

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2014
(the figures have not been audited)

	2014 Current Year Quarter Ended 31-Dec (Unaudited) (RM'000)	2013 Preceding Year Quarter Ended 31-Dec (Audited) (RM'000)	2014 Current Year Cumulative to Date 31-Dec (Unaudited) (RM'000)	2013 Preceding Year Cumulative to Date 31-Dec (Audited) (RM'000)
Continuing Operations				
Revenue	19,492	92,971	107,431	327,791
Cost of Sale	(16,911)	(75,205)	(83,773)	(279,951)
Gross Profit	2,581	17,766	23,658	47,840
Other Income	(1,205)	1,079	1,373	1,280
Operating Expenses	1,062	(15,882)	(20,783)	(32,972)
Finance Cost	(28)	120	(347)	(1,943)
Share of Profit/(Loss) From Associate	77	-	77	(1,466)
Profit Before Taxation From Continuing Operations	2,487	3,083	3,978	12,739
Taxation: Company and Subsidiary Companies	(1,795)	(4,009)	(2,917)	(5,608)
Profit/(Loss) For The Year From Continuing Operations	692	(926)	1,061	7,131
Discontinued Operations				
Profit For The Year After Tax	-	6,159	-	6,902
Net Profit For the Year	692	5,233	1,061	14,033
Attributable to:				
Equity Holders of the Company	692	4,517	1,061	10,910
Non-controlling Interests	-	716	-	3,123
	692	5,233	1,061	14,033
Earnings Per Share				
Basic				
- Continuing Operations	0.19	(0.47)	0.29	1.29
- Discontinued Operations	-	1.75	-	2.23
	0.19	1.28	0.29	3.52
Diluted				
- Continuing Operations	0.19	(0.46)	0.29	1.26
- Discontinued Operations	-	1.72	-	2.17
	0.19	1.26	0.29	3.43

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014
(the figures have not been audited)

	2014 Current Year Quarter Ended 31-Dec (Unaudited) (RM'000)	2013 Preceding Year Quarter Ended 31-Dec (Audited) (RM'000)	2014 Current Year Cummulative to Date 31-Dec (Unaudited) (RM'000)	2013 Preceding Year Cummulative to Date 31-Dec (Audited) (RM'000)
Net Profit For the Year	692	5,233	1,061	14,033
Other Comprehensive Income:				
<i>Items that will be Reclassified Subsequently to Profit or Loss</i>				
Exchange Differences on Translating Foreign Operations	(179)	323	(152)	(280)
Fair Value Changes in Short Term Investment	3	4	18	4
	(176)	327	(134)	(276)
Total Comprehensive Income For The Year	516	5,560	927	13,757
Attributable to:				
Equity Holders of the Company	516	4,844	927	10,634
Non-controlling Interests	-	716	-	3,123
	516	5,560	927	13,757

TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (the figures have not been audited)		
	As at 31-Dec-14 Unaudited (RM'000)	As at 31-Dec-13 Audited (RM'000)
NON-CURRENT ASSETS		
Associate Companies	333	174
Other Investment	490	-
Investment Property	36,440	-
Property, Plant and Equipment	15,563	29,776
Intangible Assets	3,242	3,516
Total Non-Current Assets	56,068	33,466
CURRENT ASSETS		
Inventories	1,074	13,817
Trade Receivables	35,038	70,715
Other Receivables, Prepayment and Deposits	69,394	29,439
Amount owing by Associate Company	2,639	-
Short Term Investment	20,226	14,005
Fixed Deposits With Licenced Banks	11,468	91,213
Cash and Bank Balances	40,895	22,518
Total Current Assets	180,734	241,707
Assets of Disposal Group Classified as Discontinued Operations	-	2,483
Total Assets	236,802	277,656
NON-CURRENT LIABILITIES		
Hire Purchase and Lease Payables	3,433	4,219
Term Loans	-	211
Total Non-Current Liabilities	3,433	4,430
CURRENT LIABILITIES		
Trade Payables	30,587	47,397
Other Payables and Accruals	9,441	25,761
Hire Purchase and Lease Payables	779	1,117
Short Term Borrowings	-	2,869
Provision For Taxation	1,984	987
Total Current Liabilities	42,791	78,131
Liabilities Directly Associated with the Assets of Disposal Group Classified as Discontinued Operations	-	10,548
Total Liabilities	46,224	93,109
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	187,261	182,965
Reserves	7,714	5,979
Treasury Shares	(4,397)	(4,397)
Total Equity	190,578	184,547
Total Liabilities and Equity	236,802	277,656

