

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 31.12.2017 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2016 RM'000	Unaudited Current year to date 12 Months 31.12.2017 RM'000	Unaudited Preceding year to date 12 Months 31.12.2016 RM'000
Revenue	78,679	215,128	310,936	622,586
Cost of sales	(87,571)	(195,300)	(400,786)	(529,338)
Gross (loss)/profit	(8,892)	19,828	(89,850)	93,248
Other income	1,633	8,368	4,428	11,174
Administrative and other expenses	(63,340)	(21,262)	(116,662)	(71,749)
Finance costs	(4,451)	(4,204)	(14,638)	(16,306)
(Loss)/Profit before taxation	(75,050)	2,730	(216,722)	16,367
Income tax credit/(expense)	1,199	1,320	(25)	(1,905)
(Loss)/Profit after taxation	(73,851)	4,050	(216,747)	14,462
Other comprehensive income				
Foreign currency translation	(977)	(2,204)	(3,864)	8,305
Other comprehensive (expenses)/income for the period/year	(977)	(2,204)	(3,864)	8,305
Total comprehensive (expenses)/income	(74,828)	1,846	(220,611)	22,767
(Loss)/Profit after tax attributable to:				
- Owners of the Company	(73,826)	4,084	(216,697)	14,534
- Non-controlling interests	(25)	(34)	(50)	(72)
	(73,851)	4,050	(216,747)	14,462
Total comprehensive (expenses)/income attributable to:				
- Owners of the Company	(74,808)	1,885	(220,570)	22,844
- Non-controlling interests	(20)	(39)	(41)	(77)
	(74,828)	1,846	(220,611)	22,767
Basic weighted average no. of ordinary shares ('000)	825,587	824,844	825,587	824,844
Earnings per share (sen):				
- Basic	(8.94)	0.50	(26.25)	1.76
- Diluted	(8.59)	0.48	(25.22)	1.71

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 ("FYE 2016") and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31
DECEMBER 2017

	Unaudited As at 31.12.2017 RM'000	Audited As at 31.12.2016 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	297,447	400,649
CURRENT ASSETS		
Inventories	5,154	10,479
Trade receivables	61,791	128,282
Other receivables, deposits and prepayments	12,041	9,721
Current tax assets	42,966	49,593
Short-term investments	136	2,775
Fixed deposits with licensed banks	102,709	115,988
Cash and bank balances	29,205	101,701
	254,002	418,539
TOTAL ASSETS	551,449	819,188
EQUITY AND LIABILITIES		
EQUITY		
Share capital	165,329	165,033
Share premium	64,070	64,070
Merger deficit	(71,909)	(71,909)
Employees' share option reserves	6,680	6,680
Redeemable convertible unsecured loan stocks ("RCULS")	539	610
Foreign exchange translation reserves	10,694	14,567
Retained profits	27,919	244,616
Equity attributable to owners of the Company	203,322	423,667
Non-controlling interest	(72)	(31)
TOTAL EQUITY	203,250	423,636

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31
DECEMBER 2017 (CONT'D)

	Unaudited As at 31.12.2017 RM'000	Audited As at 31.12.2016 RM'000
NON-CURRENT LIABILITIES		
Deferred tax liabilities	50	641
Long-term borrowings	169,442	167,630
RCULS	1,763	1,719
	171,255	169,990
CURRENT LIABILITIES		
Trade payables	119,791	130,564
Other payables and accruals	2,963	7,757
Current tax liabilities	-	23
Short-term borrowings	38,529	86,052
Bank overdrafts	15,661	1,166
	176,944	225,562
TOTAL LIABILITIES	348,199	395,552
TOTAL EQUITY AND LIABILITIES	551,449	819,188
Net asset per share (sen)	24.63	51.36

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 2016 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH
(4TH) QUARTER ENDED 31 DECEMBER 2017

