

Company No.: 662315-U

**T7 GLOBAL BERHAD**  
(formerly known as Tanjung Offshore Berhad)  
(Incorporated in Malaysia)

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

|   | 2016<br>Current Quarter<br><br>31-Dec<br><br>(RM'000) | 2015<br>Preceding Quarter<br><br>31-Dec<br><br>(RM'000) | 2016<br>Current Year<br>Cumulative to Date<br>31-Dec<br><br>(RM'000) | 2015<br>Preceding Year<br>Cumulative to Date<br>31-Dec<br><br>(RM'000) |
|---|---|---|--|--|
| <b>Continuing Operations</b>                                    |   |   |  |  |
| Revenue   | 37,283  | 18,812  | 83,278   | 60,683   |
| Cost of Sale  | (41,109)  | (20,457)  | (81,362)   | (54,858)   |
| <b>Gross (Loss)/Profit</b>                                      | <b>(3,826)</b>  | <b>(1,645)</b>  | <b>1,916</b>   | <b>5,825</b>   |
| Other Income  | 38,918  | 155   | 43,626   | 676  |
| Operating Expenses  | (25,960)  | (24,057)  | (41,119)   | (80,335)   |
| Finance Cost  | 34  | 89  | (35)   | 24   |
| Share of Profit/Loss From Joint Venture                         | (64)  | 325   | 437  | 6  |
| <b>(Loss)/Profit Before Taxation From Continuing Operations</b> | <b>9,102</b>  | <b>(25,133)</b>   | <b>4,825</b>   | <b>(73,804)</b>  |
| Taxation:   |   |   |  |  |
| Company and Subsidiary Companies                                | 454   | (1,239)   | (124)  | (2,275)  |
| <b>(Loss)/Profit For The Year From Continuing Operations</b>    | <b>9,556</b>  | <b>(26,372)</b>   | <b>4,701</b>   | <b>(76,079)</b>  |
| <b>Discontinued Operations</b>                                  |   |   |  |  |
| Profit/(Loss) For The Year After Tax                            | 240   | 22  | 362  | (176)  |
| <b>Net (Loss)/Profit For the Year</b>                           | <b>9,796</b>  | <b>(26,350)</b>   | <b>5,063</b>   | <b>(76,255)</b>  |
| Attributable to:  |   |   |  |  |
| Equity Holders of the Company                                   | 9,042   | (26,350)  | 4,309  | (76,255)   |
| Non-Controlling Interest  | 754   |   | 754  |  |
|   | <b>9,796</b>  | <b>(26,350)</b>   | <b>5,063</b>   | <b>(76,255)</b>  |
| <b>(Losses)/Earnings Per Share</b>                              |   |   |  |  |
| <b>Basic</b>  |   |   |  |  |
| - Continuing Operations   | 2.52  | (6.96)  | 1.24   | (20.13)  |
| - Discontinued Operations                                       | 0.06  | 0.01  | 0.10   | (0.05)   |
|   | <b>2.58</b>   | <b>(6.95)</b>   | <b>1.34</b>  | <b>(20.18)</b>   |
| <b>Diluted</b>  |   |   |  |  |
| - Continuing Operations   | 2.52  | (6.96)  | 1.24   | (20.13)  |
| - Discontinued Operations                                       | 0.06  | 0.01  | 0.10   | (0.05)   |
|   | <b>2.58</b>   | <b>(6.95)</b>   | <b>1.34</b>  | <b>(20.18)</b>   |

Company No.: 662315-U

T7 GLOBAL BERHAD  
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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016  
(the figures have not been audited)

