



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the First Quarter ended 31 March 2016 (Unaudited)**

	Current Quarter Ended 31-Mar-16 RM'000	Corresponding Quarter Ended 31-Mar-15 RM'000	Cumulative Year To Date 31-Mar-16 RM'000	Corresponding Year To Date 31-Mar-15 RM'000
Revenue	111,830	190,050	111,830	190,050
Operating expenses	(80,076)	(121,535)	(80,076)	(121,535)
<b>Gross profit</b>	<b>31,754</b>	<b>68,515</b>	<b>31,754</b>	<b>68,515</b>
Other income	2,405	758	2,405	758
Administration expenses	(32,751)	(25,560)	(32,751)	(25,560)
<b>Results from operating activities</b>	<b>1,408</b>	<b>43,713</b>	<b>1,408</b>	<b>43,713</b>
Finance costs	(25,811)	(1,719)	(25,811)	(1,719)
Finance income	1,664	1,269	1,664	1,269
<b>Net finance costs</b>	<b>(24,147)</b>	<b>(450)</b>	<b>(24,147)</b>	<b>(450)</b>
Other non-operating income	-	-	-	-
Share of (loss)/profit of an associate	-	2,485	-	2,485
<b>(Loss)/Profit before tax</b>	<b>(22,739)</b>	<b>45,748</b>	<b>(22,739)</b>	<b>45,748</b>
Income tax expense	(4,064)	(11,388)	(4,064)	(11,388)
<b>(Loss)/Profit for the period</b>	<b>(26,803)</b>	<b>34,360</b>	<b>(26,803)</b>	<b>34,360</b>
<b>Other comprehensive (loss)/income, net of tax</b>				
Foreign currency translation	(58,475)	-	(58,475)	-
Cash flow hedge	(193)	-	(193)	-
Share of other comprehensive income of an associate	-	8,032	-	8,032
Remeasurement of financial assets reclassified to income statement	-	-	-	-
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(58,668)</b>	<b>8,032</b>	<b>(58,668)</b>	<b>8,032</b>
<b>Total comprehensive (loss)/ income for the period attributable to Owners of the Company</b>	<b>(85,471)</b>	<b>42,392</b>	<b>(85,471)</b>	<b>42,392</b>
<b>(Loss)/Profit for the period</b>				
Attributable to:				
Owners of the Company	(26,386)	34,360	(26,386)	34,360
Non-controlling interest	(417)	-	(417)	-
	<b>(26,803)</b>	<b>34,360</b>	<b>(26,803)</b>	<b>34,360</b>
<b>Total comprehensive (loss)/ income for the period</b>				
Attributable to:				
Owners of the Company	(83,889)	42,392	(83,889)	42,392
Non-controlling interest	(1,582)	-	(1,582)	-
	<b>(85,471)</b>	<b>42,392</b>	<b>(85,471)</b>	<b>42,392</b>
Weighted average number of ordinary shares in issue ('000)	877,100	877,100	877,100	877,100
Basic (loss)/earnings per ordinary share of RM0.50 each (sen)	(3.01)	3.92	(3.01)	3.92

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2015 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Financial Position**  
**As at 31 March 2016 (Unaudited)**