	Unaudited Current year to date 12 Months 31.12.2017 RM'000	Audited Preceding year to date 12 Months 31.12.2016 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(216,722)	16,367
Adjustments for:-		
Depreciation of property, plant and equipment	28,198	30,805
Interest expense	14,338	16,139
Interest income	(3,611)	(3,663)
Unrealised loss/(gain) on foreign exchange	9,995	(7,316)
Write back of impairment loss on receivables on longer required	(37)	-
Gain on disposal of property, plant and equipment	(4)	(2)
Impairment loss on goodwill	20	-
Impairment loss on property, plant and equipment	43,762	-
Property, plant and equipment written off	1,113	660
Share options to employees	-	1,739
	<hr/>	<hr/>
Operating (loss)/profit before working capital changes	(122,948)	54,729
Decrease/(Increase) in inventories	5,325	(10,479)
Decrease in trade and other receivables	64,172	11,411
(Decrease)/Increase in trade and other payables	(13,907)	43,673
	<hr/>	<hr/>
CASH (FOR)/FROM OPERATIONS	(67,358)	99,334
Interest paid	(14,076)	(16,003)
Interest received	3,611	3,663
Net income tax refund/(paid)	5,995	(18,387)
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NET CASH (FOR)/FROM OPERATING ACTIVITIES	(71,828)	68,607
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,707)	(27,106)
Decrease/(Increase) in pledged fixed deposits with licensed banks	12,981	(28,243)
Acquisition of subsidiaries, net of cash and cash equivalents	1	^
Proceeds from disposal of property, plant and equipment	4	2
	<hr/>	<hr/>
NET CASH FROM/(FOR) INVESTING ACTIVITIES	10,279	(55,347)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of hire purchase obligations	(577)	(375)
Drawdown of trust receipts	123,872	281,029
Repayment of term loans	(15,290)	(24,774)
Repayment of trust receipts	(135,723)	(270,143)
Repayment to a director	(18)	-
Proceeds from exercise of employees' share option	-	26
Issuance of share capital to non-controlling interests of a subsidiary	-	49
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NET CASH FOR FINANCING ACTIVITIES	(27,736)	(14,188)
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NET DECREASE OF CASH AND CASH EQUIVALENTS/BALANCE CARRIED FORWARD	(89,285)	(928)

Note:

^ - Denotes (RM1)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH
(4TH) QUARTER ENDED 31 DECEMBER 2017 (CONT'D)

	Unaudited Current year to date 12 Months 31.12.2017 RM'000	Audited Preceding year to date 12 Months 31.12.2016 RM'000
NET DECREASE OF CASH AND CASH EQUIVALENTS/BALANCE BROUGHT FORWARD	(89,285)	(928)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(643)	6,996
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	107,403	101,335
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>17,475</u>	<u>107,403</u>
Cash and cash equivalents comprise the following:		
- Short-term investments	136	2,775
- Fixed deposits with licensed banks	102,709	115,988
- Cash and bank balances	29,205	101,701
- Bank overdrafts	(15,661)	(1,166)
	<u>116,389</u>	<u>219,298</u>
Less: Fixed deposits pledged to licensed banks	(98,914)	(111,895)
	<u>17,475</u>	<u>107,403</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 2016 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

	----- Attributable to owners of the Company -----							Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	-----Non-distributable-----				Distributable					
Unaudited	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	RCULS RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000			
Balance at 01.01.2017	165,033	64,070	(71,909)	6,680	610	14,567	244,616	423,667	(31)	423,636
Loss after taxation	-	-	-	-	-	-	(216,697)	(216,697)	(50)	(216,747)
Other comprehensive expenses for the financial year, net of taxation:										
- Foreign currency translation	-	-	-	-	-	(3,873)	-	(3,873)	9	(3,864)
Total comprehensive expenses	-	-	-	-	-	(3,873)	(216,697)	(220,570)	(41)	(220,611)
Contributions by owners of the Company:										
Issuance of shares pursuant to conversion of RCULS	296	-	-	-	(71)	-	-	225	-	225
Total transactions with owners	296	-	-	-	(71)	-	-	225	-	225
Balance at 31.12.2017	165,329	64,070	(71,909)	6,680	539	10,694	27,919	203,322	(72)	203,250

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017 (CONT'D)