Company No: 662315-U

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company									
	Distributable					Non-Distributable				
Share Capital RM'000	Accumulated Losses RM'000	Share Premium RM'000	Capital Reserves RM'000	Foreign Currency Translation Reserve RM'000	Investment Revaluation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Treasury Shares RM'000			
Balance as at 01.01.2014	182,965	(43,154)	68,658	(19,579)	(481)	4	531	(4,397)		184,547
Total comprehensive income for the year	-	1,061	-	-	(152)	18	-	-	-	927
Exercise of Share Issuance Scheme	4,296	-	81	-	-	-	(81)	-	-	4,296
Recognition of share-based payments	-	-	-	-	-	-	808	-	-	808
Effect of cancellation of Share Issuance Scheme	-	13	-	-	-	-	(13)	-	-	-
Effect of disposal of subsidiary company	-	164	-	-	-	-	(164)	-	-	-
Balance as at 31.12.2014	187,261	(41,916)	68,739	(19,579)	(633)	22	1,081	(4,397)		190,578

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company										Total RM'000
	Distributable					Non-Distributable					
Share Capital RM'000	Accumulated Losses RM'000	Share Premium RM'000	Capital Reserves RM'000	Foreign Currency Translation Reserve RM'000	Investment Revaluation Reserve RM'000	Share Issuance Scheme Reserve RM'000	Employee Share Option Reserve RM'000	Treasury Shares RM'000	Total RM'000		
Balance as at 01.01.2013	146,655	(55,171)	66,684	2,173	(201)	-	1,107	(4,397)	156,850	9,424	166,274
Total comprehensive income for the year	-	10,910	-	-	(280)	4	-	-	10,634	3,123	13,757
Private placement, net of transaction costs	14,908	-	1,286	-	-	-	-	-	16,194	-	16,194
Exercise of Share Issuance Scheme	4,202	-	-	-	-	-	-	-	4,202	-	4,202
Recognition of share-based payments	-	-	-	-	-	-	531	-	531	-	531
Warrants exercised during the year	17,200	-	688	-	-	-	-	-	17,888	-	17,888
Effect of termination of ESOS	-	1,107	-	-	-	-	(1,107)	-	-	-	-
Acquisition from non-controlling interests	-	-	-	(21,752)	-	-	-	-	(21,752)	(12,547)	(34,299)
Balance as at 31.12.2013	182,965	(43,154)	68,658	(19,579)	(481)	4	531	(4,397)	184,547	-	184,547

TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014 (The figures have not been audited)		
	As at 31-Dec-14 (Unaudited) (RM'000)	As at 31-Dec-13 (Audited) (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	3,978	12,739
Profit before taxation from discontinued operations	-	6,916
Total profit before taxation	3,978	19,655
Adjustments:		
Non-cash items	3,293	23,230
Non-operating items	(1,588)	393
Operating profit before changes in working capital	5,683	43,278
Changes in working capital		
Net change in current assets	8,966	92,644
Net change in current liabilities	(12,170)	(134,833)
Cash generated from operating activities	2,479	1,089
Tax refund	703	5,357
Tax paid	(1,920)	(2,576)
Net cash generated from operating activities	1,262	3,870
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	1,935	3,425
Net cash inflow from disposal of subsidiary company	4,139	-
Purchase of property, plant and equipment	(360)	(918)
Purchase of investment property	(36,440)	-
Refurbishment cost for investment property	(26,106)	-
Proceed from disposal of property, plant and equipment	1,018	119
Proceed from disposal of associate company	94	45
Additional investment in associate company	(254)	(30)
Acquisition of a subsidiary company from non-controlling shareholder	-	(34,300)
Purchase of short term investment	(6,645)	(122,000)
Proceed from disposal of short term investment	-	108,120
Additional of intangible assets	-	(301)
Net cash used in investing activities	(62,619)	(45,840)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares, net of transaction costs	4,293	38,284
Net bank borrowings	-	(25,394)
Repayment of hire purchase and finance lease	(1,019)	(1,710)
Repayment of other borrowing	(90)	-
Interest paid	(317)	(1,943)
Decrease/(Increase) in fixed deposits pledged	4,086	(4,104)
Net cash generated from financing activities	6,953	5,133
Net change in cash and cash equivalents	(54,404)	(36,837)
Opening cash and cash equivalents	103,469	140,015
Effects on exchange rate changes	(152)	291
Closing cash and cash equivalents	48,913	103,469

NOTES TO THE QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting, MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements as at and for the year ended 31 December 2013.

