

Company No.: 662315-U

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2016
(the figures have not been audited)

	2016 Current Quarter 30-Jun (RM'000)	2015 Preceding Quarter 30-Jun (RM'000)	2016 Current Year Cumulative to Date 30-Jun (RM'000)	2015 Preceding Year Cumulative to Date 30-Jun (RM'000)
Continuing Operations				
Revenue	14,519	15,373	26,509	23,514
Cost of Sale	(11,523)	(13,553)	(22,661)	(19,982)
Gross (Loss)/Profit	2,995	1,820	3,847	3,532
Other Income	4,443	135	4,600	331
Operating Expenses	(6,764)	165	(12,246)	(3,332)
Finance Cost	(16)	(5)	(42)	(30)
Share of Profit from ORIGINS-EPIC	-	-	-	-
Share of Profit From Joint Venture	206	(165)	277	(288)
(Loss)/Profit Before Taxation From Continuing Operations	865	1,950	(3,563)	213
Taxation: Company and Subsidiary Companies	(193)	(210)	(480)	(420)
Loss For The Year From Continuing Operations	672	1,740	(4,043)	(207)
Discontinued Operations				
Profit/(Loss) For The Year After Tax	(16)	(4)	14	(22)
Net (Loss)/Profit For the Year	656	1,736	(4,029)	(229)
Attributable to:				
Equity Holders of the Company	656	1,736	(4,029)	(229)
	656	1,736	(4,029)	(229)
(Losses)/Earnings Per Share				
Basic				
- Continuing Operations	0.18	0.46	(1.07)	(0.05)
- Discontinued Operations	(0.01)	0.00	0.01	(0.01)
	0.17	0.46	(1.06)	(0.06)
Diluted				
- Continuing Operations	0.18	0.46	(1.07)	(0.05)
- Discontinued Operations	0.00	0.00	0.00	(0.01)
	0.18	0.46	(1.07)	(0.06)

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016
(the figures have not been audited)

	2016 Current Quarter 30-Jun (RM'000)	2015 Preceding Quarter 30-Jun (RM'000)	2016 Current Year Cummulative to Date 30-Jun (RM'000)	2015 Preceding Year Cummulative to Date 30-Jun (RM'000)
Net (Loss)/Profit For the Year	656	1,736	(4,029)	(229)
Other Comprehensive Income/(Loss):				
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>				
Exchange Differences on Translating Foreign Operations	(1,153)	156	(5,639)	173
Fair Value Changes in Short Term Investment	34	-	34	-
	(1,119)	156	(5,605)	173
Total Comprehensive (Loss)/Income For The Year	(463)	1,892	(9,634)	(56)
Attributable to:				
Equity Holders of the Company	(463)	1,892	(9,634)	(56)
	(463)	1,892	(9,634)	(56)

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TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016 (the figures have not been audited)	As at 30-Jun-16 Unaudited (RM'000)	As at 31-Dec-15 Audited (RM'000)
NON-CURRENT ASSETS		
Associate Companies	1	1
Joint Venture	616	338
Other Investment	3,400	3,511
Investment Property	21,337	26,619
Property, Plant and Equipment	14,378	14,175
Intangible Assets	2,833	2,969
Other Receivables, Prepayment and Deposits	4,860	4,860
Total Non-Current Assets	47,426	52,473
CURRENT ASSETS		
Inventories	277	285
Trade Receivables	34,049	35,296
Other Receivables, Prepayment and Deposits	11,947	13,062
Amount Owing by Associate Company	2,858	1
Amount Owing by Joint Venture	-	2,979
Short Term Investment	-	54
Fixed Deposits With Licenced Banks	25,869	27,555
Cash and Bank Balances	27,466	39,674
Total Current Assets	102,466	118,906
Total Assets	149,891	171,379
NON-CURRENT LIABILITY		
Hire Purchase and Lease Payables	2,373	2,836
Total Non-Current Liability	2,373	2,836
CURRENT LIABILITIES		
Trade Payables	22,332	28,652
Other Payables and Accruals	11,546	16,021
Hire Purchase and Lease Payables	809	696
Provision For Taxation	41	756
Total Current Liabilities	34,728	46,125
Total Liabilities	37,102	48,961
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	190,773	190,768
Reserves	(73,587)	(63,953)
Treasury Shares	(4,397)	(4,397)
Total Equity	112,789	122,418
Total Liabilities and Equity	149,891	171,379

