

**Condensed Consolidated Statement of Comprehensive Income
For the First Quarter ended 31 March 2012 (Unaudited)**

	Current Quarter Ended 31-Mar-12 RM'000	Corresponding Quarter Ended 31-Mar-11 RM'000	Cumulative Year To Date 31-Mar-12 RM'000	Corresponding Year To Date 31-Mar-11 RM'000
Revenue	74,840	83,357	74,840	83,357
Operating expenses	(46,016)	(49,885)	(46,016)	(49,885)
Gross profit	28,824	33,472	28,824	33,472
Other operating income	440	2,243	440	2,243
Administration expenses	(9,791)	(12,598)	(9,791)	(12,598)
Results from operating activities	19,473	23,117	19,473	23,117
Finance costs	(840)	(1,488)	(840)	(1,488)
Finance income	1,538	571	1,538	571
Net finance income/(costs)	698	(917)	698	(917)
Profit before tax	20,171	22,200	20,171	22,200
Income tax expense	(4,444)	(5,558)	(4,444)	(5,558)
Profit for the period	15,727	16,642	15,727	16,642
Other comprehensive income, net of tax				
Fair value changes of available-for-sale financial assets	(8,849)	-	(8,849)	-
Total comprehensive income for the period attributable to Owners of the Company	6,878	16,642	6,878	16,642
Weighted average number of ordinary shares in issue ('000)	549,700	470,556	549,700	470,556
Basic earnings per ordinary share of RM0.50 each (sen)	2.86	3.54	2.86	3.54

(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 31 March 2012 (Unaudited)**

	UNAUDITED AS AT 31-Mar-12 RM'000	AUDITED AS AT 31-Dec-11 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	258,031	246,558
Other investments	35,968	44,818
	<u>293,999</u>	<u>291,376</u>
CURRENT ASSETS		
Inventories	1,680	1,981
Trade and other receivables	139,916	151,257
Current tax recoverable	998	998
Other investments	47,349	27,105
Cash and bank balances	201,895	217,927
	<u>391,838</u>	<u>399,268</u>
TOTAL ASSETS	<u>685,837</u>	<u>690,644</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	275,000	275,000
Share premium	107,787	107,787
Reserves	119,512	140,119
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>502,299</u>	<u>522,906</u>
NON CURRENT LIABILITIES		
Borrowings	70,000	57,252
Deferred tax liabilities	1,836	1,836
TOTAL NON CURRENT LIABILITIES	<u>71,836</u>	<u>59,088</u>
CURRENT LIABILITIES		
Trade and other payables	92,908	79,684
Borrowings	16,000	24,440
Current tax payable	2,794	4,526
TOTAL CURRENT LIABILITIES	<u>111,702</u>	<u>108,650</u>
TOTAL LIABILITIES	<u>183,538</u>	<u>167,738</u>
TOTAL EQUITY AND LIABILITIES	<u>685,837</u>	<u>690,644</u>
Net Assets per share (sen)	91	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 First Quarter ended 31 March 2012 (Unaudited)**

	Attributable to the Owners of the Company					Total Equity RM'000
	Non-Distributable				Distributable	
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Treasury Shares RM'000	Retained Earnings 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 asset	-	-	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	-	-	-	-	15,727	15,727
Fair value of available-for-sale financial asset	-	-	(8,849)	-	-	(8,849)
Total comprehensive income for the period	-	-	(8,849)	-	15,727	6,878
Dividend payable	-	-	-	-	(27,485)	(27,485)
At 31 March 2012	275,000	107,787	(6,032)	(460)	126,004	502,299

(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 First Quarter ended 31 March 2012 (Unaudited)**

	Current Year-to-date 31-Mar-12 RM'000	Corresponding Year-to-date 31-Mar-11 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,171	22,200
Adjustments for:-		
- Non-cash items	4,318	3,579
- Non-operating items	(698)	874
Operating profit before changes in working capital	23,791	26,653
<u>Changes in working capital</u>		
Inventories	301	37
Trade and other receivables	11,341	(13,895)
Trade and other payables	(14,261)	15,265
Total changes in working capital	(2,619)	1,407
Cash generated from operations	21,172	28,060
Interest received	1,538	614
Interest paid	(840)	(1,488)
Tax paid	(6,176)	(3,422)
Total interest and tax paid	(5,478)	(4,296)
Net cash generated from operating activities	15,694	23,764
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(20,244)	(13,543)
Purchase of property, plant and equipment	(15,790)	(4,408)
Net cash used in investing activities	(36,034)	(17,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of rights shares	-	121,000
Bonus/rights issue expenses	-	(967)
Proceeds from borrowings	12,748	-
Repayment of borrowings	(2,000)	(4,000)
Payments of finance lease liabilities	-	12
Net cash generated from financing activities	10,748	116,045
Net (decrease)/increase in cash and cash equivalents	(9,592)	121,858
Cash and cash equivalents at the beginning of the period	211,487	68,961
Cash and cash equivalents at the end of the period	201,895	190,819
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	162,671	165,138
Cash and bank balances	39,224	25,681
	201,895	190,819

(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 *Agreement 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, may continue to apply FRSS as its financial reporting framework for annual periods beginning on or after 1 January 2012. The entity shall however comply with the MFRS framework for annual periods beginning on or after 1 January 2013.

In view of the foregoing, 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 31-Mar-12 RM'000	Current year-to-date 31-Mar-12 RM'000
Profit for the period is arrived at after charging:		
Depreciation of property, plant and equipment	4,313	4,313
Property, plant and equipment written off	1	1
Loss on disposal of property, plant and equipment	4	4

and after crediting:

Net foreign exchange gain	9	9
---------------------------	---	---

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.