|   | 2016<br>Current Quarter<br><br>31-Dec<br><br>(RM'000) | 2015<br>Preceding Quarter<br><br>31-Dec<br><br>(RM'000) | 2016<br>Current Year<br>Cummulative to Date<br>31-Dec<br><br>(RM'000) | 2015<br>Preceding Year<br>Cummulative to Date<br>31-Dec<br><br>(RM'000) |
|---|---|---|---|---|
| Net (Loss)/Profit For the Year  | 9,796   | (26,350)  | 5,063   | (76,255)  |
| Other Comprehensive Income/(Loss):<br><i>Items that will be Reclassified Subsequently to Profit or Loss</i> |   |   |   |   |
| Exchange Differences on Translating Foreign Operations  | 640   | 4,198   | (5,112)   | 4,622   |
| Fair Value Changes in Short Term Investment   | (0)   | -   | 32  | (34)  |
|   | 640   | 4,198   | (5,080)   | 4,588   |
| <b>Total Comprehensive (Loss)/Income For The Year</b>   | <b>10,437</b>   | <b>(22,152)</b>   | <b>(17)</b>   | <b>(71,667)</b>   |
| Attributable to:  |   |   |   |   |
| Equity Holders of the Company   | 9,683   | (22,152)  | (771)   | (71,667)  |
| Minority Interest   | 754   | -   | 754   | -   |
|   | <b>10,437</b>   | <b>(22,152)</b>   | <b>(17)</b>   | <b>(71,667)</b>   |

Company No.: 662315-U

| T7 GLOBAL BERHAD<br>(formerly known as Tanjung Offshore Berhad)<br>(Incorporated in Malaysia)                           |   |   |
|---|---|---|
| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<br>AS AT 31 DECEMBER 2016<br>(the figures have not been audited) | As at<br>31-Dec-16<br>Unaudited<br>(RM'000) | As at<br>31-Dec-15<br>Audited<br>(RM'000) |
| <b>NON-CURRENT ASSETS</b>   |   |   |
| Associate Companies   | 1   | 1   |
| Joint Venture   | 775   | 338                                       |
| Other Investment  | 3,277                                       | 3,511                                     |
| Investment Property   | 21,773                                      | 26,619                                    |
| Property, Plant and Equipment   | 16,374                                      | 14,175                                    |
| Intangible Assets   | 2,788                                       | 2,969                                     |
| Other Receivables, Prepayment and Deposits  | 3,240                                       | 4,860                                     |
| <b>Total Non-Current Assets</b>   | <b>48,228</b>                               | <b>52,473</b>                             |
| <b>CURRENT ASSETS</b>   |   |   |
| Inventories   | 3,069                                       | 285                                       |
| Trade Receivables   | 35,900                                      | 35,296                                    |
| Other Receivables, Prepayment and Deposits  | 5,528                                       | 13,062                                    |
| Amount Owing by Customers   | 40,176                                      | -   |
| Amount Owing by Associate Company   | -   | 1   |
| Amount Owing by Joint Venture   | 2,935                                       | 2,979                                     |
| Short Term Investment   | -   | 54  |
| Fixed Deposits With Licenced Banks  | 8,752                                       | 27,555                                    |
| Cash and Bank Balances  | 45,610                                      | 39,674                                    |
| Tax Recoverable   | 2,304                                       | -   |
| <b>Total Current Assets</b>   | <b>144,274</b>                              | <b>118,906</b>                            |
| <b>Total Assets</b>   | <b>192,502</b>                              | <b>171,379</b>                            |
| <b>NON-CURRENT LIABILITIES</b>  |   |   |
| Hire Purchase and Lease Payables  | 2,124                                       | 2,836                                     |
| Deferred Tax  | 521   | -   |
| Minority Interest   | 9,074                                       | -   |
| <b>Total Non-Current Liabilities</b>  | <b>11,719</b>                               | <b>2,836</b>                              |
| <b>CURRENT LIABILITIES</b>  |   |   |
| Trade Payables  | 20,580                                      | 28,652                                    |
| Amount Owing to Customers   | 25,191                                      | -   |
| Other Payables and Accruals   | 12,488                                      | 16,021                                    |
| Hire Purchase and Lease Payables  | 872   | 696                                       |
| Provision For Taxation  | -   | 756                                       |
| <b>Total Current Liabilities</b>  | <b>59,131</b>                               | <b>46,125</b>                             |
| <b>Total Liabilities</b>  | <b>70,850</b>                               | <b>48,961</b>                             |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>   |   |   |
| Share Capital   | 190,773                                     | 190,768                                   |
| Reserves  | (64,724)                                    | (63,954)                                  |
| Treasury Shares   | (4,397)                                     | (4,397)                                   |
| <b>Total Equity</b>   | <b>121,652</b>                              | <b>122,418</b>                            |
| <b>Total Liabilities and Equity</b>   | <b>192,502</b>                              | <b>171,379</b>                            |