	----- Attributable to owners of the Company -----						Retained Profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	-----Non-distributable-----			Distributable						
Audited	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	RCULS RM'000	Foreign Exchange Translation Reserve RM'000				
Balance at 01.01.2016, as previously reported	164,879	64,014	(71,909)	5,350	653	(79,853)	229,687	312,821	(3)	312,818
- Prior year adjustment	-	-	-	-	-	86,110	-	86,110	-	86,110
Balance at 01.01.2016 (Restated)	164,879	64,014	(71,909)	5,350	653	6,257	229,687	398,931	(3)	398,928
Profit after taxation	-	-	-	-	-	-	14,534	14,534	(72)	14,462
Other comprehensive income for the financial year:										
- Foreign currency translation differences	-	-	-	-	-	8,310	-	8,310	(5)	8,305
Total comprehensive income for the financial year	-	-	-	-	-	8,310	14,534	22,844	(77)	22,767
Contributions by owners of the Company:										
Issuance of shares pursuant to conversion of RCULS	147	23	-	-	(43)	-	-	127	-	127
Employees' share option:										
- Exercised	7	33	-	(14)	-	-	-	26	-	26
- Granted	-	-	-	1,739	-	-	-	1,739	-	1,739
- Forfeited/Lapsed	-	-	-	(395)	-	-	395	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	^	^
Issuance of share capital to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	49	49
Total transactions with owners	154	56	-	1,330	(43)	-	395	1,892	49	1,941
Balance at 31.12.2016	165,033	64,070	(71,909)	6,680	610	14,567	244,616	423,667	(31)	423,636

Note: ^ - Denotes RM1

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 2016 and the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A1. Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”).

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2016.

During the current financial period, the Company and its subsidiary companies (“Group”) have adopted the following new accounting standards and interpretations (including the consequential amendments):-

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles:

- Amendments to MFRS 12: Clarification of the Scope of Standard

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)

	Effective Date
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers and the Amendments to MFRS 15: Effective Date of MFRS 15 and Clarifications to MFRS 15 “Revenue from Contracts with Customers”	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between Investor and its Associate or Joint Venture	Deferred until further notice
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

A2. Auditors’ Report of preceding annual financial statements

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2016 was not subject to any qualification.

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A3. Seasonal or cyclical factors

The Group’s operations were not significantly affected by any seasonal or cyclical factor during the current quarter and financial year-to-date.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows for the Group during the current quarter and financial year-to-date other than the following:-

- impairment loss on goodwill of RM19,951 arising from the acquisition of PBJV Asset Management Sdn. Bhd. (“PAMSB”) and PBJV Energy Sdn. Bhd. (“PESB”); and
- impairment loss on property, plant and equipment of RM43.76 million arising from the revaluation of the Group’s pipe laying barge.

A5. Material changes in estimates

There were no material changes in estimates in the current quarter and current financial year-to-date.

A6. Debt and equity securities

There were no issuances, cancellation, repurchase, resale or repayment of debt or equity securities in the current quarter except for the following:-

- Share Capital

	No. of Ordinary Shares ('000)	RM'000
Share capital – issued and fully paid up as at 01.10.2017	825,639	165,141
Conversion of RCULS	766	188
Share capital as at 31.12.2017	826,405	165,329

A7. Dividends paid

There were no dividends paid or declared for the current quarter and financial year-to-date.

A8. Segmental information

No segmental information is provided as the Group is primarily involved in the oil and gas industry (one business segment) and the Group’s activities are predominantly in Malaysia. The overseas segment accounts for less than 10% of the consolidated revenue and assets.

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A9. Revenue

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 31.12.2017 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2016 RM'000	Unaudited Current year to date 12 Months 31.12.2017 RM'000	Audited Preceding year to date 12 Months 31.12.2016 RM'000
Pipeline and commissioning services (“PCS”); and	34,174	39,144	124,141	135,258
Installation and construction services (“ICS”)	44,505	175,984	186,795	487,328
	78,679	215,128	310,936	622,586

The Group's revenue are generated solely from non-related parties and as such, the total trade receivables as at the end of the financial period are from non-related parties. The Group's average credit terms granted to trade receivables range from 60 to 90 days (2016 - 60 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

A10. Valuation of property, plant and equipment

The Group's property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The Group had carried out a valuation on its pipe laying barge during the current quarter which resulted in an impairment loss of RM43.76 million being recognised in the current quarter.

