

Quarterly rpt on consolidated results for the financial period ended 31/12/2014

PERISAI PETROLEUM TEKNOLOGI BHD

Financial Year End 31/12/2014
 Quarter 4
 Quarterly report for the financial period ended 31/12/2014
 The figures have not been audited

Attachments

[Perisai-Quarterly Report Q4 2014.pdf](#)

101 KB

[Perisai-Notes to Accounts Q4 2014.pdf](#)

386 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 31/12/2014

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2014 \$\$'000	31/12/2013 \$\$'000	31/12/2014 \$\$'000	31/12/2013 \$\$'000
1 Revenue	55,767	13,845	122,133	111,663
2 Profit/(loss) before tax	17,161	-781	27,865	38,051
3 Profit/(loss) for the period	17,121	3,627	27,258	82,443
4 Profit/(loss) attributable to ordinary equity holders of the parent	13,522	603	13,726	71,785
5 Basic earnings/(loss) per share (Subunit)	1.13	0.05	1.18	7.29

6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
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	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.9800	0.8300

Remarks :

This announcement is dated 25 February 2015.

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	PERISAI PETROLEUM TEKNOLOGI BHD
Stock Name	PERISAI
Date Announced	25 Feb 2015
Category	Financial Results
Reference No	PP-150225-3B4F8

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Note	Individual Period		Cumulative Period	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	To Date	Corresponding
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
		RM'000	RM'000	RM'000	RM'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Continuing operations					
Revenue	A8	55,767	13,845	122,133	111,663
Direct cost		(40,695)	(12,676)	(94,657)	(46,805)
Gross profit		15,072	1,169	27,476	64,858
Other income		4,039	486	8,361	5,995
Operating expenses		(6,152)	(6,252)	(30,239)	(28,922)
Finance costs		(9,020)	(3,545)	(24,254)	(11,602)
Share of results of associates, net of tax		837	1,239	3,938	1,641
Share of results of joint ventures, net of tax		12,385	6,122	42,583	6,081
Profit before tax	B1	17,161	(781)	27,865	38,051
Tax expense	B5	(40)	(44)	(607)	(85)
Profit for the year from continuing operations, net of tax		17,121	(825)	27,258	37,966
Discontinued operation					
Profit for the year from discontinued operation, net of tax	A14	-	4,452	-	44,477
Profit for the year, net of tax		17,121	3,627	27,258	82,443
Profit attributable to:					
Owners of the Company		13,522	603	13,726	71,785
Non-controlling interests		3,599	3,024	13,532	10,658
		17,121	3,627	27,258	82,443
Earnings per share ("EPS") attributable to owners of the company (sen)					
Basic EPS	B11(a)	Sen	Sen	Sen	Sen
-from continuing operations		1.13	(0.36)	1.18	2.77
-from discontinued operation		-	0.41	-	4.52
		1.13	0.05	1.18	7.29
Diluted EPS	B11(b)				
-from continuing operations		1.12	(0.36)	1.17	2.74
-from discontinued operation		-	0.41	-	4.46
		1.12	0.05	1.17	7.20

The unaudited consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes.

PERISAI PETROLEUM TEKNOLOGI BHD
(Company No.: 632811-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the year	17,121	3,627	27,258	82,443
<i>Items that may subsequently be classified to profit or loss:</i>				
Foreign currency translation differences arising during the financial year	46,050	3,994	89,241	23,229
Reclassification of foreign currency translation reserve to profit or loss on disposal of subsidiary	-	14,704	-	14,704
Cash flow hedged				
- fair value changes during the year	(2,833)	(1,443)	(3,246)	(1,443)
- reclassified adjustments for amounts recognised in profit or loss	2,174	811	2,500	811
Total comprehensive income	62,512	21,693	115,753	119,744
Attributable to:				
Owners of the Company	62,742	16,273	94,524	101,570
Non-controlling interests	(230)	5,420	21,229	18,174
	62,512	21,693	115,753	119,744

The unaudited consolidated comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes.