Company No: 662315-U

**T7 GLOBAL BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**  
(The figures have not been audited)

|  | Equity Attributable to Equity Holders of the Company |                                 |                            |                               |   |  |  |                              |                 |                                       | Total<br>Equity<br>RM'000 |
|--|--|---------------------------------|----------------------------|-------------------------------|---|--|--|------------------------------|-----------------|---------------------------------------|---------------------------|
|  | Distributable  |                                 |                            |                               |   | Non-Distributable                              |  |                              |                 |                                       |                           |
|  | Share<br>Capital<br>RM'000                           | Accumulated<br>Losses<br>RM'000 | Share<br>Premium<br>RM'000 | Capital<br>Reserves<br>RM'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>RM'000 | Investment<br>Revaluation<br>Reserve<br>RM'000 | Share<br>Issuance<br>Scheme<br>Reserve<br>RM'000 | Treasury<br>Shares<br>RM'000 | Total<br>RM'000 | Non-Controlling<br>Interest<br>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         | -                                     | 122,418                   |
| Total comprehensive income/(loss) for the year | -  | 4,309                           | -                          | -                             | (5,112)   | 32   | -  | -                            | (771)           | 754                                   | (17)                      |
| Acquisition of subsidiaries                    | -  | -                               | -                          | -                             | -   | -  | -  | -                            | -               | 8,320                                 | 8,320                     |
| Reversed of Employee Benefits Reserve          | -  | 1,081                           | -                          | -                             | -   | -  | (1,081)  | -                            | -               | -                                     | -                         |
| Exercise of Warrant                            | 5  | -                               | -                          | -                             | -   | -  | -  | -                            | 5               | -                                     | 5                         |
| Balance as at 31.12.2016                       | 190,773  | (112,781)                       | 68,739                     | (19,579)                      | (1,123)   | 20   | -  | (4,397)                      | 121,652         | 9,074                                 | 130,726                   |

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

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

|  | Equity Attributable to Equity Holders of the Company |                                 |                            |                               |   |  |  |                              |                 |                                       | Total<br>Equity<br>RM'000 |
|--|--|---------------------------------|----------------------------|-------------------------------|---|--|--|------------------------------|-----------------|---------------------------------------|---------------------------|
|  | Distributable  |                                 |                            |                               |   | Non-Distributable                              |  |                              |                 |                                       |                           |
|  | Share<br>Capital<br>RM'000                           | Accumulated<br>Losses<br>RM'000 | Share<br>Premium<br>RM'000 | Capital<br>Reserves<br>RM'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>RM'000 | Investment<br>Revaluation<br>Reserve<br>RM'000 | Share<br>Issuance<br>Scheme<br>Reserve<br>RM'000 | Treasury<br>Shares<br>RM'000 | Total<br>RM'000 | Non-Controlling<br>Interest<br>RM'000 |                           |
| Balance as at 01.01.2015                         | 187,261  | (41,916)                        | 68,739                     | (19,579)                      | (633)   | 22   | 1,081  | (4,397)                      | 190,578         | -                                     | 190,578                   |
| Total comprehensive income for the year          | -  | (76,255)                        | -                          | -                             | 4,822   | (34)   | -  | -                            | (71,667)        | -                                     | (71,667)                  |
| Exercise of Share Issuance Scheme                | 3,507  | -                               | -                          | -                             | -   | -  | -  | -                            | 3,507           | -                                     | 3,507                     |
| Recognition of share-based payments              | -  | -                               | -                          | -                             | -   | -  | -  | -                            | -               | -                                     | -                         |
| Effects of cancellation of Share Issuance Scheme | -  | -                               | -                          | -                             | -   | -  | -  | -                            | -               | -                                     | -                         |
| Effect of disposal of subsidiary company         | -  | -                               | -                          | -                             | -   | -  | -  | -                            | -               | -                                     | -                         |
| Balance as at 31.12.2015                         | 190,768  | (118,171)                       | 68,739                     | (19,579)                      | 3,989   | (12)   | 1,081  | (4,397)                      | 122,418         | -                                     | 122,418                   |