	<b>UNAUDITED AS AT</b> <b>31-Mar-16</b> <b>RM'000</b>	<b>AUDITED AS AT</b> <b>31-Dec-15</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	1,692,638	1,853,733
Prepaid lease payments	10,399	10,491
Intangible assets	38,650	42,946
Deposit	65,759	75,357
Goodwill	755,250	755,250
Deferred tax asset	13,315	13,315
<b>TOTAL NON CURRENT ASSETS</b>	<b>2,576,011</b>	<b>2,751,092</b>
<b>CURRENT ASSETS</b>		
Inventories	6,937	6,886
Trade and other receivables	174,506	278,420
Other investments	1,460	1,447
Deposits and prepayments	14,165	19,023
Current tax assets	2,714	5,703
Cash and cash equivalents	243,558	238,261
<b>TOTAL CURRENT ASSETS</b>	<b>443,340</b>	<b>549,740</b>
<b>TOTAL ASSETS</b>	<b>3,019,351</b>	<b>3,300,832</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	438,550	438,550
Share premium	146,687	146,687
Reserves	519,730	603,619
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>1,104,967</b>	<b>1,188,856</b>
<b>NON-CONTROLLING INTEREST</b>	<b>6,196</b>	<b>7,778</b>
<b>TOTAL EQUITY</b>	<b>1,111,163</b>	<b>1,196,634</b>
<b>NON CURRENT LIABILITIES</b>		
Loans and borrowings	1,281,642	1,317,581
Derivative liability	270	77
Deferred tax liabilities	22,407	22,410
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>1,304,319</b>	<b>1,340,068</b>
<b>CURRENT LIABILITIES</b>		
Loans and borrowings	393,776	487,611
Trade and other payables	90,069	151,623
Current tax liabilities	120,024	124,896
<b>TOTAL CURRENT LIABILITIES</b>	<b>603,869</b>	<b>764,130</b>
<b>TOTAL LIABILITIES</b>	<b>1,908,188</b>	<b>2,104,198</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,019,351</b>	<b>3,300,832</b>
Net Assets per share (sen)	126	136

(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 2015 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity  
For the First Quarter ended 31 March 2016 (Unaudited)**

	Attributable to the Owners of the Company						
	Non-Distributable			Distributable	Total	Non-controlling interest	Total Equity
	Share Capital	Share Premium	Other reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2015, restated</b>	<b>438,550</b>	<b>146,687</b>	<b>7,747</b>	<b>374,909</b>	<b>967,893</b>	<b>-</b>	<b>967,893</b>
					-		
Share of other comprehensive income of an equity-accounted associate	-	-	16,290	-	16,290	-	16,290
Total other comprehensive income for the year	-	-	16,290	-	16,290	-	16,290
Profit for the year	-	-	-	172,170	172,170	(1,493)	170,677
Foreign currency translation differences for foreign operations	-	-	87,138	-	87,138	1,765	88,903
Cash flow hedge	-	-	100	-	100	2	102
Remeasurement of financial assets reclassified to income statement	-	-	(24,037)	-	(24,037)	-	(24,037)
Total comprehensive income for the year	-	-	79,491	172,170	251,661	274	251,935
Dividends to owners of the company	-	-	-	(30,698)	(30,698)	-	(30,698)
Changes in ownership interests in a subsidiary	-	-	-	-	-	7,504	7,504
<b>At 31 December 2015</b>	<b>438,550</b>	<b>146,687</b>	<b>87,238</b>	<b>516,381</b>	<b>1,188,856</b>	<b>7,778</b>	<b>1,196,634</b>



DAYANG ENTERPRISE HOLDINGS BHD (712243-U)

**Condensed Consolidated Statement of Changes in Equity (continued)**  
**For the First Quarter ended 31 March 2016 (Unaudited)**

	Attributable to the Owners of the Company						Total Equity RM'000
	Non-Distributable			Distributable	Total RM'000	Non- controlling interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Other reserve RM'000	Retained Earnings RM'000			
<b>At 31 December 2015/1 January 2016</b>	<b>438,550</b>	<b>146,687</b>	<b>87,238</b>	<b>516,381</b>	<b>1,188,856</b>	<b>7,778</b>	<b>1,196,634</b>
Loss for the period	-	-	-	(26,386)	(26,386)	(417)	(26,803)
Foreign currency translation differences for foreign operations	-	-	(57,314)	-	(57,314)	(1,161)	(58,475)
Cash flow hedge	-	-	(189)	-	(189)	(4)	(193)
							0
Total comprehensive loss for the period	-	-	(57,503)	(26,386)	(83,889)	(1,582)	(85,471)
<b>At 31 March 2016</b>	<b>438,550</b>	<b>146,687</b>	<b>29,735</b>	<b>489,995</b>	<b>1,104,967</b>	<b>6,196</b>	<b>1,111,163</b>

(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 2015 and the accompanying notes attached to this interim financial report).

