

Company No.: 662315-U

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2015
(the figures have not been audited)

	2015 Current Period Quarter Ended 30-Jun (Unaudited) (RM'000)	2014 Preceding Period Quarter Ended 30-Jun (Audited) (RM'000)	2015 Current Period Cumulative to Date 30-Jun (Unaudited) (RM'000)	2014 Preceding Period Cumulative to Date 30-Jun (Audited) (RM'000)
Continuing Operations				
Revenue	15,373	34,549	23,514	68,805
Cost of Sale	(13,553)	(27,479)	(19,982)	(52,687)
Gross Profit	1,820	7,070	3,532	16,118
Other Income	135	369	331	386
Operating Expenses	165	(8,197)	(3,332)	(14,927)
Finance Cost	(5)	(151)	(30)	(238)
Share of Loss From Joint Venture	(165)	-	(288)	-
Profit/(Loss) Before Taxation From Continuing Operations	1,950	(909)	213	1,339
Taxation: Company and Subsidiary Companies	(210)	(364)	(420)	(666)
Profit/(Loss) For The Period From Continuing Operations	1,740	(1,273)	(207)	673
Discontinued Operations				
(Loss)/Profit For The Period After Tax	(4)	60	(22)	209
Net Profit/(Loss) For the Period	1,736	(1,213)	(229)	882
Attributable to:				
Equity Holders of the Company	1,736	(1,213)	(229)	882
	1,736	(1,213)	(229)	882
Earnings/(Losses) Per Share				
Basic				
- Continuing Operations	0.46	(0.35)	(0.05)	0.18
- Discontinued Operations	(0.00)	0.02	(0.01)	0.06
	0.46	(0.33)	(0.06)	0.24
Diluted				
- Continuing Operations	0.46	(0.34)	(0.05)	0.17
- Discontinued Operations	(0.00)	0.02	(0.01)	0.06
	0.46	(0.32)	(0.06)	0.23

Company No.: 662315-U

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2015
(the figures have not been audited)

	2015 Current Period Quarter Ended 30-Jun (Unaudited) (RM'000)	2014 Preceding Period Quarter Ended 30-Jun (Audited) (RM'000)	2015 Current Period Cummulative to Date 30-Jun (Unaudited) (RM'000)	2014 Preceding Period Cummulative to Date 30-Jun (Audited) (RM'000)
Net Profit/(Loss) For the Period	1,736	(1,213)	(229)	882
Other Comprehensive Income: <i>Items that will be Reclassified Subsequently to Profit or Loss</i>				
Exchange Differences on Translating Foreign Operations	156	16	173	7
Fair Value Changes in Short Term Investment	-	(2)	-	4
	156	14	173	11
Total Comprehensive Income/(Loss) For The Period	1,892	(1,199)	(56)	893
Attributable to:				
Equity Holders of the Company	1,892	(1,199)	(56)	893
	1,892	(1,199)	(56)	893

TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015 (the figures have not been audited)	As at 30-Jun-15 Unaudited (RM'000)	As at 31-Dec-14 Audited (RM'000)
NON-CURRENT ASSETS		
Associate Companies	1	1
Joint Venture	44	332
Other Investment	2,345	490
Investment Property	39,786	36,440
Property, Plant and Equipment	14,766	15,563
Intangible Assets	3,106	3,243
Other Receivables, Prepayment and Deposits	6,480	6,480
Total Non-Current Assets	66,528	62,549
CURRENT ASSETS		
Inventories	343	1,417
Trade Receivables	35,227	39,985
Other Receivables, Prepayment and Deposits	58,211	59,636
Amount Owing by Associate Company	64	100
Amount Owing by Joint Venture	2,548	2,539
Short Term Investment	16,474	20,226
Fixed Deposits With Licenced Banks	477	40,895
Cash and Bank Balances	50,009	11,468
Total Current Assets	163,353	176,266
Total Assets	229,881	238,815
NON-CURRENT LIABILITY		
Hire Purchase and Lease Payables	3,092	3,499
Total Non-Current Liability	3,092	3,499
CURRENT LIABILITIES		
Trade Payables	21,555	31,645
Other Payables and Accruals	8,383	10,217
Hire Purchase and Lease Payables	784	713
Provision For Taxation	2,038	2,163
Total Current Liabilities	32,760	44,738
Total Liabilities	35,852	48,237
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	190,768	187,261
Reserves	7,658	7,714
Treasury Shares	(4,397)	(4,397)
Total Equity	194,029	190,578
Total Liabilities and Equity	229,881	238,815