Company No. 662315-U

| <b>T7 GLOBAL BERHAD</b><br>(formerly known as Tanjung Offshore Berhad)<br>(Incorporated in Malaysia)                                |                                    |                                    |
|---|------------------------------------|------------------------------------|
| <b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS</b><br>FOR THE YEAR ENDED 31 DECEMBER 2016<br>(The figures have not been audited) |                                    |                                    |
|   | As at<br>31-Dec-16<br><br>(RM'000) | As at<br>31-Dec-15<br><br>(RM'000) |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                                    |                                    |
| (Loss)/Profit before taxation from continuing operations  | 4,825                              | (73,804)                           |
| (Loss)/Profit before taxation from discontinued operations  | 362                                | (176)                              |
| <b>Total (loss)/profit before taxation</b>  | <b>5,187</b>                       | <b>(73,980)</b>                    |
| <b>Adjustments:</b>   |                                    |                                    |
| Non-cash items  | 14,684                             | 71,436                             |
| Non-operating items   | (758)                              | (423)                              |
| <b>Operating (loss)/profit before changes in working capital</b>  | <b>19,113</b>                      | <b>(2,967)</b>                     |
| <b>Changes in working capital</b>   |                                    |                                    |
| Net change in current assets  | (38,649)                           | 5,655                              |
| Net change in current liabilities   | 13,630                             | 109                                |
| <b>Cash (used in)/generated from operating activities</b>   | <b>(5,906)</b>                     | <b>2,797</b>                       |
| Tax paid  | (2,663)                            | (4,094)                            |
| <b>Net cash (used in)/generated operating activities</b>  | <b>(8,569)</b>                     | <b>(1,297)</b>                     |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |                                    |                                    |
| Interest received   | 1,109                              | 962                                |
| Net cash inflow from disposal of subsidiary company   | -                                  | -                                  |
| Net cash on acquisition of a subsidiary company   | -                                  | -                                  |
| Incorporation of joint venture  | -                                  | -                                  |
| Dividend received   | 63                                 | 62                                 |
| Proceed from disposal of property, plant and equipment  | -                                  | -                                  |
| Proceed from redemption of other investment   | 87                                 | 13,390                             |
| Purchase of property, plant and equipment   | (4,611)                            | (977)                              |
| Purchase of investment  | -                                  | -                                  |
| Decrease in fixed deposits pledged  | 450                                | 2,260                              |
| <b>Net cash generated from/(used in) investing activities</b>   | <b>(2,902)</b>                     | <b>15,697</b>                      |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |                                    |                                    |
| Issuance of shares, net of transaction costs  | 5                                  | 3,506                              |
| Repayment of Hire-purchase  | (536)                              | (679)                              |
| Interest paid   | (415)                              | (602)                              |
| <b>Net cash generated/(used in) from financing activities</b>   | <b>(946)</b>                       | <b>2,225</b>                       |
| Net change in cash and cash equivalents   | (12,417)                           | 16,625                             |
| Opening cash and cash equivalents   | 66,779                             | 50,154                             |
| <b>Closing cash and cash equivalents</b>  | <b>54,362</b>                      | <b>66,779</b>                      |

**NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 31 December 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**

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:

| <b>Cumulative as at<br/>31 December 2016</b>   | <b>Products and<br/>Services<br/>RM'000</b> | <b>Engineered<br/>Packages<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|---|-------------------------|
| Revenue  | 61,810                                      | 21,238                                    | 83,048                  |
| Segment results                                | 3,012                                       | 1,772                                     | 4,784                   |
| Share of profit from joint venture             |   |   | 438                     |
| Finance cost                                   |   |   | (35)                    |
| Profit before taxation                         |   |   | 5,187                   |
| Taxation                                       |   |   | (124)                   |
| Net profit from continuing operations          |   |   | 4,701                   |
| Net profit/(loss) from discontinued operations |   |   | 362                     |
| Net profit for the year                        |   |   | 5,063                   |

| <b>Cumulative as at<br/>31 December 2015</b>   | <b>Products and<br/>Services<br/>RM'000</b> | <b>Engineered<br/>Packages<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|---|-------------------------|
| 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 profit/(loss) from discontinued operations |   |   | (176)                   |
| Net loss for the year                          |   |   | (76,255)                |



**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 15/11/2016, Gas Generators (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into a Share Sale Agreement with Megaxus Resources Sdn. Bhd. for the acquisition of 510,000 ordinary shares of RM1.00 each representing 51.0% ordinary equity interest in Wenmax Sdn. Bhd. for a total cash consideration of RM8,000,000.00 ("Proposed Acquisition").