**Condensed Consolidated Statement of Cash Flows  
For the First Quarter ended 31 March 2016 (Unaudited)**

	Current period-to-date 31-Mar-16 RM'000	Corresponding period-to-date 31-Mar-15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(22,739)	45,748
Adjustments for:-		
- Non-cash items	35,923	7,600
- Non-operating items	102,104	451
Operating profit before changes in working capital	115,288	53,799
<u>Changes in working capital</u>		
Inventories	(60)	13
Trade and other receivables	109,439	1,944
Trade and other payables	(37,301)	(24,016)
Total changes in working capital	72,078	(22,059)
<b>Cash generated from operations</b>	<b>187,366</b>	<b>31,740</b>
Interest received	2,037	1,269
Interest paid	(78,977)	(881)
Tax paid	(9,302)	(8,723)
Total interest and tax paid	(86,242)	(8,335)
<b>Net cash generated from operating activities</b>	<b>101,124</b>	<b>23,405</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investment in an existing associate	-	(12,143)
Acquisition of other investments	-	(10,000)
Acquisition of property, plant and equipment	(7,862)	(17,530)
Proceeds from disposal of other investments	3,459	-
<b>Net cash used in investing activities</b>	<b>(4,403)</b>	<b>(39,673)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	13,432
Repayment of borrowings	(60,021)	(23,181)
Term loan interest paid	(25,164)	(839)
<b>Net cash used in financing activities</b>	<b>(85,185)</b>	<b>(10,588)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,536</b>	<b>(26,856)</b>
<b>Effect of exchange rate fluctuation of cash held</b>	<b>(2,780)</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>218,315</b>	<b>194,896</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>227,071</b>	<b>168,040</b>
<b>Breakdown of cash and cash equivalents at the end of the period:-</b>		
Short term deposits	107,545	100,460
Cash and bank balances	136,013	67,580
Bank overdrafts	-	-
	<b>243,558</b>	<b>168,040</b>
Less: Deposits pledged as security	(16,487)	-
<b>Cash and cash equivalents</b>	<b>227,071</b>	<b>168,040</b>

(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 2015 and the accompanying notes attached to this interim financial report).



**A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 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* 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 2015 and the accompanying explanatory notes attached to this interim financial report.

**A2. Changes in Accounting policies**

**A2.1 Adoption of Standards, Amendments and Interpretations**

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2015, except for the adoption of the following Standards, Amendments and Interpretations from 1 January 2016:

<b>MFRS/Amendment/Interpretation</b>	<b>Effective date</b>
• Amendments to MFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016
• Amendments to MFRS 7, <i>Financial Instruments: Disclosures – (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> , MFRS 12, <i>Disclosure of interests in Other Entities</i> and MFRS 128, <i>Investments in Associates and Joint Ventures-Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
• Amendments to MFRS 11: <i>Joint Arrangements-Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
• MFRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
• Amendments to MFRS 101, <i>Presentation of Financial Statements-Disclosure Initiative</i>	1 January 2016
• Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 138, <i>Intangible Assets- Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
• Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 141, <i>Agriculture – Agriculture: Bearer Plants</i>	1 January 2016
• Amendments to MFRS 119, <i>Employee Benefits (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016
• Amendments to MFRS 127, <i>Equity Method in Separate Financial Statements</i>	1 January 2016
• Amendments to MFRS 134, <i>Interim Financial Reporting (Annual Improvements to MFRSs 2012-2014 Cycle)</i>	1 January 2016

The adoption of the above Standards, Amendments and Interpretations does not have a material impact on the financial statements of the Group and the Company.



## A2.2 Standards, Amendments and Interpretations issued but not yet effective

• Amendments to MFRS 107, <i>Disclosure Initiative</i>	1 January 2017
• Amendments to MFRS 112, <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
• MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
• MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
• Amendments to MFRS 16, <i>Leases</i>	1 January 2019
• Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, Investment in Associates and Joint Ventures – Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture</i>	To be confirmed

The Group plans to apply:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for Amendments to MFRS 5, Amendments to MFRS 11, Amendments to MFRS 141 and MFRS 14 which are assessed as presently not applicable to the Group.
- from the annual period beginning on 1 January 2017 for Amendments to MFRS 107 and Amendments to MFRS 112 which are both effective for annual period beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for MFRS 15 and MFRS 9 which are both effective for annual period beginning on or after 1 January 2018.
- from the annual period beginning on 1 January 2019 for Amendments to MFRS 16 which is effective for annual period beginning on or after 1 January 2019.

