



**Condensed Consolidated Statement of Comprehensive Income
For the Second Quarter ended 30 June 2012 (Unaudited)**

	Current Quarter Ended 30-Jun-12 RM'000	Corresponding Quarter Ended 30-Jun-11 RM'000	Cumulative Year To Date 30-Jun-12 RM'000	Corresponding Year To Date 30-Jun-11 RM'000
Revenue	114,669	98,696	189,509	182,054
Operating expenses	(62,994)	(57,237)	(109,010)	(107,122)
Gross profit	51,675	41,459	80,499	74,932
Other operating income	213	523	653	2,766
Administration expenses	(14,885)	(10,686)	(24,676)	(23,284)
Results from operating activities	37,003	31,296	56,476	54,414
Finance costs	(1,126)	(2,190)	(1,966)	(3,678)
Finance income	1,512	1,071	3,050	1,642
Net finance income/(loss)	386	(1,119)	1,084	(2,036)
Profit before tax	37,389	30,177	57,560	52,378
Income tax expense	(6,015)	(5,854)	(10,459)	(11,412)
Profit for the period	31,374	24,323	47,101	40,966
Other comprehensive income, net of tax				
Fair value changes of available-for-sale financial assets	241	-	(8,608)	-
Total comprehensive income for the period attributable to Owners of the Company	31,615	24,323	38,493	40,966
Weighted average number of ordinary shares in issue ('000)	549,700	550,000	549,700	510,497
Basic earnings per ordinary share of RM0.50 each (sen)	5.71	4.42	8.57	8.02

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2011 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Financial Position as at 30 June 2012 (Unaudited)**

	UNAUDITED AS AT 30-Jun-12 RM'000	AUDITED AS AT 31-Dec-11 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	267,862	246,558
Other investments	46,780	44,818
	314,642	291,376
CURRENT ASSETS		
Inventories	1,628	1,981
Trade and other receivables	162,926	151,257
Current tax recoverable	998	998
Other investments	35,156	27,105
Cash and bank balances	180,242	217,927
	380,950	399,268
TOTAL ASSETS	695,592	690,644
EQUITY AND LIABILITIES		
EQUITY		
Share capital	275,000	275,000
Share premium	107,787	107,787
Reserves	151,127	140,119
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	533,914	522,906
NON CURRENT LIABILITIES		
Borrowings	68,986	57,252
Deferred tax liabilities	1,836	1,836
TOTAL NON CURRENT LIABILITIES	70,822	59,088
CURRENT LIABILITIES		
Trade and other payables	72,884	79,684
Borrowings	14,000	24,440
Current tax payable	3,972	4,526
TOTAL CURRENT LIABILITIES	90,856	108,650
TOTAL LIABILITIES	161,678	167,738
TOTAL EQUITY AND LIABILITIES	695,592	690,644
Net Assets per share (sen)	97	95

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2011 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity
For the Second Quarter ended 30 June 2012 (Unaudited)**

	Attributable to the Owners of the Company					Total Equity
	Non-Distributable			Distributable		
	Share Capital	Share Premium	Fair Value Reserve	Treasury Shares	Retained Earnings	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 01 January 2011	176,000	87,071	-	-	109,634	372,705
Profit for the year	-	-	-	-	83,128	83,128
Fair value of available-for-sale financial assets	-	-	2,817	-	-	2,817
Total comprehensive income for the year	-	-	2,817	-	83,128	85,945
Bonus issue	44,000	(44,000)	-	-	-	-
Rights issue	55,000	66,000	-	-	-	121,000
Bonus/rights issue expenses	-	(1,284)	-	-	-	(1,284)
Treasury shares acquired	-	-	-	(460)	-	(460)
Dividends paid	-	-	-	-	(55,000)	(55,000)
At 31 December 2011/1 January 2012	275,000	107,787	2,817	(460)	137,762	522,906
Profit for the period	-	-	-	-	47,101	47,101
Fair value of available-for-sale financial assets	-	-	(8,608)	-	-	(8,608)
Total comprehensive income for the period	-	-	(8,608)	-	47,101	38,493
Dividend paid	-	-	-	-	(27,485)	(27,485)
At 30 June 2012	275,000	107,787	(5,791)	(460)	157,378	533,914