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:-

31-Mar-12
RM'000

Approved and contracted for

Development of a piece of land for minor fabrication in Telok Kalong, Terengganu.	3,613
	<hr/>
	<u>3,613</u>

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 15 May 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 31 March 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 annual balance sheet date.

**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 3 months ended 31 March 2012	Unsettled balance as at 31 March 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	180	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office	8	-
Joe Ling Siew Loung @ Lin Shou Long and his spouse Chong Siaw Choon	Rental of office	9	-
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	169	-
		<hr/>	
		366	-
		<hr/>	

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**

The Group's performance for the quarter under review versus the corresponding quarter of the previous financial year is tabled below:

	Current Quarter	Corresponding	Variance	
	ended 31-Mar-12 RM'000	Quarter ended 31-Mar-11 RM'000	RM'000	%
Revenue	74,840	83,357	(8,517)	(10)
Profit before tax	20,171	22,200	(2,029)	(9)
Profit for the period	15,727	16,642	(915)	(5)
Other comprehensive income, net of tax	(8,849)	-	(8,849)	
Total comprehensive income for the period attributable to owners of the Company	6,878	16,642	(9,764)	(59)

Comparatively, the Group's revenue for the current quarter ended 31 March 2012 decreased by 10% while profit before tax for the current quarter decreased by 9% when compared to the corresponding quarter ended 31 March 2011. The lower revenue in the current quarter as compared to the corresponding quarter is mainly due to inclement weather resulting in lower value of work orders received and performed in the current quarter for the topside maintenance services, the hook-up commissioning and maintenance services and the marine segment.

Whilst revenue decreased by RM8.5 million ie 10%, profit before tax for the current quarter decreased by RM2.0 million ie. 9% in view of the fact that the work orders in the current quarter have a more or less similar profit margin contribution as those in the corresponding quarter.

The fair value of investment in Perdana Petroleum Berhad, categorised as available-for-sale financial assets, 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 reflected 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 31 March 2012 and the date of this report.



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

	Current Quarter ended	Preceding Quarter ended	Variance	
	31-Mar-12 RM'000	31-Dec-11 RM'000	RM'000	%
Revenue	74,840	99,113	(24,273)	(24)
Profit before tax	20,171	15,786	4,385	28

In the current quarter, the Group's revenue was 24% lower as compared to the preceding quarter while the profit before tax was 28% higher as compared to the preceding quarter.

The lower revenue of RM74.8 million for the current quarter as compared to RM99.1 million for the preceding quarter is mainly due to lower work orders received and performed in the current quarter as a result of more inclement weather for the current quarter.

Whilst revenue decreased by RM24.3 million ie. 24%, profit before tax increased by RM4.4 million ie. 28% in view of the fact that the work orders in the current quarter have a higher profit margin contribution as compared to those of the preceding quarter. Essentially, demobilisation costs were incurred for a contract nearing its expiry and also new mobilisation costs were incurred in anticipation of the award of new contract in 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 RM1.3 billion to last at least until 2016 and is at the same time looking positively to replenish its order book. The Group is principally involved in activities in the oil and gas industry and Petronas has revised its planned capital expenditure in developing the offshore facilities upwards from RM250 billion to RM300 billion over the next five years. The Group has experienced seasonal operational disruption due to inclement weather and therefore a slower first quarter of financial year 2012. While the Directors are optimistic of the future prospects of the Group, 2012 would 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	Current year-to-date
	31-Mar-12 RM'000	31-Mar-12 RM'000
Malaysian income tax	4,444	4,444
Tax expense	<u>4,444</u>	<u>4,444</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 31-Mar-12 RM'000	Cummulative Year-to-date 31-Mar-12 RM'000
At beginning of the period	27,105	27,105
Addition	20,244	20,244
At end of the period	47,349	47,349
Market value	47,349	47,349

B8. Status of corporate proposal

There was no corporate proposal announced or not completed by the Group as at the latest practicable date of 15 May 2012.

B9. Status of utilisation of proceeds

Proceeds from Rights Issue

	Proposed utilisation RM'000	Actual utilisation RM'000	Intended time frame for utilisation	Remark RM'000	
Capital expenditure and/or investments	100,000	42,001	Within 2 years from the listing of the Rights Shares	57,999	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
	121,000	43,285		77,715	

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

**B10. Group borrowings and debt securities**

Total Group's borrowings as at 31 March 2012 were as follows:

	RM'000
Short term borrowings-secured	
Revolving credit	10,000
Term loan	6,000
	<u>16,000</u>
Long term borrowings-secured	
Term loan	70,000
	<u>70,000</u>
Total	<u>86,000</u>

There are no foreign currency borrowings.

B11. Material litigation

As at 15 May 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.

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>55,000</u>	

**B13. Earnings per share**

Basic Earnings Per Share	Current Quarter Ended 31-Mar-12	Corresponding Quarter Ended 31-Mar-11	Cumulative Period Ended 31-Mar-12	Corresponding Period Ended 31-Mar-11
Profit for the period attributable to Owners of the Company (RM'000)	15,727	16,642	15,727	16,642
Weighted average number of ordinary shares in issue ('000)	549,700	470,556	549,700	470,556
Basic earnings per share (sen)	2.86	3.54	2.86	3.54

B14. Retained earnings

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

	As at 31-Mar-12 RM'000	As at 31-Dec-11 RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	127,840	139,598
Unrealised	(1,836)	(1,836)
Total retained earnings as per consolidated accounts	<hr/> 126,004 <hr/>	<hr/> 137,762 <hr/>

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 22 May 2012.