The initial application of the above accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements for current and prior period financial statements of the Group.

## A3. Auditors' report

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

**A4. Profit for the period**

	Current quarter ended 31-Mar-16 RM'000	Current year-to-date 31-Mar-16 RM'000
<b>Profit for the period is arrived at after charging:</b>		
Depreciation of property, plant and equipment	33,146	33,146
Amortisation of intangible assets	4,449	4,449
Unrealised loss on foreign exchange	1,670	1,670
<b>and after crediting:</b>		
Realised gain on foreign exchange	2,450	2,450

No 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, except for the other comprehensive expense arising from foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars. During the current quarter, the other comprehensive expense arising from foreign currency translation amounted to RM58.5 million.

**A7. Material changes in estimates**

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

**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.

**A9. Dividend paid**

No dividend was paid during the current quarter and financial period to date.



**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**

<b>Cummulative 3 months ended 31 March 2016</b>	<b>Investment Holding</b>	<b>Offshore TMS</b>	<b>Marine Charter</b>	<b>Equipment Rental</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**Revenue**

External revenue	208	85,901	25,721	-	111,830	-	111,830
Inter-segment revenue	1,050	-	28,507	7,731	37,288	(37,288)	-
<b>Total revenue</b>	<b>1,258</b>	<b>85,901</b>	<b>54,228</b>	<b>7,731</b>	<b>149,118</b>	<b>(37,288)</b>	<b>111,830</b>

**Results**

Segment results	84	1,448	279	3,893	5,704	(4,296)	1,408
Finance costs	(10,189)	(633)	(14,989)	-	(25,811)	-	(25,811)
Inter-segment finance costs	-	-	(249)	-	(249)	249	-
<b>Total finance costs</b>	<b>(10,189)</b>	<b>(633)</b>	<b>(15,238)</b>	<b>-</b>	<b>(26,060)</b>	<b>249</b>	<b>(25,811)</b>
Finance income	26	967	610	61	1,664	-	1,664
Inter-segment finance income	249	-	-	-	249	(249)	-
<b>Total finance income</b>	<b>275</b>	<b>967</b>	<b>610</b>	<b>61</b>	<b>1,913</b>	<b>(249)</b>	<b>1,664</b>

Loss before tax **(22,739)**

Income tax expense **(4,064)**

Loss after tax **(26,803)**



**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:-

**Approved and contracted for**

Construction of offices and warehouses in Labuan	3,586
Purchase of property, plant and equipment	131,947
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	135,533
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**A13. Material events subsequent to the end of period reported**

There are no material events subsequent to the end of the current quarter and current period up to 18 May 2016 (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, except for any additional tax that may be imposed on the Group following a recent tax audit by the Inland Revenue Board. The Group is currently responding to the queries raised vide their letter dated 19 October 2015 and is thereby unable to quantify the additional tax that may be payable, if any.

**A14. Changes in composition of the group**

There were no changes in the composition of the Group.

**A15. Contingent Liabilities and Contingent Assets**

In addition to the contingent tax liability as disclosed in Note A13, the following are the contingent liabilities outstanding as at 31 March 2016:

	As at 31-Dec-15
	RM'000
<u>Unsecured:-</u>	
Bank guarantee granted to third parties for the benefit of a subsidiary	4,800
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	2,358
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	7,158
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**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 quarter:-