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2011 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Cash Flows
For the Second Quarter ended 30 June 2012 (Unaudited)**

	Current Year-to-date 30-Jun-12 RM'000	Corresponding Year-to-date 30-Jun-11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	57,560	52,378
Adjustments for:-		
- Non-cash items	9,005	7,261
- Non-operating items	(1,080)	1,476
Operating profit before changes in working capital	65,485	61,115
<u>Changes in working capital</u>		
Inventories	353	9
Trade and other receivables	(11,669)	(31,796)
Trade and other payables	(6,800)	10,105
Total changes in working capital	(18,116)	(21,682)
Cash generated from operations	47,369	39,433
Interest received	3,050	2,202
Interest paid	(1,966)	(3,678)
Tax paid	(11,013)	(6,006)
Total interest and tax paid	(9,929)	(7,482)
Net cash generated from operating activities	37,440	31,951
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(46,016)	(117,060)
Purchase of property, plant and equipment	(30,313)	(13,908)
Proceeds from disposal of investment in an associate	-	134,900
Proceeds from disposal of other investments	27,395	45,263
Net cash (used in)/generated from investing activities	(48,934)	49,195
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of rights shares	-	121,000
Bonus/rights issue expenses	-	(996)
Proceeds from borrowings	12,748	-
Repayment of borrowings	(5,014)	(54,000)
Payments of finance lease liabilities	-	(399)
Dividend paid	(27,485)	(27,500)
Net cash (used in)/generated from financing activities	(19,751)	38,105
Net (decrease)/increase in cash and cash equivalents	(31,245)	119,251
Cash and cash equivalents at the beginning of the period	211,487	68,961
Cash and cash equivalents at the end of the period	180,242	188,212
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	166,344	178,030
Cash and bank balances	13,898	10,182
	180,242	188,212

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2011 and the accompanying notes attached to this interim financial report).



A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 (MFRS134), *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting* and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2011, which were prepared under Financial Reporting Standards (FRS) and the accompanying explanatory notes attached to this interim financial report.

A2. Change of Accounting Framework

A2.1. Malaysian Financial Reporting Standards

Malaysian Accounting Standards Board (MASB), in furtherance of its objective of converging the accounting framework for entities other than private entities in Malaysia with International Financial Reporting Standards (IFRS), announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards (MFRS). Entities other than private entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate*.

An entity subject to the application of MFRS 141 and/or IC Interpretation 15 and the entity that consolidates or equity accounts or proportionately consolidates the first-mentioned entity (collectively herein referred to as transitioning entities), may continue to apply FRSs as its financial reporting framework for annual periods beginning on or after 1 January 2012. The entity was required in accordance with MASB's initial announcement on 19 November 2011 to comply with the MFRS framework for annual periods beginning on or after 1 January 2013.

On 30 June 2012, MASB made a further announcement to allow transitioning entities to defer the adoption of MFRS for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014.

As none of the group entities is a transitioning entity, the Group has migrated to the MFRS framework from 1 January 2012.

A2.2. Effect of Adoption of MFRS Framework

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements. In preparing these interim financial statements, the Group has applied MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011, the Group has reviewed its accounting policies and concluded that the transition from FRS to MFRS did not give rise to any significant effects on the financial statements of the Group in the period of initial application of the MFRS framework.

A3. Auditors' report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2011.

**A4. Profit for the period**

	Current quarter ended 30-Jun-12 RM'000	Current year-to-date 30-Jun-12 RM'000
Profit for the period is arrived at after charging:		
Depreciation of property, plant and equipment	4,691	9,004
Net foreign exchange loss	2	2
Property, plant and equipment written off	-	1
Loss on disposal of property, plant and equipment	-	4

and after crediting:

Net foreign exchange gain	-	9
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No impairment of assets, write down/off of inventories, gain or loss on derivatives or material exceptional items are included in the profit of the Group for the period under review or for the comparative period.

A5. Seasonal or cyclical factors

Seasonality due to weather is not foreseen to affect the Group's vessel chartering operations. However, the offshore topside maintenance operations is normally affected by bad weather at the beginning and the end of the year and this factor has been taken into consideration in the Group's annual business plan.