PERISAI PETROLEUM TEKNOLOGI BHD
(Company No.: 632811-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	As At End Of Current Quarter 31 December 2014 RM'000 (Unaudited)	As At End Of Previous Financial Year 31 December 2013 RM'000 (Audited) (Restated)
Non-current assets			
Plant and equipment	A9	1,403,240	548,216
Intangible assets		75	75
Investment in associates		1,654	1,315
Investment in joint ventures		567,167	488,698
Prepayment	B8	324,475	288,249
		<u>2,296,611</u>	<u>1,326,553</u>
Current assets			
Trade receivables		51,005	20,386
Other receivables, deposits and prepayment		76,325	42,464
Tax recoverable		203	251
Cash and bank balances		94,108	62,917
		<u>221,641</u>	<u>126,018</u>
TOTAL ASSETS		<u>2,518,252</u>	<u>1,452,571</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		119,313	108,453
Share premium		638,407	486,025
Treasury shares		(231)	(231)
Retained earnings	B13	299,698	285,972
Other reserves		112,896	22,738
		<u>1,170,083</u>	<u>902,957</u>
Equity attributable to owners of the Company		<u>1,170,083</u>	<u>902,957</u>
Non-controlling interests		121,633	100,404
Total equity		<u>1,291,716</u>	<u>1,003,361</u>
Non-current liabilities			
Loans and borrowings	B7	1,022,989	272,023
Other payables		8,566	-
Derivatives liability		4,690	1,443
		<u>1,036,245</u>	<u>273,466</u>
Current liabilities			
Trade payables		15,667	543
Other payables and accruals		39,026	93,149
Loans and borrowings	B7	135,088	82,012
Tax payable		510	40
		<u>190,291</u>	<u>175,744</u>
Total liabilities		<u>1,226,536</u>	<u>449,210</u>
TOTAL EQUITY AND LIABILITIES		<u>2,518,252</u>	<u>1,452,571</u>
Net assets per share attributable to owners of the parent (RM)		0.98	0.83

The unaudited consolidated financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes.

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

Note	Attributable to Equity Holders of the Company							Non-controlling Interest	Total equity
	Non-distributable					Distributable			
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Other reserves RM'000	Reserve of disposal group classified as held for sale RM'000	Retained earnings RM'000	Sub-total RM'000		
At 1 January 2013 (Audited)	85,178	198,268	(231)	8,267	(23,244)	214,187	482,425	82,230	564,655
Comprehensive income									
Profit for the financial year	-	-	-	-	-	71,785	71,785	10,658	82,443
Other comprehensive income									
Foreign currency translation differences	-	-	-	7,171	23,244	-	30,415	7,516	37,931
Cash flow hedge	-	-	-	(632)	-	-	(632)	-	(632)
Total comprehensive income for the year	-	-	-	6,539	23,244	71,785	101,568	18,174	119,742
Transactions with owners									
Share options exercised	295	2,023	-	-	-	-	2,318	-	2,318
Share options granted under ESOS	-	-	-	9,232	-	-	9,232	-	9,232
Shares issuance pursuant to private placement	8,514	79,178	-	-	-	-	87,692	-	87,692
Shares issuance expenses	-	(1,610)	-	-	-	-	(1,610)	-	(1,610)
Acquisition of joint ventures	14,466	206,866	-	-	-	-	221,332	-	221,332
Transfer to share premium for share options exercised	-	1,300	-	(1,300)	-	-	-	-	-
	23,275	287,757	-	7,932	-	-	318,964	-	318,964
At 31 December 2013 (Audited)	108,453	486,025	(231)	22,738	-	285,972	902,957	100,404	1,003,361
At 1 January 2014 (Audited)	108,453	486,025	(231)	22,738	-	285,972	902,957	100,404	1,003,361
Comprehensive income									
Profit for the financial year	-	-	-	-	-	13,726	13,726	13,532	27,258
Other comprehensive income									
Foreign currency translation differences	-	-	-	81,544	-	-	81,544	7,697	89,241
Cash flow hedge	-	-	-	(746)	-	-	(746)	-	(746)
Total comprehensive income for the year	-	-	-	80,798	-	13,726	94,524	21,229	115,753
Transactions with owners									
Share options exercised	A6(i)	18	121	-	-	-	139	-	139
Share options granted under ESOS		-	-	-	9,438	-	9,438	-	9,438
Net proceeds from share issuance pursuant to private placement									
- Gross proceeds	A6(ii)	10,842	155,041	-	-	-	165,883	-	165,883
- Share issue expenses		-	(2,858)	-	-	-	(2,858)	-	(2,858)
Transfer to share premium for share options exercised		-	78	-	(78)	-	-	-	-
		10,860	152,382	-	9,360	-	172,602	-	172,602
At 31 December 2014 (Unaudited)		119,313	638,407	(231)	112,896	-	299,698	121,633	1,291,716

The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes.