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the audited financial statements as at and for the year ended 31 December 2013 under the Malaysian Financial Reporting Standards (MFRS) framework.

A2 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors in the oil and gas industry.

A3 Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income or cash flows in the interim financial report for the financial year ended 31 December 2014.

A4 Change in Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect on the current interim financial period.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

A5 Issues of Debt & Equity Securities

The allocation and status of the Share Issuance Scheme as at 31 December 2014 are as follows:-

No SIS Options Granted up to 31 December 2014	No of SIS exercised as at 31 December 2014	No of SIS cancelled as at 31 December 2014	No of SIS Options Outstanding as at 31 December 2014	Date of expiry Of SIS Scheme
55,688,000	16,995,900	1,495,800	37,196,300	7 May 2016

On 5 June 2014, AFFIN Investment Bank Berhad ("AFFIN Investment") announced on our behalf, that Tanjung Offshore Berhad ("Tanjung") has entered into two (2) heads of agreements ("HOAs") the details of which are as follows:

(i) a heads of agreement with:

(a) Farid Khan Bin Kaim Khan ("FK") and his business partners;

(b) Mower Tunggal Jaya PT, Megagold Indonesia PT and Zona Maju Mapan PT (collectively referred to as the "BNI Shareholders") and their business partners; and

(c) Bourbon Far East Pte Ltd;

(collectively referred to as the "Vendor Group") in relation to the proposed acquisition of the marine offshore businesses ("HOA 1"); and

(ii) a heads of agreement with FK, the BNI Shareholders and their respective business partners in relation to the proposed subscription of Mudharabah Redeemable Preference Shares ("MRPS") to be issued by Bahtera Niaga Internasional PT ("BNI") which will allow Tanjung to participate in the net profits and dividend cash flows of the vessel assets and subsidiary/associate interests of BNI ("HOA 2"). (collectively referred to as the "Proposed Acquisition").

Pursuant to the HOAs, Tanjung and the Vendor Group have agreed to negotiate exclusively in good faith the detailed terms and conditions of the Proposals (as announced on 5 June 2014) with the intention to finalise and enter into the relevant definitive agreements within three (3) months from the date of the HOAs or such other period as the parties may mutually agree upon.

On 3 September 2014, Tanjung announced that the exclusivity period for the HOAs are extended for another 1 month from 5 September 2014 (being the expiry of the exclusivity period of the HOAs) to 5 October 2014 to enable the parties to the HOAs to continue to discuss the details of the Proposed Acquisition.

On 3 October 2014, Tanjung announced that the abovementioned exclusivity period for the HOAs are to be extended from 5 October 2014 to 30 June 2015 to facilitate the physical inspection and valuation exercise of the vessels to be acquired by Tanjung and the due diligence exercise.

On 29 December 2014, Tanjung announced it has mutually agreed to terminate the heads of agreements in relation to the abovementioned Proposed Acquisition. Both Tanjung and the Vendor Group have decided to mutually terminate the Proposed Acquisition as the economic and financial conditions for an agreement satisfying both parties cannot be met in view of the declining oil prices. Save as disclosed above, there were no issuance of debt and equity securities for the current financial period under review.

A6 Dividends Declared or Paid

No dividend was declared or paid during the current financial quarter under review.

A7 Segmental Information

Segmental analysis for the current quarter is set out below:

Cumulative as at 31 December 2014	Products and Services RM'000	Maintenance Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	49,777	24,200	33,454	107,431
Segment results	(5,234)	844	8,638	4,248
Share of profit from associate				77
Finance cost				(347)
Profit before taxation				3,978
Taxation				(2,917)
Net profit for the year				1,061

Cumulative as at 31 December 2013	Products and Services RM'000	Maintenance Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	172,831	36,820	118,140	327,791
Segment results	11,488	(4,609)	9,269	16,148
Finance cost				(1,943)
Share of loss from associate				(1,466)
Profit before taxation from continuing operations				12,739
Taxation				(5,608)
Net profit from continuing operations				7,131
Net profit from discontinued operations				6,902
Net profit for the year				14,033

Net profit from discontinued operations comprise of:

	Total RM'000
Tanjung Citech Energy Recovery Systems UK Limited	(47)
Citech Energy Recovery Systems UK Limited	6,949
	6,902

A8 Events After the Interim Period

No material event was registered after the interim period which will materially affect the earnings or income of the Group.