Transactions with Directors and a company in which certain Directors have substantial financial interests:-	Nature	Amount for 3 months ended 31 March 2016	Unsettled balance as at 31 March 2016
		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 in Labuan	180	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	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 in Miri	186	-
Kunci Prima Sdn Bhd	Rental of office in Petaling Jaya	199	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	80	-
		<hr/>	
		654	-
		<hr/> <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 ended 31-Mar-16 RM'000	Corresponding Quarter ended 31-Mar-15 RM'000	Variance	
			RM'000	%
Revenue	111,830	190,050	(78,220)	(41)
(Loss)/profit before tax (excluding share of results of an associate)	(22,739)	43,263	(66,002)	(153)
Share of results of an associate	-	2,485	(2,485)	(100)
(Loss)/Profit before tax	(22,739)	45,748	(68,487)	(150)
(Loss)/profit for the period	(26,803)	34,360	(61,163)	(178)
Other comprehensive (loss)/income, net of tax	(58,668)	8,032	(66,700)	
Total comprehensive (loss)/ income for the period attributable to owners of the Company	(85,471)	42,392	(127,863)	(302)

Comparatively, the Group's revenue for the current quarter ended 31 March 2016 decreased by 41% while results before tax for the current quarter suffered a loss of RM22.7 million as compared to profit before tax of RM45.7 million in the corresponding quarter ended 31 March 2015. The lower revenue in the current quarter as compared to the corresponding quarter is due to lower vessel utilisation and lower value of work orders received and performed in the current quarter.

Whilst revenue decreased by RM78.2 million ie 41%, profit before tax for the current quarter decreased by RM68.5 million ie. 150%. The sharp decrease is due to lower profit margin contribution from work orders performed and high interest incurred amounting to RM25.8 million from higher borrowings as compared to the corresponding quarter.

In the opinion of the Directors, the results for the current quarter have not been affected by any transactions or events of a material nature which have arisen between 31 December 2015 and the date of this report.



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

	Current	Preceding	Variance	
	Quarter ended 31-Mar-16 RM'000	Quarter ended 31-Dec-15 RM'000	RM'000	%
Revenue	111,830	221,673	(109,843)	(50)
(Loss)/Profit before tax (excluding share of results of an associate and fair value gain)	(22,739)	(7,582)	(15,157)	200
Share of results of an associate	-	117	(117)	(100)
Fair value gain from re-measurement of equity interest held in an associate at acquisition date (fair value gain)	-	26,876	(26,876)	
(Loss)/Profit before tax	(22,739)	19,411	(42,150)	(217)

In the current quarter, the Group's revenue was 50% lower as compared to the preceding quarter. Loss of RM22.7 million was incurred in the current quarter as compared to a profit before tax of RM19.4 million in the preceding quarter.

The lower revenue of RM111.8 million for the current quarter as compared to RM221.7 million for the preceding quarter is mainly due lower vessel utilisation rate and fewer work orders received and performed.

Whilst revenue decreased by RM109.8 million ie. 50%, loss before tax (excluding share of results of an associate and fair value gain) increased by RM15.1 million ie. 200% mainly due to losses incurred by Perdana Petroleum Bhd for the periods under consolidation.

The fair value gain of RM26.8 million was occasioned by the re-measurement of the equity interest held in Perdana Petroleum Bhd (PPB) on 24 July 2015 to fair value.

**B3. Prospects for 2016**

Despite an improvement of oil price to beyond USD48 per barrel currently, the reality remains that the industry is still in a very challenging operating business environment. The global economic uncertainties coupled with the fluctuation in global crude oil price have influenced our primary client, Petronas to reduce their activity. Our Group would inevitably be impacted in one way or another. However, the management is confident that opportunities in the areas of maintenance are abound and prospects look brighter as this area has been our specialty. Major decisions undertaken towards end of 2015 such as management restructuring and loans refinancing have better prepared and sustained the group through the down-cycle.

Presently, the Group has call-out contracts estimated at about RM3.6 billion to last at least until 2018 and an outstanding tender book of approximately RM350 million.

The Directors will continue to exercise due care and prudence in the pursuit of running the Group's business and in ensuring that shareholders' interest and values be sustained and enhanced.

**B4. Profit forecast and profit guarantee**

There was no profit guarantee issued by the Group.