A6. Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence for the current quarter and financial year-to-date.

A7. Material changes in estimates

There were no changes in the estimates of amounts reported in the prior interim periods of the current financial year or changes in the estimates of amounts relating to the prior financial years that have a material effect in the current quarter and financial year-to-date.

A8. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year-to-date.

A9. Dividend paid

An interim dividend, in respect of the financial year ended 31 December 2011, of 5 sen per ordinary share tax exempt amounting to RM27,484,975 was paid to shareholders on 12 April 2012.

**A10. Segmental information**

The Group is organized into the following operating segments:-

1. Investment holding
2. Offshore Topside Maintenance Services (“Offshore TMS”)
3. Charter of Marine Vessels (“Marine Charter”)
4. Rental of offshore equipment (“Equipment Rental”)

Segmental Reporting

Cummulative 6 months ended 30 June 2012	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External revenue	-	170,201	19,308	-	189,509	-	189,509
Inter-segment revenue	28,940	-	27,967	3,367	60,274	(60,274)	-
Total revenue	28,940	170,201	47,275	3,367	249,783	(60,274)	189,509
Results							
Segment results	28,139	34,366	20,232	1,299	84,036	(27,560)	56,476
Interest expense							
Interest expense	(1,369)	(1)	(596)	-	(1,966)	-	(1,966)
Inter-segment interest expense	-	-	(1,177)	-	(1,177)	1,177	-
Total interest expense	(1,369)	(1)	(1,773)	-	(3,143)	1,177	(1,966)
Interest income							
Interest income	2,120	846	23	61	3,050	-	3,050
Inter-segment interest income	1,177	-	-	-	1,177	(1,177)	-
Total interest income	3,297	846	23	61	4,227	(1,177)	3,050
Profit before tax							57,560
Income tax expense							(10,459)
Profit after tax							47,101

A11. Valuation of property, plant and equipment

The property, plant and equipment of the Group have been brought forward without amendment from their previous annual financial statements.



A12. Capital commitments

Capital commitments as at end of the current quarter are as follows:-

30-Jun-12
RM'000

Approved and contracted for

Development of a piece of land for minor fabrication in Telok Kalong,
Terengganu.

1,970

1,970

A13. Material events subsequent to the end of period reported

There are no material events subsequent to the end of the current quarter and financial period to date up to 21 August 2012 (not earlier than 7 days from the date of announcement of this interim financial report) that have not been reflected in the financial statements for the current quarter and financial year-to-date.

A14. Changes in composition of the group

As at 30 June 2012, there were no changes in the composition of the Group.

A15. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets that had arisen since the last financial year end.

**A16. Significant related party transactions**

The Group entered into the following transactions with related parties, in addition to compensations to Directors and other Key Management personnel, during the current period:-

Transactions with Directors and a company in which certain Directors have substantial financial interest:-	Nature	Amount for 6 months ended 30 June 2012	Unsettled balance as at 30 June 2012
		RM'000	RM'000
Ling Suk Kiong and Joe Ling Siew Loung @ Lin Shou Long	Rental of open yard fabrication facilities with workshop, warehouse and office	360	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office	17	-
Joe Ling Siew Loung @ Lin Shou Long and his spouse Chong Siaw Choon	Rental of office	18	-
Kunci Prima Sdn Bhd (Directors and shareholders are Tengku Yusof Bin Tengku Ahmad Shahrudin, Joe Ling Siew Loung @ Lin Shou Long, Ling Suk Kiong and his spouse Wong Siew Hong)	Rental of office	338	-
		<hr/>	<hr/>
		733	-

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favourable than those transacted with unrelated parties.

