

Company No.: 662315-U

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2016
(the figures have not been audited)

	2016 Current Period Quarter Ended 31-Mar (Unaudited) (RM'000)	2015 Preceding Period Quarter Ended 31-Mar (Audited) (RM'000)	2016 Current Year Cumulative to Date 31-Mar (Unaudited) (RM'000)	2015 Preceding Year Cumulative to Date 31-Mar (Audited) (RM'000)
Continuing Operations				
Revenue	11,990	8,141	11,990	8,141
Cost of Sale	(11,138)	(6,429)	(11,138)	(6,429)
Gross (Loss)/Profit	852	1,712	852	1,712
Other Income	157	196	157	196
Operating Expenses	(5,482)	(3,497)	(5,482)	(3,497)
Finance Cost	(26)	(25)	(26)	(25)
Share of Profit From Joint Venture	71	(123)	71	(123)
(Loss)/Profit Before Taxation From Continuing Operations	(4,428)	(1,737)	(4,428)	(1,737)
Taxation: Company and Subsidiary Companies	(287)	(210)	(287)	(210)
Loss For The Year From Continuing Operations	(4,715)	(1,947)	(4,715)	(1,947)
Discontinued Operations				
Profit/(Loss) For The Year After Tax	30	(18)	30	(18)
Net (Loss)/Profit For the Year	(4,685)	(1,965)	(4,685)	(1,965)
Attributable to:				
Equity Holders of the Company	(4,685)	(1,965)	(4,685)	(1,965)
	(4,685)	(1,965)	(4,685)	(1,965)
(Losses)/Earnings Per Share				
Basic				
- Continuing Operations	(1.24)	(0.52)	(1.24)	(0.52)
- Discontinued Operations	0.01	-	0.01	-
	(1.24)	(0.52)	(1.24)	(0.52)
Diluted				
- Continuing Operations	(1.24)	(0.52)	(1.24)	(0.52)
- Discontinued Operations	0.01	-	0.01	-
	(1.24)	(0.52)	(1.24)	(0.52)

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TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016
(the figures have not been audited)

	2016 Current Period Quarter Ended 31-Mar (Unaudited) (RM'000)	2015 Preceding Period Quarter Ended 31-Mar (Audited) (RM'000)	2016 Current Year Cummulative to Date 31-Mar (Unaudited) (RM'000)	2015 Preceding Year Cummulative to Date 31-Mar (Audited) (RM'000)
Net (Loss)/Profit For the Year	(4,685)	(1,965)	(4,685)	(1,965)
Other Comprehensive Income/(Loss): <i>Items that will be Reclassified Subsequently to Profit or Loss</i>				
Exchange Differences on Translating Foreign Operations	(4,486)	17	(4,486)	17
Fair Value Changes in Short Term Investment	-	-	-	-
	(4,486)	17	(4,486)	17
Total Comprehensive (Loss)/Income For The Year	(9,171)	(1,948)	(9,171)	(1,948)
Attributable to:				
Equity Holders of the Company	(9,171)	(1,948)	(9,171)	(1,948)
	(9,171)	(1,948)	(9,171)	(1,948)

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TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016 (the figures have not been audited)	As at 31-Mar-16 Unaudited (RM'000)	As at 31-Dec-15 Audited (RM'000)
NON-CURRENT ASSETS		
Associate Companies	1	1
Joint Venture	409	338
Other Investment	3,536	3,511
Investment Property	22,341	26,619
Property, Plant and Equipment	13,623	14,175
Intangible Assets	2,901	2,969
Other Receivables, Prepayment and Deposits	4,860	4,860
Total Non-Current Assets	47,671	52,473
CURRENT ASSETS		
Inventories	100	285
Trade Receivables	34,285	35,296
Other Receivables, Prepayment and Deposits	11,061	13,062
Amount Owing by Associate Company	2,899	1
Amount Owing by Joint Venture	-	2,979
Short Term Investment	-	54
Fixed Deposits With Licenced Banks	22,698	27,555
Cash and Bank Balances	35,284	39,674
Total Current Assets	106,327	118,906
Total Assets	153,998	171,379
NON-CURRENT LIABILITY		
Hire Purchase and Lease Payables	2,558	2,836
Total Non-Current Liability	2,558	2,836
CURRENT LIABILITIES		
Trade Payables	24,090	28,652
Other Payables and Accruals	12,980	16,021
Hire Purchase and Lease Payables	800	696
Provision For Taxation	318	756
Total Current Liabilities	38,188	46,125
Total Liabilities	40,746	48,961
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	190,773	190,768
Reserves	(73,124)	(63,953)
Treasury Shares	(4,397)	(4,397)
Total Equity	113,252	122,418
Total Liabilities and Equity	153,998	171,379