A9 Changes in the Composition of the Group

On 21 March 2014, Tanjung announced the acquisition of the entire shares in Wavenet Investments Limited (UK) ("Wavenet") for a cash consideration of £6.70 million. Wavenet owns a 100% shareholding in Sparkling Light Investments Limited (UK), which in turn owns a block of eight (8) storey office building in the central business district (CBD) of Birmingham, United Kingdom.

On 2 May 2014, we have incorporated Tanjung HMS Petroleum Sdn Bhd for the potential oilfield development and provision of support services to the oil and gas industry within the region.

On 1 August 2014, we have also incorporated Fircroft Tanjung Sdn Bhd, a joint venture company with Fircroft Engineering Services Limited for the provision of manpower services to the oil and gas and petrochemical industries in Malaysia.

On 29 August 2014, Tanjung announced the disposal of the entire share capital of its subsidiary, Tanjung Maintenance Services Sdn Bhd (TMS) to En Zulkifli bin Ahmad and En Syed Elyas bin Syed Abdillah, via a Management Buyout for a total consideration of RM9.0 million.

On 27 October 2014, Tanjung announced that its wholly owned subsidiary, Tanjung Offshore Services Sdn Bhd (TOS), has entered into a Joint Venture Agreement with Drilltec Offshore Sdn Bhd for the purpose of incorporating a joint venture company to jointly undertake the business in the oil and gas industry for the purpose of marketing, managing, owning, operating, maintenance and repair, leasing, chartering of drilling rigs for the oil and gas industry in Malaysia and the provision of other integrated services to the oil and gas industry. On 2 January 2015, Tanjung Drilltec Sdn Bhd was incorporated for the aforesaid purposes.

Save as disclosed above, there were no significant changes in the composition of the Group in the interim financial report, including business combinations, obtaining and losing control of subsidiaries and long term investments, restructurings and discontinuing operations.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

A10 Capital Commitment

No capital commitments were recorded in the current quarter under review.

A11 Related Party Transactions

The followings table provides the total amount of transactions which have been entered into with related parties during the year ended 31 December 2014 and 31 December 2013 as well as balances with related parties as of 31 December 2014 and 31 December 2013.

	Sales to related parties	Purchases from related parties	Amount owing by related parties	Amount owing to related parties
	RM'000	RM'000	RM'000	RM'000
2014	3,558	1,803	-	-
2013	8,068	28,981	2,441	-

A12 Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual statement of financial position date and there were no additional contingent liabilities reported in the current financial quarter ended 31 December 2014.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Year Quarter

For the current year quarter ended 31 December 2014, the Group recorded consolidated revenue of approximately RM19.49 million. This represents a decrease of approximately 79.0% as compared to RM92.97 million recorded in the corresponding year quarter ended 31 December 2013. In the current quarter under review, the Group recorded a net profit after tax of approximately RM0.69 million as compared to a net profit after tax of RM5.23 million registered in the preceding year quarter ended 31 December 2013.

The decrease in revenue by 79.0% is mainly due to completion of various engineering equipment packages in 2013. There was reduction in overall revenue recorded as most contracts are still at the bidding stages. In line with lower revenue registered in the current quarter, the Group registered a lower net profit after tax of approximately RM0.69 million as compared to a net profit after tax of RM5.23 registered in the preceding year quarter ended 31 December 2013.

On a full year basis for the financial year ended ("FYE") 31 December 2014, the Group registered total revenue of RM107.43 million as compared to RM327.79 million registered in the financial year ended 31 December 2013. The decreased in revenue is mainly due to the disposal and closure of non profitable subsidiaries and divisions as well as completion of various legacy engineering equipment contracts. The Group registered an overall profit after tax of RM1.06 million in FYE 2014 as compared to RM14.03 million in FYE 2013.

Currently, the Group's operations are mainly driven by Gas Generators (M) Sdn Bhd ("Gastec") (provision of gas generation packages and Tanjung Offshore Services Sdn Bhd (provision of agency products and equipment packages). The Group shall continue to seek new markets overseas and continue to seek to penetrate niche markets in the near term.

Engineered Packages

Revenue for the current quarter derived from the engineered packages division which consists of mainly gas generation packages and offshore equipment packages of RM8.26 million was lower as compared to revenue registered in the preceding year quarter of RM57.13 million. The lower revenue is mainly due to completion of various engineering equipment packages during the preceding year quarter.

Products & Services

The products and services division registered a lower revenue of approximately RM11.45 million in the current quarter as compared to the preceding year quarter of RM26.64 million. The decrease in revenue by approximately 57.0% is mainly due to the completion of legacy contracts and most contracts were at the bidding stages.