On 10/02/2017, The Board of Directors of T7GB, is pleased to announce that all the conditions precedent in relation to the Share Sale Agreement has been fulfilled and that the Proposed Acquisition has been completed.

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

|      | Sales to<br>related parties | Purchases from<br>related parties | Amount owing<br>by related<br>parties | Amount owing<br>to related<br>parties |
|------|-----------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
|      | RM'000                      | RM'000                            | RM'000                                | RM'000                                |
| 2016 | 1,353                       | 12,240                            | 891                                   | 976                                   |
| 2015 | 742                         | 7,144                             | 742                                   | 1,923                                 |

**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 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 31 December 2016, the Group recorded consolidated revenue of approximately RM37.05 million. This represents an increase of approximately 90.10% as compared to RM19.49 million recorded in the preceding quarter ended 30 Sept 2016. In the current quarter under review, the Group recorded a net profit after tax of RM9.80 million as compared to a net loss after tax of RM0.71 million recorded in the preceding quarter ended 30 Sept 2016.

**Engineered Packages**

The Group registered revenue of RM4.82 million in the current quarter which is approximately 27.41% lower as compared to RM6.64 million registered in the preceding quarter ended 30 Sept 2016.

**Products & Services**

The products and services division registered revenue of RM32.23 million in the current quarter as compared to RM12.85 million registered in the preceding quarter ended 30 Sept 2016 increase in revenue by approximately 150.82%.

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**B2 Variance of Results Against Preceding Period**

For the current period ended 31 December 2016, the Group recorded consolidated revenue of approximately RM83 million. This represents an increase of approximately 36.78% as compared to RM60.68 million recorded in the corresponding period ended 31 December 2015.

The increase in revenue by 36.78% was mainly due to contributions from the Origins and CWR contract secured from PETRONAS.

The Group registered an overall profit after tax of RM5.06 million for current period ended December 2016 as compared to net loss after tax of RM76.25 million in the preceding period ended 31 December 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 RM21.24 million was lower as compared to revenue registered in the preceding period of RM28.76 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 RM61.81 million in the current period as compared to the preceding period of RM31.92 million. The increase in revenue was mainly due to contributions from the Origins and CWR 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      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 31/12/2016<br>RM'000 | 31/12/2015<br>RM'000 | 31/12/2016<br>RM'000 | 31/12/2015<br>RM'000 |
| a. Income Tax Expenses                     | 827                  | 1,239                | 1,405                | 2,210                |
| b. (Over)/under provision in previous year | (1,776)              | -                    | (1,776)              | 65                   |
| c. Deferred Tax Liabilities/(Assets)       | 495                  | -                    | 495                  | -                    |
| d. Total                                   | (454)                | 1,239                | 124                  | 2,275                |

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**B6 Status of Corporate Proposal**

On 29/09/2016, the Company proposed to undertake the following proposals:

- (i) proposed reduction of its existing issued and paid-up share capital via the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each in Tanjung pursuant to Section 64 of the Companies Act, 1965 ("**Proposed Par Value Reduction**");

and

- (ii) proposed establishment of a new employees' share option scheme ("**Scheme**") of up to ten percent (10%) of the issued and paid-up share capital (excluding treasury shares) of the Company at any one time during the duration of the Scheme for the eligible executive directors and employees of Tanjung and its subsidiary companies ("**Proposed ESOS**").

On 6/02/2017, the High Court of Malaya at Kuala Lumpur has fixed 6 March 2017 as the court hearing date for petition for the Proposed Par Value Reduction.