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TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015
(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 01.01.2015	187,261	(41,916)	68,739	(19,579)	(633)	22	1,081	(4,397)	186,578	
Total comprehensive loss for the period	-	(229)	-	-	173	-	-	-	(86)	
Exercise of Share Issuance Scheme	3,507	-	-	-	-	-	-	-	3,507	
Balance as at 30.06.2015	190,768	(42,145)	68,739	(19,579)	(460)	22	1,081	(4,397)	194,029	

TANJUNG OFFSHORE BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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	182,065	(43,164)	68,658	(19,579)	(481)	4	531	(4,397)	184,647	
Total comprehensive income for the period	-	882	-	-	7	4	-	-	893	
Exercise of Share Issuance Scheme	4,217	-	-	-	-	-	-	-	4,217	
Balance as at 30.06.2014	187,182	(42,282)	68,658	(19,579)	(474)	8	531	(4,397)	189,657	

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TANJUNG OFFSHORE BERHAD (Incorporated in Malaysia)		
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2015 (The figures have not been audited)		
	As at 30-Jun-15 (Unaudited) (RM'000)	As at 30-Jun-14 (Audited) (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	213	1,339
(Loss)/Profit before taxation from discontinued operations	(22)	209
Total profit before taxation	191	1,548
Adjustments:		
Non-cash items	(1,751)	2,956
Non-operating items	(208)	(1,009)
Operating (loss)/profit before changes in working capital	(1,768)	3,495
Changes in working capital		
Net change in current assets	9,568	19,545
Net change in current liabilities	(11,925)	(19,205)
Cash (used in)/generated from operating activities	(4,125)	3,835
Tax paid	(543)	(832)
Net cash (used in)/generated from operating activities	(4,668)	3,003
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	573	1,214
Dividend received	5	-
Proceed from disposal of short term investment	-	2,353
Purchase of property, plant and equipment	(372)	(59,538)
Purchase of investment	(215)	(5,000)
Net cash used in investing activities	(9)	(60,971)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares	3,506	4,217
Net bank borrowings	(337)	(705)
Interest paid	(370)	(205)
Decrease/(Increase) in fixed deposits pledged	1,760	11
Net cash generated from financing activities	4,559	3,318
Net change in cash and cash equivalents	(118)	(54,650)
Opening cash and cash equivalents	50,154	103,469
Closing cash and cash equivalents	50,036	48,819

NOTES TO THE QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2015

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 2014.

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 2014 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 period ended 30 June 2015.

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.

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A5 Issues of Debt & Equity Securities

The allocation and status of the Share Issuance Scheme as at 30 June 2015 are as follows:-

No SIS Options Granted up to 31 March 2015	No of SIS exercised as at 31 March 2015	No of SIS cancelled as at 31 March 2015	No of SIS Options Outstanding as at 31 March 2015	Date of expiry Of SIS Scheme
55,688,000	24,009,100	2,112,900	29,566,000	11 June 2017

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 30 June 2015	Products and Services RM'000	Maintenance Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	8,801	-	14,713	23,514
Segment results	(2,171)	-	2,702	531
Share of loss from joint venture				(288)
Finance cost				(30)
Profit before taxation				213
Taxation				(420)
Net loss from continuing operations				(207)
Net loss from discontinued operations				(22)
Net loss for the period				(229)

Net loss from discontinued operations comprise of:

	Total RM'000
Tanjung Citech UK Limited	(3)
Citech Energy Recovery Systems UK Limited	(19)
	(22)

Cumulative as at 30 June 2014	Products and Services RM'000	Maintenance Services RM'000	Engineered Packages RM'000	Total RM'000
Revenue	31,727	17,676	19,402	68,805
Segment results	1,715	(692)	554	1,577
Finance cost				(238)
Profit before taxation from continuing operations				1,339
Taxation				(666)
Net profit from continuing operations				673
Net profit from discontinued operations				209
Net profit for the year				882

Net profit from discontinued operations comprise of:

	Total RM'000
Citech Energy Recovery Systems UK Limited	209
	209

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

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.

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A10 Capital Commitment

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

A11 Related Party Transactions

The following table provides the total amount of transactions which have been entered into with related parties during the period ended 30 June 2015 and 30 June 2014 as well as balances with related parties as of 30 June 2015 and 30 June 2014.

	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
2015	60	912	60	1,329
2014	-	-	9	-

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 30 June 2015.

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B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1 Variance of Results Against Preceding Year Quarter

For the current year quarter ended 30 June 2015, the Group recorded consolidated revenue of RM15.37 million. This represents a decrease of 55.5% as compared to RM34.55 million recorded in the corresponding year quarter ended 30 June 2014. In the current quarter under review, the Group recorded a net profit after tax of approximately RM1.74 million as compared to a net loss after tax of RM1.21 million registered in the preceding year quarter ended 30 June 2014.

