during the year ended 31 December 2015 and 31 December 2014 as well as balances with related parties as of 31 December 2015 and 31 December 2014.

	Sales to related parties	Purchases from related parties	Amount owing by related parties	Amount owing to related parties
	RM'000	RM'000	RM'000	RM'000
2015	742	7,144	742	1,923
2014	3,558	1,803	-	-

**A12 Contingent Liabilities**

There were no significant changes in contingent liabilities since the last annual statement of financial position date and there were no additional contingent liabilities reported in the current financial quarter ended 31 December 2015.

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**B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS**

**B1 Variance of Results Against Preceding Year Quarter**

For the current year quarter ended 31 December 2015, the Group recorded consolidated revenue of approximately RM18.86 million. This represents a decrease of approximately 3% as compared to RM19.41 million recorded in the corresponding year quarter ended 31 December 2014. In the current quarter under review, the Group recorded a net loss after tax of approximately RM26.35 million as compared to a net profit after tax of RM0.69 million registered in the preceding year quarter ended 31 December 2014.

The decrease in revenue by 3% is mainly due to completion of various engineering equipment packages in 2014. There was reduction in overall revenue recorded as most contracts are still at the bidding stages.

On a full year basis for the financial year ended ("FYE") 31 December 2015, the Group registered total revenue of RM60.73 million as compared to RM107 million registered in the financial year ended 31 December 2014. The decreased in revenue is mainly due to the disposal and closure of non profitable subsidiaries and divisions as well as completion of various legacy engineering equipment contracts. The Group registered an overall loss after tax of RM76.25 million in FYE 2015 as compared to net profit after tax of RM1.06 million in FYE 2014.

Currently, the Group's operations are mainly driven by Gas Generators (M) Sdn Bhd ("Gastec") (provision of gas generation packages and Tanjung Offshore Services Sdn Bhd (provision of agency products and equipment packages).

**Engineered Packages**

Revenue for the current quarter derived from the engineered packages division which consists of mainly gas generation packages and offshore equipment packages of RM4.44 million was lower as compared to revenue registered in the preceding year quarter of RM8.27 million. The lower revenue is mainly due to completion of various engineering equipment packages during the preceding year quarter.

**Products & Services**

The products and services division registered a higher revenue of approximately RM14.38 million in the current quarter as compared to the preceding year quarter of RM11.14 million. The decrease in revenue by approximately 29.08% is mainly due to contributions from the Origins contract secured from PETRONAS.

**Maintenance Services**

The Group ceased the maintenance services division via the disposal of Tanjung Maintenance Services Sdn Bhd in year 2014..

**B2 Variance of Results Against Preceding Quarter**

For the current year quarter ended 31 December 2015, the Group recorded consolidated revenue of approximately RM18.86 million. This represents an increase of approximately 2.72% as compared to RM18.36 million recorded in the preceding quarter ended 30 September 2015. In the current quarter under review, the Group recorded a net loss after tax of RM26.35 million as compared to a net loss after tax of RM49.68 million recorded in the preceding quarter ended 30 September 2015.

The slight increase in revenue is mainly due to contributions from the Origins contract secured from PETRONAS.

**Engineered Packages**

The Group registered revenue of RM4.4 million in the current quarter which is approximately 54.21% lower as compared to RM9.61 million registered in the preceding quarter ended 30 September 2015.

**Products & Services**

The products and services division registered revenue of RM14.38 million in the current quarter as compared to RM8.75 million registered in the preceding quarter ended 30 September 2015. The increase in revenue by approximately 64.34% is mainly due to contributions from the Origins contract secured from PETRONAS during the year.

**Maintenance Services**

The Group ceased the maintenance services division via the disposal of Tanjung Maintenance Services Sdn Bhd in year 2014.

**B3 Current Year Prospects**

Despite the challenges in the oil and gas industry, the Company will continue to focus in the oil and gas business. At the same time, the Company will also look into new ventures for potential business growth.

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**B4 Variance of Actual and Profit Estimates**

The Group has not provided any quarterly profit forecasts and therefore no comparison is available.