**B5. Income tax expense**

	Current quarter ended 31-Mar-16 RM'000	Current year-to-date 31-Mar-16 RM'000
Malaysian income tax	4,064	4,064
Income tax expense	<u>4,064</u>	<u>4,064</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 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-16 RM'000	Cummulative Year-to-date 31-Mar-16 RM'000
At beginning of the period	1,442	1,442
Change in fair value	<u>17</u>	<u>17</u>
At end of the period	<u>1,459</u>	<u>1,459</u>
Market value	<u>1,459</u>	<u>1,459</u>



**B8. Status of corporate proposal**

**(i) Public Shareholding Spread**

Perdana Petroleum Bhd (PPB) had on 3 February 2016 submitted to Bursa Securities an application for a further extension of time to comply with the public spread requirement. Bursa Securities has vide their letter dated 1 April 2016 granted PPB a further extension of time of 6 months i.e. from 13 February 2016 to 12 August 2016 to comply with the public shareholding spread requirement.

**(ii) Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of Sukuk Based on the Shariah Principle of Murabahah of up to RM635,000,000 in Nominal Value**

On 11 March 2016, United Overseas Bank (Malaysia) Bhd (“UOB”) as the Principal Adviser/Lead Arranger/Lead Manager for a Proposed Sukuk Issue, on behalf of Perdana Petroleum Bhd (PPB), had made the lodgement in respect of the Proposed Sukuk Issue with the Securities Commission Malaysia.

The first issuance under the Proposed Sukuk Issue will be guaranteed by Danajamin Nasional Berhad pursuant to an Al-Kafalah Facility. The tenure of the Sukuk Murabahah Programme shall be twelve (12) years from the date of the first issue of the Sukuk Murabahah.

The proceeds of the first issuance of the Sukuk Murabahah shall be utilised for the following Shariah-compliant purposes:

- (a) first, an amount of up to RM630 million to be utilised for refinancing of outstanding borrowings undertaken by PPB and/or its subsidiaries for purchase of the certain charged vessels;
- (b) second, an amount of up to RM20 million to defray any fees and expenses for the Proposed Sukuk Issue and the Al-Kafalah Facility and to prefund the finance service reserve account to be opened and maintained under the Al-Kafalah Facility; and
- (c) third, any unutilised balance after meeting purposes in items (a) and (b) above can be utilised for PPB’s working capital requirements subject to a maximum amount of RM40 million.

The proceeds of subsequent issuances of the Sukuk Murabahah shall be utilised for the PPB’s working capital requirements (including refinancing) which includes advances to the Issuer’s subsidiaries via Shariah-compliant mode and general corporate purposes which shall be Shariah-compliant.



**(ii) Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of Sukuk Based on the Shariah Principle of Murabahah of up to RM635,000,000 in Nominal Value (Cont'd)**

On 28 April 2016, the first issuance of the Sukuk Murabahah has been completed for the amount of RM635,000,000, the revised nominal value.

The first issuance under the Sukuk Murabahah is guaranteed by Danajamin Nasional Berhad pursuant to an Al-Kafalah Facility.

The proceeds of the first issuance received from the Sukuk Murabahah issuance will be utilised for the following Shariah-compliant purposes:

- (a) first, an amount of RM615,000,000.00 to be utilised for refinancing of outstanding borrowings identified by the PPB and undertaken by PPB and/or its subsidiaries for purchase of the certain charged vessels; and
- (b) second, an amount of RM20,000,000.00 to defray any fees and expenses for the Sukuk Murabahah Programme and the Al-Kafalah Facility and to prefund the finance service reserve account to be opened and maintained under the Al-Kafalah Facility.

Save for the above, there was no corporate proposal announced or not completed by the Group as at the latest practicable date of 18 May 2016.

**B9. Group borrowings and debt securities**

Total Group's borrowings as at 31 March 2016 were as follows:

	RM'000
<b>Short term borrowings</b>	
Secured	373,776
Unsecured	20,000
	<hr/>
	393,776
	<hr/>
<b>Long term borrowings</b>	
Secured	1,281,642
	<hr/>
	1,281,642
	<hr/>
<b>Total</b>	1,675,418
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The above includes borrowings in US Dollars equivalent to RM854 million.