Company No: 662315-U

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016
(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company									
	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 01.01.2016	190,768	(118,171)	68,739	(19,579)	3,989	(12)	1,081	(4,397)	122,418	
Total comprehensive income/(loss) for the year	-	(4,029)	-	-	(5,659)	34	-	-	(9,634)	
Exercise of Share Issuance Scheme	5	-	-	-	-	-	-	-	5	
Balance as at 30.06.2016	190,773	(122,200)	68,739	(19,579)	(1,650)	22	1,081	(4,397)	112,789	

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015
(The figures have been audited)

	Equity Attributable to Equity Holders of the Company									
	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 income for the year	-	(229)	-	-	173	-	-	-	(56)	
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 30.06.2015	190,768	(42,145)	68,739	(19,579)	(460)	22	1,081	(4,397)	194,029	

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TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016
(The figures have not been audited)

	As at 30-Jun-16	As at 30-Jun-15
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation from continuing operations	(3,563)	213
(Loss)/Profit before taxation from discontinued operations	14	(22)
Total (loss)/profit before taxation	(3,549)	191
Adjustments:		
Non-cash items	6,202	(1,751)
Non-operating items	(286)	(208)
Operating (loss)/profit before changes in working capital	2,367	(1,768)
Changes in working capital		
Net change in current assets	(2,943)	9,568
Net change in current liabilities	(10,796)	(11,925)
Cash generated from operating activities	(11,372)	(4,125)
Tax paid	(1,194)	(543)
Net cash used in operating activities	(12,565)	(4,668)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	663	573
Net cash inflow from disposal of subsidiary company	-	-
Net cash on acquisition of a subsidiary company	-	-
Incorporation of joint venture	-	-
Dividend received	20	5
Proceed from disposal of property, plant and equipment	-	-
Proceed from redemption of other investment	88	-
Purchase of property, plant and equipment	(1,358)	(372)
Purchase of investment	-	(215)
Decrease in fixed deposits pledged	450	1,760
Net cash generated from/(used in) investing activities	(137)	1,751
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares, net of transaction costs	5	3,506
Repayment of Hire-purchase	(350)	(337)
Interest paid	(397)	(370)
Net cash generated from financing activities	(742)	2,799
Net change in cash and cash equivalents	(13,444)	(118)
Opening cash and cash equivalents	66,779	50,154
Closing cash and cash equivalents	53,335	50,036

NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 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 period ended 30 June 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 30 June 2016 are as follows:-

No SIS Options Granted up to 30 June 2016	No of SIS exercised as at 30 June 2016	No of SIS cancelled as at 30 June 2016	No of SIS Options Outstanding as at 30 June 2016	Date of expiry Of SIS Scheme
55,688,000	24,009,100	2,112,900	Nil	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 30 June 2016	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	16,736	9,772	26,508
Segment results	(4,498)	700	(3,798)
Share of profit from joint venture			277
Finance cost			(42)
Loss before taxation			(3,563)
Taxation			(480)
Net loss from continuing operations			(4,043)
Net profit/(loss) from discontinued operations			14
Net loss for the year			(4,029)

Cumulative as at 30 June 2015	Products and Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	8,801	14,713	23,514
Segment results	(2,171)	2,702	531
Share of profit from joint venture			(288)
Finance cost			(30)
Loss before taxation			213
Taxation			(420)
Net loss from continuing operations			(207)
Net profit/(loss) from discontinued operations			(22)
Net loss for the year			(229)

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

On 11 August 2016, the Group has incorporated a new wholly owned subsidiary namely "T7 Property Sdn Bhd" ("T7PSB").

T7PSB is incorporated in Malaysia with an authorized capital of RM400,000.00 comprising 400,000 ordinary share of RM1.00 each and paid-up capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

The intended principal activity of T7PSB is property and construction.

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 30 June 2016 and 30 June 2015 as well as balances with related parties as of 30 June 2016 and 30 June 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	44	1,121	623	2,362
2015	60	912	60	1,329

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 30 June 2016.

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B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Quarter

For the current year quarter ended 30 June 2016, the Group recorded consolidated revenue of approximately RM14.52 million. This represents an increase of approximately 21.10% as compared to RM11.99 million recorded in the preceding quarter ended 31 March 2016. In the current quarter under review, the Group recorded a net profit after tax of RM0.66 million as compared to a net loss after tax of RM4.68 million recorded in the preceding quarter ended 31 March 2016.