A11. Capital commitments

	As at 31.12.2017 RM'000
Property, plant and equipment:-	
Approved and contracted for	4,020

A12. Changes in the composition of the Group

On 8 June 2017, the Company announced that the Company and its wholly owned subsidiary had acquired ordinary shares in the following companies, making them wholly owned subsidiaries of the Company (“Acquisitions”):-

- Barakah Offshore Energy Sdn. Bhd. (“BOESB”)

BOESB was incorporated as a private limited company in Malaysia on 26 January 2017 with an issued and paid up share capital of RM2.00 comprising two (2) ordinary shares. The two (2) subscribers' shares were held by the Company and Nik Hamdan bin Daud. Barakah acquired one (1) ordinary share from Nik Hamdan bin Daud for a consideration of RM1.00.

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A12. Changes in the composition of the Group (Cont’d)

- Barakah Offshore Energy Sdn. Bhd. (“BOESB”) (Cont’d)

BOESB is currently dormant. The intended principal activities are investment in oil and gas ventures, development and production of hydrocarbon, operation and maintenance of oil and gas facilities and related services.

Nik Hamdan bin Daud is a director and also a major shareholder of Barakah.

- Barakah Onshore Ventures Sdn. Bhd. (“BOVSB”)

BOVSB was incorporated as a private limited company in Malaysia on 3 March 2017 with an issued and paid up share capital of RM2.00 comprising two (2) ordinary shares. The two (2) subscribers’ shares were held by Nik Hamdan bin Daud and Rasdee bin Abdullah (“Subscribers”). Barakah acquired two (2) ordinary shares from the Subscribers for a total consideration of RM2.00.

BOVSB is currently dormant. The intended principal activities are investment in oil and gas ventures, development and production of hydrocarbon, operation and maintenance of oil and gas facilities.

Rasdee bin Abdullah is a director of Barakah.

- PBJV Asset Management Sdn. Bhd. (“PAMSB”)

PAMSB was incorporated as a private limited company in Malaysia on 31 May 2015 with an issued and paid up share capital of RM2.00 comprising two (2) ordinary shares. The two (2) subscribers’ shares were held by the Subscribers. The Company acquired two (2) ordinary shares from the Subscribers for a total consideration of RM2.00.

PAMSB is currently dormant. The intended principal activities of PAMSB are investment holding, investment in offshore support vessels and equipment, and operation and maintenance of offshore support vessels and equipment mainly for the oil and gas industry.

- PBJV Energy Sdn. Bhd. (“PESB”)

PESB was incorporated as a private limited company in Malaysia on 30 March 2015 with an issued and paid up share capital of RM2.00 comprising two (2) ordinary shares. The two (2) subscribers’ shares were held by the Subscribers. BOESB acquired two (2) ordinary shares from the Subscribers for a total consideration of RM2.00.

PESB is currently dormant. The intended principal activities of PESB are investment holding, investment in upstream oil and gas assets and energy related assets, exploration, development and production of hydrocarbon and operation and maintenance of oil and gas production facilities and related services.

The subscriber shares of the above four (4) companies were originally issued to and held by the director(s) to merely facilitate the incorporation of the above companies prior to being transferred to the Group. The above four (4) companies have yet to commence business operation and are set-up as vehicles for future business expansion of the Group.

The Acquisitions does not have any material effect on the net assets, earnings and gearing of the Group.

There were no other material changes in the composition of the Group for the current quarter and financial year-to-date except for those disclosed as above.

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group comprise of the following:-

	As at 31.12.2017 RM’000
<u>Unsecured</u>	
Bank guarantees extended to clients	111,116

There are no contingent assets as at the date of this report.

A14. Material events subsequent to the end of the quarter

There are no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

A15. Significant related party transactions

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 31.12.2017 RM’000	Unaudited Preceding year quarter 3 Months 31.12.2016 RM’000	Unaudited Current year to date 12 Months 31.12.2017 RM’000	Audited Preceding year to date 12 Months 31.12.2016 RM’000
Company in which certain Directors have interest				
Purchases paid/payable	449	101	491	678
Rental of premises paid/payable	555	555	2,220	2,220
Rental of yard paid/payable	15	15	60	60
Installation and construction services received/receivable	-	-	(16,555)	-
Donations *	100	150	530	600

* As part of the Group’s Corporate Social Responsibility program, monthly donations are made to an orphanage home managed by Persatuan Kebajikan Pusat Jagaan Rumah Kasih Harmoni Paya Jaras (“RKHPJ”) known as Rumah Kasih Harmoni, which is located in Paya Jaras, Selangor and currently houses 102 children from preschool to secondary school.