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TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016
(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company										
	Distributable					Non-Distributable					Total RM'000
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 01.01.2016	190,768	(118,171)	68,739	(19,579)	3,989	(12)	1,081	(4,397)	122,418		
Total comprehensive loss for the year	-	(4,685)	-	-	(4,486)	-	-	-	(9,171)		
Exercise of Share Issuance Scheme	5	-	-	-	-	-	-	-	5		
Balance as at 31.03.2016	190,773	(122,856)	68,739	(19,579)	(497)	(12)	1,081	(4,397)	113,252		

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015
(The figures have been audited)

	Equity Attributable to Equity Holders of the Company										
	Distributable					Non-Distributable					Total RM'000
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 income for the year	-	(1,965)	-	-	17	-	-	-	(1,948)		
Exercise of Share Issuance Scheme	3,507	-	-	-	-	-	-	-	3,507		
Recognition of share-based payments	-	-	-	-	-	-	-	-	0		
Effects of cancellation of Share Issuance Scheme	-	-	-	-	-	-	-	-	-		
Effect of disposal of subsidiary company	-	-	-	-	-	-	-	-	-		
Balance as at 31.03.2015	190,768	(43,881)	68,739	(19,579)	(616)	22	1,081	(4,397)	192,137		

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TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016 (The figures have not been audited)		
	As at 31-Mar-16 (Unaudited) (RM'000)	As at 31-Mar-15 (Audited) (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation from continuing operations	(4,428)	(1,737)
(Loss)/Profit before taxation from discontinued operations	30	(18)
Total (loss)/profit before taxation	(4,398)	(1,755)
Adjustments:		
Non-cash items	784	553
Non-operating items	(82)	20
Operating (loss)/profit before changes in working capital	(3,696)	(1,182)
Changes in working capital		
Net change in current assets	(1,445)	8,060
Net change in current liabilities	(3,326)	(6,008)
Cash generated from operating activities	(8,467)	870
Tax paid	(724)	(324)
Net cash used in operating activities	(9,191)	546
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	367	308
Net cash inflow from disposal of subsidiary company	-	-
Net cash on acquisition of a subsidiary company	-	-
Incorporation of joint venture	-	-
Dividend received	4	5
Proceed from disposal of property, plant and equipment	-	-
Proceed from redemption of other investment	54	-
Purchase of property, plant and equipment	(22)	(97)
Purchase of investment	-	(112)
Net cash generated from/(used in) investing activities	402	104
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares, net of transaction costs	5	3,507
Repayment of Hire-purchase	(175)	(168)
Interest paid	(288)	(333)
Decrease in fixed deposits pledged	450	1,760
Net cash generated from financing activities	(8)	4,766
Net change in cash and cash equivalents	(8,797)	5,416
Opening cash and cash equivalents	66,779	50,154
Closing cash and cash equivalents	57,982	55,570

NOTES TO THE QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2016

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 2015.

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 2015 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 March 2016.

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 March 2016 are as follows:-

No SIS Options Granted up to 31 March 2016	No of SIS exercised as at 31 March 2016	No of SIS cancelled as at 31 March 2016	No of SIS Options Outstanding as at 31 March 2016	Date of expiry Of SIS Scheme
55,688,000	24,009,100	2,112,900	29,566,000	07 May 2016

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 March 2016	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	7,943	4,047	11,990
Segment results	(3,925)	(548)	(4,473)
Share of profit from joint venture			71
Finance cost			(26)
Loss before taxation			(4,428)
Taxation			(287)
Net loss from continuing operations			(4,715)
Net profit/(loss) from discontinued operations			30
Net loss for the year			(4,685)

Cumulative as at 31 March 2015	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	1,509	6,632	8,141
Segment results	(2,509)	920	(1,589)
Share of profit from joint venture			(123)
Finance cost			(25)
Loss before taxation			(1,737)
Taxation			(210)
Net loss from continuing operations			(1,947)
Net profit/(loss) from discontinued operations			(18)
Net loss for the year			(1,965)

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 March 2016 and 31 March 2015 as well as balances with related parties as of 31 March 2016 and 31 March 2015.

	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
2016	143	756	143	756
2015	1,921	744	2,864	4,099

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 March 2016.