Maintenance Services

The Group ceased the maintenance services division via the disposal of Tanjung Maintenance Services Sdn Bhd during the year.

B2 Variance of Results Against Preceding Quarter

For the current year quarter ended 31 December 2014, the Group recorded consolidated revenue of approximately RM19.49 million. This represents an increase of approximately 3.0% as compared to RM18.92 million recorded in the preceding quarter ended 30 September 2014. In the current quarter under review, the Group recorded a net profit after tax of RM0.69 million as compared to a net loss after tax of RM0.51 million recorded in the preceding quarter ended 30 September 2014.

The slight increase in revenue is mainly due to additional contracts secured from the gas generation and engineering packages. In line with new contracts secured, the Group registered a profit after tax of RM0.69 million during the quarter under review.

Engineered Packages

The Group registered revenue of RM8.26 million in the current quarter which is approximately 43.0% higher as compared to RM5.79 million registered in the preceding quarter ended 30 September 2014. The increase in revenue from this division is mainly due to new gas generation contracts secured from overseas markets.

Products & Services

The products and services division registered higher revenue of RM11.45 million in the current quarter as compared to RM6.60 million registered in the preceding quarter ended 30 September 2014. The increase in revenue by approximately 73.48% is mainly due to contributions from the Origins contract secured from PETRONAS during the year.

Maintenance Services

The Group ceased the maintenance services division via the disposal of Tanjung Maintenance Services Sdn Bhd during the year.

B3 Current Year Prospects

In view of the volatility of oil prices, the Board of Directors of Tanjung is cautiously optimistic on the prospects of oil and gas industry in Malaysia and the region. Notwithstanding a competitive and fragmented market, we believe we can penetrate into new areas of investments and niche markets within the industry for growth with better product offerings and services in the near future.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

B4 Variance of Actual and Profit Estimates

The Group has not provided any quarterly profit forecasts and therefore no comparison is available.

B5 Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2014 RM'000	Preceding Year Corresponding Quarter 31/12/2013 RM'000	Current Year Quarter 31/12/2014 RM'000	Preceding Year Corresponding Quarter 31/12/2013 RM'000
a. Income Tax Expenses	698	726	1,820	1,564
b. Under provision in previous year	1,097	3,283	1,097	3,283
c. Deferred Tax Liabilities/(Assets)	-	-	-	761
d. Total	1,795	4,009	2,917	5,608

Note: The Group's tax rate is lower than that of the statutory tax rate. This is mainly due to the utilisation of previously unabsorbed capital allowances and unutilised business losses.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

B6 Status of Corporate Proposal

The allocation and status of the Share Issuance Scheme as at 31 December 2014 are as follows:-

No SIS Options Granted up to 31 December 2014	No of SIS exercised as at 31 December 2014	No of SIS cancelled as at 31 December 2014	No of SIS Options Outstanding as at 31 December 2014	Date of expiry Of SIS Scheme
55,688,000	16,995,900	1,495,800	37,196,300	7 May 2016

On 5 June 2014, AFFIN Investment Bank Berhad ("AFFIN Investment") has announced on our behalf, that Tanjung Offshore Berhad ("Tanjung") has entered into two (2) heads of agreements ("HOAs") the details of which are as follows:

(i) a heads of agreement with:

(a) Farid Khan Bin Kaim Khan ("FK") and his business partners;

(b) Mower Tunggal Jaya PT, Megagold Indonesia PT and Zona Maju Mapan PT (collectively referred to as the "BNI Shareholders") and their business partners; and

(c) Bourbon Far East Pte Ltd;

(collectively referred to as the "Vendor Group") in relation to the proposed acquisition of the marine offshore businesses ("HOA 1"); and

(ii) a heads of agreement with FK, the BNI Shareholders and their respective business partners in relation to the proposed subscription of Mudharabah Redeemable Preference Shares ("MRPS") to be issued by Bahtera Niaga Internasional PT ("BNI") which will allow Tanjung to participate in the net profits and dividend cash flows of the vessel assets and subsidiary/associate interests of BNI ("HOA 2"). (collectively referred to as the "Proposed Acquisition").

Pursuant to the HOAs, Tanjung and the Vendor Group have agreed to negotiate exclusively in good faith the detailed terms and conditions of the Proposals (as announced on 5 June 2014) with the intention to finalise and enter into the relevant definitive agreements within three (3) months from the date of the HOAs or such other period as the parties may mutually agree upon.