The donation is a related party transaction (“RPT”) by virtue of:

- i) Nik Hamdan bin Daud, the chairman of RKHPJ, who is also a director and a major shareholder of the Company; and
- ii) Haniza binti Jaffar, the deputy chairman of RKHPJ, who is also a key management of the Group.

A16. Impairment of property, plant and equipment

The Group recognised an impairment loss of RM43.76 million during the current quarter as disclosed in Note A10 above.

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B1. Review of performance

	----- Individual Quarter -----				----- Cumulative Quarter -----			
	Unaudited Current year quarter 3 Months 31.12.2017 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2016 RM'000	Variance		Unaudited Current year to date 12 Months 31.12.2017 RM'000	Unaudited Preceding year to date 12 Months 31.12.2016 RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	78,679	215,128	(136,449)	(63%)	310,936	622,586	(311,650)	(50%)
EBITDA [^]	(65,242)	20,442	(85,684)	(419%)	(177,797)	61,387	(239,184)	(390%)
(Loss)/Profit before taxation	(75,050)	2,730	(77,780)	(2,849%)	(216,722)	16,367	(233,089)	(1,424%)
(Loss)/Profit after taxation	(73,851)	4,050	(77,901)	(1,923%)	(216,747)	14,462	(231,209)	(1,599%)
(Loss)/Profit after taxation attributable to owners of the Company	(73,826)	4,084	(77,910)	(1,908%)	(216,697)	14,534	(231,231)	(1,591%)

Note:-

[^] - EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share options to employees.

For the current financial year ended 31 December 2017, the Group reported a total revenue of RM310.94 million with RM78.68 million generated during the current quarter. This is a reduction of 63% compared to the corresponding quarter of the preceding year. The Group had also reported a loss before taxation of RM216.72 million for the current financial year ended 31 December 2017, with a loss before taxation of RM75.05 million recorded in the current quarter. The decrease in revenue was mainly due to the lower revenue generated by the Installation and Construction Services.

	----- Individual Quarter -----				----- Cumulative Quarter -----			
	Unaudited Current year quarter 3 Months 31.12.2017 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2016 RM'000	Variance		Unaudited Current year to date 12 Months 31.12.2017 RM'000	Audited Preceding year to date 12 Months 31.12.2016 RM'000	Variance	
			RM'000	%			RM'000	%
PCS	34,174	39,144	(4,970)	(13%)	124,141	135,258	(11,117)	(8%)
ICS	44,505	175,984	(131,479)	(75%)	186,795	487,328	(300,533)	(62%)
	78,679	215,128	(136,449)	(63%)	310,936	622,586	(311,650)	(50%)

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B1. Review of performance (Cont'd)

Pipeline and commissioning services ("PCS")

PCS generated RM124.14 million revenue during the current financial year ended 31 December 2017, with RM34.17 million being generated during the current quarter. This is a decrease of 13% from the corresponding quarter of the preceding year as a result of the completion of one of the Hook-up Commissioning and Maintenance work which was brought forward from the previous year.

Installation and construction services ("ICS")

The revenue generated from ICS during the current financial year ended 31 December 2017 amounted to RM186.80 million, out of which RM44.51 million was generated during the current quarter. This is a decrease of 75% from the corresponding quarter of the preceding year as a result of lower contract value of the on-going Transportation and Installation ("T&I") projects executed during the current quarter compared to those projects that were executed in the corresponding quarter of the preceding year. The handover of several Onshore Engineering, Procurement, Construction and Commissioning ("EPCC") projects during the current quarter had also resulted in lesser revenue recognised during the current quarter compared to the corresponding quarter of the preceding year.