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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 March 2016, the Group recorded consolidated revenue of approximately RM11.99 million. This represents an increase of approximately 47% as compared to RM8.14 million recorded in the corresponding year quarter ended 31 March 2015

The increase in revenue by 47% was mainly due to contributions from the Origins contract secured from PETRONAS.

The Group registered an overall loss after tax of RM4.68 million for current year quarter ended March 2016 as compared to net loss after tax of RM1.96 million in the preceding year quarter ended 31 March 2015..

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 RM4.05 million was lower as compared to revenue registered in the preceding year quarter of RM6.63 million. The lower revenue was 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 RM7.94 million in the current quarter as compared to the preceding year quarter of RM1.51 million. The increase in revenue was mainly due to contributions from the Origins contract secured from PETRONAS.

B2 Variance of Results Against Preceding Quarter

For the current year quarter ended 31 March 2016, the Group recorded consolidated revenue of approximately RM11.99 million. This represents a decrease of approximately 36.43% as compared to RM18.86 million recorded in the preceding quarter ended 31 December 2015. In the current quarter under review, the Group recorded a net loss after tax of RM4.68 million as compared to a net loss after tax of RM26.35 million recorded in the preceding quarter ended 31 December 2015.

Engineered Packages

The Group registered revenue of RM4.05 million in the current quarter which is approximately 7.95% lower as compared to RM4.40 million registered in the preceding quarter ended 31 December 2015.

Products & Services

The products and services division registered revenue of RM7.94 million in the current quarter as compared to RM14.38 million registered in the preceding quarter ended 31 December 2015 decrease in revenue by approximately 44.78%.

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	
	31/03/2016 RM'000	31/03/2015 RM'000	31/03/2016 RM'000	31/03/2015 RM'000
a. Income Tax Expenses	287	210	287	210
b. Over provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	287	210	287	210

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B6 Status of Corporate Proposal

The allocation and status of the Share Issuance Scheme as at 31 March 2016 are as follows:-

No SIS Options Granted up to 31 March 2016	No of SIS exercised as at 31 March 2016	No of SIS cancelled as at 31 March 2016	No of SIS Options Outstanding as at 31 March 2016	Date of expiry Of SIS Scheme
55,688,000	24,009,100	2,112,900	29,566,000	07 May 2016

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

	RM'000
a) <u>Secured short term borrowings</u>	
i) Hire purchase and lease payables	800
Sub Total	800
a) <u>Secured long term borrowings</u>	
i) Hire purchase and lease payables	2,558
Sub Total	2,558
TOTAL BORROWINGS	3,358

B8 Material Litigation/ Special Notice

There was no material litigation pending as at 16 May 2016 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	(4,715)	(1,947)	(4,715)	(1,947)
Discontinued operations	30	(18)	30	(18)
	<u>(4,685)</u>	<u>(1,965)</u>	<u>(4,685)</u>	<u>(1,965)</u>
Basic				
Total number of ordinary shares ('000)	381,546	381,535	381,546	381,535
Adjusted weighted average number of ordinary shares ('000)	<u>379,062</u>	<u>374,383</u>	<u>379,062</u>	<u>374,383</u>
	<u>379,062</u>	<u>374,383</u>	<u>379,062</u>	<u>374,383</u>
Basic (losses)/earnings per ordinary share (cent)				
Continuing operations	(1.24)	(0.52)	(1.24)	(0.52)
Discontinued operations	0.01	-	0.01	-
	<u>(1.23)</u>	<u>(0.52)</u>	<u>(1.23)</u>	<u>(0.52)</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	379,062	374,383	379,062	374,383
SIS:				
No of unissued shares ('000)#	29,566	29,566	29,566	29,566
WARRANTS:				
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)	379,062	376,056	379,062	376,056
Diluted (losses)/earnings per ordinary share (cent)				
Continuing operations	(1.24)	(0.52)	(1.24)	(0.52)
Discontinued operations	0.01	-	0.01	-
	<u>(1.23)</u>	<u>(0.52)</u>	<u>(1.23)</u>	<u>(0.52)</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 2015.

B12 Realised and Unrealised Losses or Profits

The breakdown of accumulated losses of the Group as at 31 March 2016 and 31 March 2015 divided into realised and unrealised losses or profits are as disclosed, pursuant to the directive, is as follows:

	As at 31 March 2016 RM'000	As at 31 March 2015 RM'000
Total accumulated losses of the Group :		
- Realised	(122,856)	(43,881)
- Unrealised	-	-
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(122,856)</u>	<u>(43,881)</u>