On 3 September 2014, Tanjung announced that the exclusivity period for the HOAs are extended for another 1 month from 5 September 2014 (being the expiry of the exclusivity period of the HOAs) to 5 October 2014 to enable the parties to the HOAs to continue to discuss the details of the Proposed Acquisition.

On 3 October 2014, Tanjung announced that the abovementioned exclusivity period for the HOAs are to be extended from 5 October 2014 to 30 June 2015 to facilitate the physical inspection and valuation exercise of the vessels to be acquired by Tanjung and the due diligence exercise.

On 29 December 2014, Tanjung announced it has mutually agreed to terminate the heads of agreements in relation to the abovementioned Proposed Acquisition. Both Tanjung and the Vendor Group have decided to mutually terminate the Proposed Acquisition as the economic and financial conditions for an agreement satisfying both parties cannot be met in view of the declining oil prices. Save as disclosed above, there were no issuance of debt and equity securities for the current financial period under review.

B7 Bank Borrowings

	RM'000
a) <u>Secured short term borrowings</u>	
i) Hire purchase and lease payables	779
Sub Total	779
a) <u>Secured long term borrowings</u>	
i) Hire purchase and lease payables	3,433
Sub Total	3,433
TOTAL BORROWINGS	4,212

B8 Material Litigation/ Special Notice

The Company has on 12 February 2015 received a Special Notice from shareholders of the Company, namely Tan Sri Datuk Tan Kean Soon, Datuk Dr Nik Norzrul Thani Bin N. Hassan Thani and Datin Norhafizah Binti Mohd Nordin, holding not less than one-tenth of the issued and paid-up capital of the Company, notifying of their intention pursuant to Section 128 and Section 153 of the Companies Act 1965 and the Articles of Association of the Company to propose an extraordinary general meeting ("EGM") of the Company (pursuant to Section 145 of the Companies Act 1965) to be held on 27 March 2015 to remove the following directors:- George William Warren Jr, Dato' Ab Wahab bin Haji Ibrahim and Shahrizal Hisham bin Abdul Halim.

Save as disclosed above, the Group is not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors are not aware of any proceedings pending or threatened or of any fact likely to give any proceedings which might materially and/or adversely affect the position or business of the Group.

B9 Dividend Declared or Paid

No dividend was declared or paid during the current quarter under review.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

B10 Earnings per share

	Quarter Ended		Period to Date Ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net profit attributable to ordinary shareholders (RM'000)				
Continuing operations	692	(1,642)	1,061	4,008
Discontinued operations	-	6,159	-	6,902
	<u>692</u>	<u>4,517</u>	<u>1,061</u>	<u>10,910</u>
Basic				
Total number of ordinary shares ('000)	374,522	365,930	374,522	365,930
Adjusted weighted average number of ordinary shares ('000)	<u>372,012</u>	<u>351,324</u>	<u>368,859</u>	<u>309,873</u>
	<u>372,012</u>	<u>351,324</u>	<u>368,859</u>	<u>309,873</u>
Basic (losses)/earnings per ordinary share (cent)				
Continuing operations	0.19	(0.47)	0.29	1.29
Discontinued operations	-	1.75	-	2.23
	<u>0.19</u>	<u>1.28</u>	<u>0.29</u>	<u>3.52</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	372,012	351,324	368,859	309,873
SIS/ESOS:				
No of unissued shares ('000)#	-	36,244	-	36,244
WARRANTS:				
No of unexercised warrant A ('000)#	-	-	-	-
No of unexercised warrant B ('000)#	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Diluted weighted average number of ordinary shares ('000)	372,012	358,803	368,859	317,351
Diluted (losses)/earnings per ordinary share (cent)				
Continuing operations	0.19	(0.46)	0.29	1.26
Discontinued operations	-	1.72	-	2.17
	<u>0.19</u>	<u>1.26</u>	<u>0.29</u>	<u>3.44</u>

Certain diluted earnings per ordinary share are not presented, as the computation would result in anti-dilutive earnings per ordinary share.

B11 Qualification of Financial Statements

There was no qualification made on the preceding audited financial statements for the financial year ended 31 December 2013.

B12 Realised and Unrealised Losses or Profits

The breakdown of accumulated losses of the Group as at 31 December 2014 and 31 December 2013 divided into realised and unrealised losses or profits are as disclosed, pursuant to the directive, is as follows:

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Total accumulated losses of the Group :		
- Realised	(41,916)	(43,154)
- Unrealised	-	-
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(41,916)</u>	<u>(43,154)</u>