B2. Comparison with immediate preceding quarter's results

	Unaudited Current year quarter 3 Months 31.12.2017 RM'000	Unaudited Immediate preceding quarter 3 Months 30.09.2017 RM'000	Variance	
			RM'000	%
Revenue	78,679	102,785	(24,106)	(23%)
EBITDA [^]	(65,242)	(46,098)	(19,144)	42%
Loss before taxation	(75,050)	(56,661)	(18,389)	32%
Loss after taxation	(73,851)	(56,164)	(17,687)	31%
Loss after taxation attributable to owners of the Company	<u>(73,826)</u>	<u>(56,160)</u>	(17,666)	31%

Note:-

[^] - EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share options to employees.

The Group reported a lower revenue by 23% and loss before taxation increased by 32% in the current quarter ended 31 December 2017 compared with the immediate preceding quarter ended 30 September 2017. The decrease in revenue was mainly due to lesser work done/milestone claim from the T&I and EPCC projects in the current quarter and no milestone claim in the current quarter for the Ship Management services. The increase in the loss before taxation was mainly due to the higher cost incurred for the on-going T&I and EPCC projects compared to its initial budgeted cost and the impairment loss of RM43.76 million recognised as a result of the revaluation of the Group's pipe laying barge during the current quarter.

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B3. Commentary on prospects

The outlook for the oil and gas industry is expected to remain challenging as market sentiments remain cautious.

Nevertheless, the Group is actively bidding for new projects and will continue to pursue new opportunities more aggressively, while continuing with steps to improve on cost management and operational efficiency.

B4. Variance of actual profit from forecast profit

The Group has not announced or disclosed any profit forecast or profit guarantee in any public documents.

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B5. Profit before taxation

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 31.12.2017 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2016 RM'000	Unaudited Current year to date 12 Months 31.12.2017 RM'000	Audited Preceding year to date 12 Months 31.12.2016 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Interest income on financial assets not at fair value through profit or loss:				
- fixed deposits with licensed banks	(1,145)	(1,125)	(3,208)	(3,374)
- cash and bank balances	(54)	(85)	(403)	(289)
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdraft	222	250	814	904
- hire purchase	7	13	40	59
- term loans	2,344	2,316	9,519	9,152
- RCULS	24	82	268	277
- bank guarantee/trust receipts	1,646	1,492	3,697	5,747
Depreciation of property, plant and equipment	6,764	14,769	28,198	30,805
Realised loss/(gain) on foreign exchange	72	(1,951)	2,030	393
Unrealised loss/(gain) on foreign exchange	4,852	(7,362)	9,995	(7,316)
Share option expenses	-	-	-	1,739
Write back of impairment loss on receivables on longer required	-	-	(37)	-
Gain on disposal of property, plant and equipment	-	(2)	(4)	(2)
Property, plant and equipment written off	-	164	1,113	660
Impairment loss on goodwill	-	-	20	-
Impairment loss on property, plant and equipment	43,762	-	43,762	-

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B5. Profit before taxation (Cont'd)

Except for those disclosed above, there were:-

- a) no provision for or write off of receivables or inventories; and
- b) no gain or loss on disposal of unquoted investments.

B6. Income tax (credit)/expense

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 31.12.2017 RM'000	Unaudited Preceding year quarter 3 Months 31.12.2016 RM'000	Unaudited Current year to date 12 Months 31.12.2017 RM'000	Audited Preceding year to date 12 Months 31.12.2016 RM'000
Current tax:				
- for the current year	(657)	(1,847)	704	1,354
- (over)/under provision in the previous financial year	(1)	13	(95)	71
	<u>(658)</u>	<u>(1,834)</u>	<u>609</u>	<u>1,425</u>
Deferred tax expense				
- for the current year	(192)	521	(235)	487
- (over)/under provision in the previous financial year	(349)	(7)	(349)	(7)
	<u>(541)</u>	<u>514</u>	<u>(584)</u>	<u>480</u>
	<u><u>(1,199)</u></u>	<u><u>(1,320)</u></u>	<u><u>25</u></u>	<u><u>1,905</u></u>

Despite the Group's consolidated losses for the current financial period ended 31 December 2017, the Group still incurs income tax expense of RM25,000 as a couple of companies within the Group were profitable and as such are in a tax payable position.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