Engineered Packages

The Group registered revenue of RM5.72 million in the current quarter which is approximately 41.23% higher as compared to RM4.05 million registered in the preceding quarter ended 31 March 2016.

Products & Services

The products and services division registered revenue of RM8.80 million in the current quarter as compared to RM7.94 million registered in the preceding quarter ended 31 March 2016 increase in revenue by approximately 10.83%.

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B2 Variance of Results Against Preceding Period

For the current period ended 30 June 2016, the Group recorded consolidated revenue of approximately RM26.51 million. This represents an increase of approximately 13% as compared to RM23.51 million recorded in the corresponding period ended 30 June 2015

The increase in revenue by 13% was mainly due to contributions from the Origins contract secured from PETRONAS.

The Group registered an overall loss after tax of RM4.03million for current period ended June 2016 as compared to net loss after tax of RM0.23 million in the preceding period ended 30 June 2015..

Engineered Packages

Revenue for the current period derived from the engineered packages division which consists of mainly gas generation packages and offshore equipment packages of RM9.77 million was lower as compared to revenue registered in the preceding period of RM14.71 million. The lower revenue was mainly due to completion of various engineering equipment packages during the preceding period.

Products & Services

The products and services division registered a higher revenue of approximately RM16.74 million in the current period as compared to the preceding period of RM8.80 million. The increase in revenue was mainly due to contributions from the Origins contract secured from PETRONAS.

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 profit forecasts and therefore no comparison is available.

B5 Taxation

	Individual Quarter		Cumulative Year	
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
a. Income Tax Expenses	193	210	480	420
b. Over provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	193	210	480	420

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B6 Status of Corporate Proposal

The allocation and status of the Share Issuance Scheme as at 30 June 2016 are as follows:-

No SIS Options Granted up to 30 June 2016	No of SIS exercised as at 30 June 2016	No of SIS cancelled as at 30 June 2016	No of SIS Options Outstanding as at 30 June 2016	Date of expiry Of SIS Scheme
55,688,000	24,009,100	2,112,900	Nil	07 May 2016

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

B7 Status of Memorandum of Understanding (“MOU”)

On 30/05/2016, the Company had signed a MOU to jointly explore business opportunities and collaboration in the area of education and training development.

The Company wishes to inform that no further development since the last announcement date.

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B8 Bank Borrowings

	RM'000
a) <u>Secured short term borrowings</u>	
i) Hire purchase and lease payables	809
Sub Total	809
a) <u>Secured long term borrowings</u>	
i) Hire purchase and lease payables	2,373
Sub Total	2,373
TOTAL BORROWINGS	3,182

B9 Material Litigation/ Special Notice

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.

B10 Dividend Declared or Paid

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

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B11 (Losses)/Earnings per share

	Quarter Ended		Period Ended	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
Net (loss)/profit attributable to ordinary shareholders (RM'000)				
Continuing operations	672	1,740	(4,043)	(207)
Discontinued operations	(16)	(4)	14	(22)
	<u>656</u>	<u>1,736</u>	<u>(4,029)</u>	<u>(229)</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>379,069</u>	<u>379,058</u>	<u>379,065</u>	<u>376,720</u>
Basic (losses)/earnings per ordinary share (cent)				
Continuing operations	0.18	0.46	(1.07)	(0.05)
Discontinued operations	(0.01)	-	0.01	(0.01)
	<u>0.17</u>	<u>0.46</u>	<u>(1.06)</u>	<u>(0.06)</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	379,069	379,058	379,065	376,720
SIS:				
No of unissued shares ('000)#	-	-	-	-
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)	379,069	379,058	379,065	376,720
Diluted (losses)/earnings per ordinary share (cent)				
Continuing operations	0.18	0.46	(1.07)	(0.05)
Discontinued operations	-	-	-	(0.01)
	<u>0.18</u>	<u>0.46</u>	<u>(1.07)</u>	<u>(0.06)</u>

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

B12 Qualification of Financial Statements

There was no qualification made on the preceding audited financial statements for the financial year ended 31 December 2015.

B13 Realised and Unrealised Losses or Profits

The breakdown of accumulated losses of the Group as at 30 June 2016 and 30 June 2015 divided into realised and unrealised losses or profits are as disclosed, pursuant to the directive, is as follows:

	As at 30 June 2016 RM'000	As at 30 June 2015 RM'000
Total accumulated losses of the Group :		
- Realised	(122,200)	(42,145)
- Unrealised	-	-
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(122,200)</u>	<u>(42,145)</u>