**B5 Taxation**

	Individual Quarter		Cumulative Year	
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
a. Income Tax Expenses	1,239	1,795	2,275	2,917
b. Over provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	1,239	1,795	2,275	2,917

**Note:** The Group's tax rate is lower than that of the statutory tax rate. This is mainly due to the utilisation of previously unabsorbed capital allowances and unutilised business losses.

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**B6 Status of Corporate Proposal**

The allocation and status of the Share Issuance Scheme as at 31 December 2015 are as follows:-

<b>No SIS Options Granted up to 31 December 2015</b>	<b>No of SIS exercised as at 31 December 2015</b>	<b>No of SIS cancelled as at 31 December 2015</b>	<b>No of SIS Options Outstanding as at 31 December 2015</b>	<b>Date of expiry Of SIS Scheme</b>
55,688,000	24,009,100	2,112,900	29,566,000	11 June 2017

Save as disclosed above, there were no corporate proposal announced but not completed as at date of this announcement.

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**B7 Bank Borrowings**

	<b>RM'000</b>
<b>a) <u>Secured short term borrowings</u></b>	
i) Hire purchase and lease payables	794
Sub Total	794
<b>a) <u>Secured long term borrowings</u></b>	
i) Hire purchase and lease payables	2,739
Sub Total	2,739
<b>TOTAL BORROWINGS</b>	<b>3,533</b>

**B8 Material Litigation/ Special Notice**

Save as disclosed above, the Group is not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors are not aware of any proceedings pending or threatened or of any likely to give any proceedings which might materially and/or adversely affected the position or business of the Group.

**B9 Dividend Declared or Paid**

No dividend was declared or paid during the current quarter under review.

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**B10 (Losses)/Earnings per share**

	Quarter Ended		Period to Date Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
<b>Net (loss)/profit attributable to ordinary shareholders (RM'000)</b>				
Continuing operations	(26,372)	(2,877)	(76,079)	(2,712)
Discontinued operations	22	3,567	(176)	3,773
	<u>(26,350)</u>	<u>690</u>	<u>(76,255)</u>	<u>1,061</u>
<b>Basic</b>				
Total number of ordinary shares ('000)	381,536	374,522	381,536	374,522
Adjusted weighted average number of ordinary shares ('000)	<u>379,058</u>	<u>372,012</u>	<u>377,889</u>	<u>368,859</u>
<b>Basic (losses)/earnings per ordinary share (cent)</b>				
Continuing operations	(6.96)	(0.77)	(20.13)	(0.74)
Discontinued operations	0.01	0.96	(0.05)	1.03
	<u>(6.95)</u>	<u>0.19</u>	<u>(20.18)</u>	<u>0.29</u>
<b>Diluted</b>				
Adjusted weighted average number of ordinary shares ('000)	379,058	372,012	377,889	368,859
<b>SIS:</b>				
No of unissued shares ('000)#	-	-	-	-
<b>WARRANTS:</b>				
No of unexercised warrant A ('000)#	-	-	-	-
No of unexercised warrant B ('000)#	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Diluted weighted average number of ordinary shares ('000)	379,058	372,012	377,889	368,859
<b>Diluted (losses)/earnings per ordinary share (cent)</b>				
Continuing operations	(6.96)	(0.77)	(20.13)	(0.74)
Discontinued operations	0.01	0.96	(0.05)	1.03
	<u>(6.95)</u>	<u>0.19</u>	<u>(20.18)</u>	<u>0.29</u>

# Certain diluted earnings per ordinary share are not presented, as the computation would result in anti-dilutive earnings per ordinary share.

**B11 Qualification of Financial Statements**

There was no qualification made on the preceding audited financial statements for the financial year ended 31 December 2014.



**B12 Realised and Unrealised Losses or Profits**

The breakdown of accumulated losses of the Group as at 31 December 2015 and 31 December 2014 divided into realised and unrealised losses or profits are as disclosed, pursuant to the directive, is as follows:

	<b>As at 31 December 2015 RM'000</b>	<b>As at 31 December 2014 RM'000</b>
Total accumulated losses of the Group :		
- Realised	(118,171)	(41,916)
- Unrealised	-	-
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(118,171)</u>	<u>(41,916)</u>