**B7 Status of Memorandum of Understanding ("MOU")**

On 7/12/2016, The Board of Directors of Tanjung Offshore Berhad wishes to announce that T7 Aero Sdn. Bhd. (Company No. 1199413-D), a wholly-owned subsidiary of the Company has entered into a Memorandum of Understanding ("MOU") with Kilgour Metal Treatments Limited ("Kilgour Metal") (Company No. 03712091-U) (collectively referred as "**Parties**") for the purpose of pursuing business opportunities in metal treatments in Malaysia. The Parties agree to collaborate in the following areas for the setting up of a metal treatments plant:

- 1.1 Market development;
- 1.2 Technology transfer and technology acquisition planning;
- 1.3 Human Capital Development Programmes;
- 1.4 Research and Development opportunities; and
- 1.5 Any other areas which can serve the common interests of the Parties.

The duration of this MOU shall be valid for a period of one (1) year from the day it is entered into and shall be extendable for a further period per the terms agreed upon in writing by the Parties.

The parties are still working on the collaboration detail of the above business venture.

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**B8 Bank Borrowings**

|   | RM'000       |
|---|--------------|
| <b>a) Secured short term borrowings</b> |              |
| i) Hire purchase and lease payables     | 872          |
| Sub Total                               | 872          |
| <b>a) Secured long term borrowings</b>  |              |
| i) Hire purchase and lease payables     | 2,124        |
| Sub Total                               | 2,124        |
| <b>TOTAL BORROWINGS</b>                 | <b>2,996</b> |

**B9 Material Litigation/ Special Notice**

The Group is not engaged in any litigation, 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   |                 |
|---|----------------|-----------------|----------------|-----------------|
|   | 31/12/2016     | 31/12/2015      | 31/12/2016     | 31/12/2015      |
| <b>Net (loss)/profit attributable to ordinary shareholders (RM'000)</b> |                |                 |                |                 |
| Continuing operations   | 9,557          | (26,372)        | 4,701          | (76,079)        |
| Discontinued operations   | 240            | 22              | 362            | (176)           |
|   | <u>9,797</u>   | <u>(26,350)</u> | <u>5,063</u>   | <u>(76,255)</u> |
| <b>Basic</b>  |                |                 |                |                 |
| Total number of ordinary shares ('000)                                  | 381,546        | 381,536         | 381,546        | 381,536         |
| Adjusted weighted average number of ordinary shares ('000)              | <u>379,069</u> | <u>379,058</u>  | <u>379,067</u> | <u>377,889</u>  |
| <b>Basic (losses)/earnings per ordinary share (cent)</b>                |                |                 |                |                 |
| Continuing operations   | 2.52           | (6.96)          | 1.24           | (20.13)         |
| Discontinued operations   | 0.06           | 0.01            | 0.10           | (0.05)          |
|   | <u>2.58</u>    | <u>(6.95)</u>   | <u>1.34</u>    | <u>(20.18)</u>  |
| <b>Diluted</b>  |                |                 |                |                 |
| Adjusted weighted average number of ordinary shares ('000)              | 379,069        | 379,058         | 379,067        | 377,889         |
| <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)               | 379,069        | 379,058         | 379,067        | 377,889         |
| <b>Diluted (losses)/earnings per ordinary share (cent)</b>              |                |                 |                |                 |
| Continuing operations   | 2.52           | (6.96)          | 1.24           | (20.13)         |
| Discontinued operations   | 0.06           | 0.01            | 0.10           | (0.05)          |
|   | <u>2.58</u>    | <u>(6.95)</u>   | <u>1.34</u>    | <u>(20.18)</u>  |

# Certain diluted earnings/(losses) 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 31 December 2016 and 31 December 2015 divided into realised and unrealised losses or profits are as disclosed, pursuant to the directive, is as follows:

|   | <b>As at<br/>31 Dec 2016<br/>RM'000</b> | <b>As at<br/>31 Dec 2015<br/>RM'000</b> |
|---|---|---|
| Total accumulated losses of the Group :                     |   |   |
| - Realised  | (114,521)                               | (128,351)                               |
| - Unrealised  | <u>1,740</u>                            | <u>10,180</u>                           |
| Total Group accumulated losses as per consolidated accounts | <u>(112,781)</u>                        | <u>(118,171)</u>                        |