**B10. Material litigation**

As at 18 May 2016, (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 except for the following:

Perdana Petroleum Bhd (PPB) had on 22 June 2011 filed a suit in the High court against Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong, Lee Mee Jiong, TA Securities Holdings Bhd, Yap Hock Heng and TA First Credit Sdn Bhd to claim for losses and damages suffered by PPB in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Bhd (PEB) by PPB to the parties on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by PPB as conducted by TA Securities Holdings Bhd and Yap Hock Heng on 11 December 2009.

This suit is mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and PPB is seeking from the High Court, various declaratory reliefs, damages (general and/or fiduciary and/or aggravated) to be assessed, interest, account and disgorgement and costs.

On 7 September 2012, PPB filed notices of discontinuance pursuant to a negotiated settlement with TASB, Yap Hock Heng and TAFC, with no admission of liability and with no liberty to file afresh. In this connection, TASB had also agreed to discontinue their suit against PPB in relation to a claim of approximately RM2.796 million as placement fees due to them ("TASB Suit") with no admission of liability and with no liberty to file afresh. With the discontinuance of the TASB Suit, PPB has reversed the provisions made earlier.

The trial at the High Court ended on 26 April 2013 and oral submissions by respective counsels were made on 21 November 2013 and 28 November 2013. On 21 March 2014, PPB announced that the High Court gave its decision that PPB was unsuccessful in the Suit. On 17 April 2014, PPB filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

On 9 September 2014, PPB announced that the High Court has made a decision on costs and ordered PPB to pay the Defendant Parties, a total cost of RM841,731. The High Court has also ordered Tengku Dato' Ibrahim Petra bin Tengku Indra Petra to pay PPB the sum of RM192,780 with post judgement interest calculated at 5% per annum starting from 22 March 2014 ("Judgement Sum"). The earnings of the Group for the quarter ending 31 December 2014 was reduced by the differential sum of the total cost payable and the judgement sum receivable.

On 24 September 2014, PPB announced that the Court of Appeal has fixed the hearing of the Appeal on 2 December 2014. This was subsequently adjourned and fixed to be heard on 11 March 2015.

The Appeal was heard on 11 March 2015 and 25 March 2015.

On 25 August 2015, PPB announced that the Court of Appeal has made the following judgements:-

- (a) PPB's appeal is allowed with costs against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;
- (b) PPB's appeal is dismissed with costs against Lee Mee Jiong; and
- (c) Tengku Dato' Ibrahim Petra bin Tengku Indra Petra's cross appeal is dismissed with costs.

On 23 September 2015, PPB announced that PPB had on 23 September 2015 received the Notices of Motion from the solicitors of Tengku Dato' Ibrahim bin Tengku Indra Petra and Wong Fook Heng & Tiong Young Kong respectively, to apply for leave to appeal to the Federal Court against the decision of the Court of Appeal on 25 August 2015.



**B10. Material litigation (Cont'd)**

The Federal Court has on 1 March 2016 allowed the leave applications by the Applicants and the Applicants will proceed with the filing of the appeal papers for Case Management. The Case Management date has yet to be fixed by the Federal Court.

**B11. Dividend**

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>2015</u>			
Second interim 2014 ordinary (single-tier)	3.50	<u>30,698</u>	14-Apr-15

**B12. Earnings per share**

<b>Basic Earnings Per Share</b>	Current Quarter Ended 31-Mar-16	Corresponding Quarter Ended 31-Mar-15	Cumulative Period Ended 31-Mar-16	Corresponding Period Ended 31-Mar-15
Profit for the period attributable to Owners of the Company (RM'000)	(26,386)	34,360	(26,386)	34,360
Weighted average number of ordinary shares in issue ('000)	877,100	877,100	877,100	877,100
Basic earnings per share (sen)	(3.01)	3.92	(3.01)	3.92



**B13. Retained earnings**

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

	As at 31-Mar-16 RM'000	As at 31-Dec-15 RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	784,078	780,014
Unrealised	(9,092)	2,194
less: Consolidation adjustments	(284,991)	(265,827)
Total retained earnings as per consolidated accounts	<u>489,995</u>	<u>516,381</u>

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.

**B14. 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 25 May 2016.