**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS****B1. Review of performance of the Company and its principal subsidiaries****B1.1 The Group's performance for the quarter under review versus the corresponding quarter of the previous financial year is tabled below:**

	Current Quarter ended 30-Jun-12 RM'000	Corresponding Quarter ended 30-Jun-11 RM'000	Variance	
			RM'000	%
Revenue	114,669	98,696	15,973	16
Profit before tax	37,389	30,177	7,212	24
Profit for the period	31,374	24,323	7,051	29
Other comprehensive income, net of tax	241	-	241	
Total comprehensive income for the period attributable to owners of the Company	31,615	24,323	7,292	30

Comparatively, the Group's revenue for the current quarter ended 30 June 2012 increased by 16% while profit before tax for the current quarter increased by 24% when compared to the corresponding quarter ended 30 June 2011. The higher revenue in the current quarter as compared to the corresponding quarter is mainly due to higher fleet utilisation and additional revenue from the charter of a new workboat, Dayang Topaz.

Whilst revenue increased by RM16.0 million ie 16%, profit before tax for the current quarter increased by RM7.2 million ie. 24% because of the increase in marine charter business in the current quarter which has a higher profit margin contribution as compared to the corresponding quarter.

Other comprehensive income, net of tax, comprises changes in the fair value of investment in Perdana Petroleum Berhad, categorised as an available-for-sale financial asset. The fair value of the investment is determined by reference to its quoted closing bid price at the end of the reporting period. The fair value change of this investment is recognised in other comprehensive income, net of tax and is regarded as unrealised. Unless there is a substantial or prolonged impairment on the investment, the subsequent changes in fair values thereof shall be treated as such until such time when the investment is disposed of and any gain or loss on such disposal shall be recognised in the the profit or loss for the period in which the disposal is effected.

In the opinion of the Directors, the results for the current quarter and financial year-to-date have not been affected by any transactions or events of a material nature which have arisen between 30 June 2012 and the date of this report.



B1.2 The Group's performance for the current financial year under review versus the previous financial year is tabled below:

	Cummulative	Corresponding	Variance	
	period-to-date 30-Jun-12 RM'000	period-to-date 30-Jun-11 RM'000	RM'000	%
Revenue	189,509	182,054	7,455	4
Profit before tax	57,560	52,378	5,182	10
Profit for the period	47,101	40,966	6,135	15
Other comprehensive loss, net of tax	(8,608)	-	(8,608)	
Total comprehensive income for the period attributable to owners of the Company	38,493	40,966	(2,473)	(6)

Revenue increased by 4% from RM182.0 million in the corresponding period to RM189.5 million in the current period. For the current period under review, the marine charter business registered higher revenue, contributing RM47.3 million or 24% to the total group revenue as compared to the corresponding period last year of RM32.7 million or 17% of the group revenue.

The profit before tax increased by 10% from RM52.4 million to RM57.6 million, due to higher profit margin, contributed largely by the marine charter business.

Other comprehensive loss, net of tax comprised of fair value changes in the Group's investment in Perdana Petroleum Berhad (see also note B1.1).

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	Current Quarter	Preceding Quarter	Variance	
	ended 30-Jun-12 RM'000	ended 31-Mar-12 RM'000	RM'000	%
Revenue	114,669	74,840	39,829	53
Profit before tax	37,389	20,171	17,218	85

In the current quarter, the Group's revenue was 53% higher as compared to the preceding quarter while the profit before tax was 85% higher as compared to the preceding quarter.

The higher revenue of RM114.7 million for the current quarter as compared to RM74.8 million for the preceding quarter is mainly due to better vessel utilisation rate and an additional vessel on charter in the current quarter.

Whilst revenue increased by RM39.8 million ie. 53%, profit before tax increased by RM17.2 million ie. 85% in view of the fact that the increase in marine charter business in the current quarter have contributed to a higher profit margin as compared to those of the preceding quarter.

**B3. Prospects for the 2012 financial year**

The Directors remain positive of the Group's prospects for the remaining quarters of 2012 as the Group has on-going contracts exceeding RM1.2 billion to last at least until 2016 and is at the same time looking positively to replenish its order book. The Group is currently bidding for the PAN Malaysia HUC contracts and is cautiously optimistic of a favorable outcome. While the Directors are optimistic of the future prospects of the Group, the months ahead would still pose a great challenge amid the unsettled global economic climate. The Directors will continue to exercise due care in order to preserve and enhance shareholders' values.

B4. Profit forecast and profit guarantee

There was no profit guarantee issued by the Group.