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B8. Group borrowings

The details of the Group's borrowings are as follows:-

Unaudited	Short term		Long term		Total borrowings	
	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)
As at 31 December 2017						
Secured:-						
- Term loans (RM)	-	707	-	413	-	1,120
- Term loan (USD) ^	870	3,534	41,566	168,842	42,436	172,376
- Hire purchase (RM)	-	297	-	187	-	484
- Trust receipt (RM)	-	33,991	-	-	-	33,991
- Bank overdrafts (RM)	-	15,661	-	-	-	15,661
		<u>54,190</u>		<u>169,442</u>		<u>223,632</u>

Unaudited	Short term		Long term		Total borrowings	
	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)	Foreign currency (‘000)	RM (‘000)
As at 31 December 2016						
Secured:-						
- Term loans (RM)	-	657	-	1,120	-	1,777
- Term loan (USD) *	8,729	39,160	36,969	165,842	45,698	205,002
- Hire purchase (RM)	-	393	-	668	-	1,061
- Trust receipt (RM)	-	45,842	-	-	-	45,842
- Bank overdrafts (RM)	-	1,166	-	-	-	1,166
		<u>87,218</u>		<u>167,630</u>		<u>254,848</u>

Notes:-

^ - Converted at exchange rate of 4.0620 as at 31 December 2017.

* - Converted at exchange rate of 4.4860 as at 31 December 2016.

All the borrowings' interest rate are based on floating interest rates except for the hire purchase which are based on fixed interest rates.

The trust receipt and bank overdrafts are mainly used to finance the Group's projects working capital purposes.

The term loan denominated in foreign currency was taken by a foreign subsidiary (Labuan subsidiary) which its functional and presentation currency is in United States Dollar ("USD"). Currently, the Group does not have any hedging policy for its financing denominated in foreign currency. However, the foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

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B9. Material litigation

There were no material litigations pending as at the date of this announcement.

B10. Dividends

No dividend was declared or recommended for payment by the Company for the current quarter under review.

B11. Earnings per share

(a) Basic earnings per share

The basic earnings per share for the current quarter and for the financial year-to-date is computed by dividing the profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue for the financial period/year.

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 31.12.2017	Unaudited Preceding year quarter 3 Months 31.12.2016	Unaudited Current year to date 12 Months 31.12.2017	Audited Preceding year to date 12 Months 31.12.2016
(Loss)/Profit attributable to the owners of the Company (RM'000)	(73,826)	4,084	(216,697)	14,534
Weighted average number of ordinary shares in issue ('000)	825,587	824,844	825,587	824,844
Basic earnings per share (sen)	(8.94)	0.50	(26.25)	1.76

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B11. Earnings per share (Cont'd)

(b) Diluted earnings per share

The diluted earnings per share for the current quarter and for the financial year-to-date is arrived at by adjusting for the dilutive effects of all potential ordinary shares, such as the share options granted to employees and the RCULS issued, on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for the financial period/year.

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 31.12.2017	Unaudited Preceding year quarter 3 Months 31.12.2016	Unaudited Current year to date 12 Months 31.12.2017	Audited Preceding year to date 12 Months 31.12.2016
(Loss)/Profit attributable to the owners of the Company (RM'000)	(73,826)	4,084	(216,697)	14,534
Weighted average number of ordinary shares in issue ('000) (Basic)	825,587	824,844	825,587	824,844
Effect of dilution from share options granted to employees ('000)	24,253	15,872	24,253	15,872
Effect of conversion of RCULS ('000)	9,381	10,620	9,381	10,620
	859,221	851,336	859,221	851,336
Diluted earnings per share (sen)	(8.59)	0.48	(25.22)	1.71

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B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B12. Disclosure of realised and unrealised profits/(loss)

The breakdown of the retained profits of the Group as at the current financial year and the preceding financial year into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on 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, as issued by the Malaysian Institute of Accountants, as follows:-

	Unaudited As at 31.12.2017 RM'000	Audited As at 31.12.2016 RM'000
Total retained profits of the Group		
- Realised	80,829	258,409
- Unrealised	9,945	6,675
	<hr/>	<hr/>
	90,774	265,084
Add: Consolidated adjustments	(62,855)	(20,468)
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	27,919	244,616
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