The decrease in revenue is mainly due to completion of various engineering equipment packages in 2015. There was reduction in overall revenue recorded as most contracts are still at the bidding stages.

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 RM8.08 million was lower as compared to revenue registered in the preceding year quarter of RM12.44 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 RM7.29 million in the current quarter as compared to the preceding year quarter of RM13.52 million. The decrease in revenue by 46.08% 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 in year 2014.

B2 Variance of Results Against Preceding Quarter

For the current year quarter ended 30 June 2015, the Group recorded consolidated revenue of approximately RM15.37 million. This represents an increase of approximately 88.8% as compared to RM8.14 million recorded in the preceding quarter ended 31 March 2015. In the current quarter under review, the Group recorded a net profit after tax of RM1.74 million as compared to a net loss after tax of RM1.95 million recorded in the preceding quarter ended 31 March 2015.

Engineered Packages

The Group registered revenue of RM8.08 million in the current quarter which is 21.9% higher as compared to RM6.63 million registered in the preceding quarter ended 31 March 2015. 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 RM7.29 million in the current quarter as compared to RM1.51 million registered in the preceding quarter ended 31 March 2015. The increase in revenue by approximately 382.8% 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 in year 2014.

B3 Current Year Prospects

Despite the challenges in the oil and gas industry, the Company will continue to focus in the oil and gas business. At the same time, the Company will also look into new ventures for potential business growth.

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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 Period Quarter 30/06/2015 RM'000	Preceding Period Corresponding Quarter 30/06/2014 RM'000	Current Period Quarter 30/06/2015 RM'000	Preceding Period Corresponding Quarter 30/06/2014 RM'000
a. Income Tax Expenses	210	364	420	666
b. Under provision in previous year	-	-	-	-
c. Deferred Tax Liabilities/(Assets)	-	-	-	-
d. Total	210	364	420	666

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.

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B6 Status of Corporate Proposal

The allocation and status of the Share Issuance Scheme as at 30 June 2015 are as follows:-

No SIS Options Granted up to 31 March 2015	No of SIS exercised as at 31 March 2015	No of SIS cancelled as at 31 March 2015	No of SIS Options Outstanding as at 31 March 2015	Date of expiry Of SIS Scheme
55,688,000	24,009,100	2,112,900	29,566,000	11 June 2017

Save as disclosed above, there were no corporate proposals announced but not completed as at the date of this announcement.

B7 Bank Borrowings

	RM'000
a) Secured short term borrowings	
i) Hire purchase and lease payables	784
Sub Total	784
a) Secured long term borrowings	
i) Hire purchase and lease payables	3,092
Sub Total	3,092
TOTAL BORROWINGS	3,876

B8 Material Litigation/ Special Notice

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.

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B10 Earnings/(Losses) per share

	Quarter Ended		Period to Date Ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Net profit/(loss) attributable to ordinary shareholders (RM'000)				
Continuing operations	1,740	(1,273)	(207)	673
Discontinued operations	(4)	60	(22)	209
	<u>1,736</u>	<u>(1,213)</u>	<u>(229)</u>	<u>882</u>
Basic				
Total number of ordinary shares ('000)	381,535	374,363	381,535	374,363
Adjusted weighted average number of ordinary shares ('000)	<u>379,058</u>	<u>368,175</u>	<u>376,720</u>	<u>366,454</u>
Basic earnings/(losses) per ordinary share (cent)				
Continuing operations	0.46	(0.35)	(0.05)	0.18
Discontinued operations	-	0.02	(0.01)	0.06
	<u>0.46</u>	<u>(0.33)</u>	<u>(0.06)</u>	<u>0.24</u>
Diluted				
Adjusted weighted average number of ordinary shares ('000)	379,058	368,175	376,720	366,454
SIS:				
No of unissued shares ('000)#	-	37,355	-	37,355
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)	379,058	373,873	376,720	372,153
Diluted earnings/(losses) per ordinary share (cent)				
Continuing operations	0.46	(0.34)	(0.05)	0.17
Discontinued operations	-	0.02	(0.01)	0.06
	<u>0.46</u>	<u>(0.32)</u>	<u>(0.06)</u>	<u>0.23</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 2014.

B12 Realised and Unrealised Losses or Profits

The breakdown of accumulated losses of the Group as at 30 June 2015 and 30 June 2014 divided into realised and unrealised losses or profits are as disclosed, pursuant to the directive, is as follows:

	As at 30 June 2015 RM'000	As at 30 June 2014 RM'000
Total accumulated losses of the Group :		
- Realised	(42,145)	(42,272)
- Unrealised	-	-
	<hr/>	<hr/>
Total Group accumulated losses as per consolidated accounts	<u>(42,145)</u>	<u>(42,272)</u>