B5. Taxation

	Current quarter ended 30-Jun-12 RM'000	Current year-to-date 30-Jun-12 RM'000
Malaysian income tax	6,015	10,459
Tax expense	<u>6,015</u>	<u>10,459</u>

The lower effective tax rate applicable to the Group for the current quarter was mainly due to exemption from income tax under Section 54A of the Income Tax Act, 1967, in respect of revenue derived from the charter of some of marine vessels by a subsidiary.

B6. Profit from sale of unquoted investments and/or properties

There were no disposals of unquoted investments and properties for the current quarter.

B7. Quoted securities**Movement in unit trusts:**

	Current quarter ended 30-Jun-12 RM'000	Cummulative Year-to-date 30-Jun-12 RM'000
At beginning of the period	47,349	27,105
Addition	15,202	35,446
Disposal	(27,395)	(27,395)
At end of the period	<u>35,156</u>	<u>35,156</u>
Market value	<u>35,156</u>	<u>35,156</u>

B8. Status of corporate proposal

There was no corporate proposal announced or not completed by the Group as at the latest practicable date of 21 August 2012.

**B9. Status of utilisation of proceeds****Proceeds from Rights Issue**

	Proposed utilisation	Actual utilisation	Intended time frame for utilisation	Remark	
	RM'000	RM'000		RM'000	
Capital expenditure and/or investments	100,000	52,571	Within 2 years from the listing of the Rights Shares	47,429	Available for use
Working capital of the Group	19,750	-	Within 2 years from the listing of the Rights Shares	19,750	Available for use
Estimated expenses for Rights issue	1,250	1,284	Within 1 month from the listing of Rights Shares	(34)	See *** below
	<u>121,000</u>	<u>53,855</u>		<u>67,145</u>	

*** The excess of actual utilisation of share issue expenses over the proposed utilisation will be deducted from the actual utilisation for working capital of the Group.

B10. Group borrowings and debt securities

Total Group's borrowings as at 30 June 2012 were as follows:

	RM'000
Short term borrowings-secured	
Revolving credit	10,000
Term loan	<u>4,000</u>
	<u>14,000</u>
Long term borrowings-secured	
Term loan	<u>68,986</u>
	<u>68,986</u>
Total	<u>82,986</u>

There are no foreign currency borrowings.

B11. Material litigation

As at 21 August 2012, (not earlier than 7 days from the date of announcement of this interim financial report), our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which will have a material effect on our financial position.



B12. Dividends

No dividend was proposed or declared during the quarter under review.

However, the Board has at its Board of Directors meeting held today, approved a first interim dividend of 5 sen per ordinary share tax exempt totaling RM27,484,975 in respect of financial year ending 31 December 2012 to be paid on 8 October 2012. The entitlement date shall be 14 September 2012.

Total dividends paid during the respective financial years are as follows:

	Sen per share (net)	Total amount RM'000	Date of payment
<u>2012</u>			
Second interim 2011 ordinary (single-tier)	5.00	<u>27,485</u>	12-Apr-12
<u>2011</u>			
First interim 2011 ordinary (single-tier)	5.00	27,500	14-Oct-11
Second interim 2010 ordinary (single-tier)	5.00	<u>27,500</u>	6-Jul-11
		<u><u>55,000</u></u>	

B13. Earnings per share

Basic Earnings Per Share	Current Quarter Ended 30-Jun-12	Corresponding Quarter Ended 30-Jun-11	Cumulative Period Ended 30-Jun-12	Corresponding Period Ended 30-Jun-11
Profit for the period attributable to Owners of the Company (RM'000)	31,374	24,323	47,101	40,966
Weighted average number of ordinary shares in issue ('000)	549,700	550,000	549,700	510,497
Basic earnings per share (sen)	5.71	4.42	8.57	8.02



B14. Retained earnings

The breakdown of retained earnings of the Group as at reporting date, into realised and unrealised is as follows:

	As at 30-Jun-12 RM'000	As at 31-Dec-11 RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	159,214	139,598
Unrealised	(1,836)	(1,836)
Total retained earnings as per consolidated accounts	<hr/> 157,378	<hr/> 137,762

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

B15. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 August 2012.