PERISAI PETROLEUM TEKNOLOGI BHD
(Company No.: 632811-X)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	12-month ended	
	31 December 2014	31 December 2013
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash flow from operating activities		
Profit before taxation		
Continuing operations	27,865	38,051
Discontinued operation	A14 -	44,584
Adjustment for :		
Depreciation of plant and equipment	47,034	38,869
(Gain)/loss on disposal of plant and equipment	(1,442)	55
Gain on disposal of subsidiary	-	(9,712)
Plant and equipment written off	2	-
Impairment of trade receivables	1,802	-
Net unrealised (gain)/loss on foreign exchange	(2,886)	(334)
Share of results of associates	(3,938)	(1,641)
Share of results of joint ventures	(42,583)	(6,081)
Share options granted under Employees' share option scheme ("ESOS")	9,438	9,231
Interest expense:		
-continuing operations	24,255	11,602
-discontinued operations	A14 -	3,317
Interest income	(419)	(461)
Operating profit before working capital changes	59,128	127,480
Changes in working capital :		
Change in receivables	(34,978)	(27,352)
Change in payables	(36,891)	(22,882)
Cash generated from operating activities	(12,741)	77,246
Interest paid	(29,602)	(13,533)
Interest received	415	461
Tax paid	(392)	(109)
Tax refunded	271	146
Net cash generated from operating activities	(42,049)	64,211
Cash flow from investing activities		
Acquisition of joint ventures	-	(51)
Subscription of shares in an associates	(40)	-
Subscription of shares in an joint ventures	-	(178)
Net cash inflow from disposal of subsidiary	-	5,208
Dividend received from associate	-	640
Purchase of intangible asset	-	(75)
Prepayment of plant and equipment	(843,370)	(74,724)
Purchase of plant and equipment	(39,738)	(827)
Proceeds from disposal of plant and equipment	1,540	196
Net advances (to)/from associates	-	-
Net advances (to)/from joint ventures	(26,567)	(1,129)
Net cash used in investing activities	(908,175)	(70,889)
Cash flow from financing activities		
Payment of hire purchase	(109)	(345)
Net proceeds from shares issuance pursuant to private placement		
- Gross proceeds	A6(ii) 165,883	87,691
- Share issuance expenses	(2,858)	(1,610)
Proceeds from share issuance pursuant to ESOS	A6(i) 139	2,319
Proceed from issuance of Medium Term Notes	-	59,558
Payment of debts issue costs and incidental costs	-	(2,288)
Drawdown of loans and borrowings	879,609	-
Repayment of loans and borrowings	(78,335)	(116,878)
Net cash generated from financing activities	964,329	28,447
Net increase/(decrease) in cash and cash equivalents during the year	14,105	21,769
Effect of exchange rate changes	26,627	1,173
Cash and cash equivalents at beginning of year	53,376	30,434
Cash and cash equivalents at end of year ^A	94,108	53,376
* Cash and cash equivalents comprise :		
Cash and bank balances	94,108	62,916
Bank overdraft	-	(9,540)
	94,108	53,376

The condensed unaudited consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes.

NOTES TO THE ACCOUNTS

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134

1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Perisai Petroleum Teknologi Bhd ("Perisai" or the "Company") and its subsidiaries ("Group") since the financial year ended 31 December 2013.

2. Changes In Accounting Policies

- a) The Group adopted the following Amendments/Improvement to Standards and new IC Interpretations ("IC Int") effective as of 1 January 2014:-

Amendments/Improvement to MFRSs

MFRS 10	Consolidated Financial Statements: Investment Entities
MFRS 12	Disclosure of Interest in Other Entities: Investment Entities
MFRS 127	Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
MFRS 136	Impairment of Assets – Recoverable amount Disclosures for Non-Financial Asset
MFRS 139	Novation of Derivatives and Condition of Hedged Accounting

New IC Int

IC Interpretation 21	Levies
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The adoption of the above Amendments to MFRSs and new IC Int did not have any material effect on the financial statements of the Group.

- b) At the date of this report, the following new MFRs and Amendments/Improvements to MFRSs were issued but not yet effective and have not been applied by the Group:

MFRS 9	Financial Instruments (IFRS 9 issued by International Accounting Standards Board ("IASB") in November 2009)*
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)*
MFRS 9	Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)*
MFRS 9	Financial Instruments: (Hedged Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)*

Amendments to MFRS 7	Financial Instruments: Disclosures*** - Mandatory Effective Date of MFRS 9 and Transition Disclosure
Amendments to MFRS 119	Defined Benefit Plan: Employee Contribution**
Annual Improvements to MFRSs 2010 – 2012 Cycle**	
Annual Improvements to MFRSs 2011 – 2013 Cycle**	

*Effective for financial periods beginning on or after – to be announced by the Malaysian Accounting Standard Board

** Effective for financial periods beginning on or after – 1 July 2014

***Applies when MFRS 9 is applied

The Group will adopt the above new MFRS and Amendments/Improvements to MFRSs when it becomes effective in the respective financial periods. The adoption of the above mentioned amendments to MFRSs are not expected to have any material effect to the financial statements of the Group upon initial recognition, except MFRS 9 Financial Instruments. The Group will assess the financial implications of MFRS 9 Financial Instruments when the full standard is issued and effective.

3. Seasonal Or Cyclical Factors

The Group's operations are not materially subject to any seasonal or cyclical factors except for severe weather conditions.

4. Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the financial year ended 31 December 2014.

5. Changes In Estimates

There were no significant changes in estimates that had a material effect on the results for the financial year ended 31 December 2014.

6. Debts And Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year ended 31 December 2014:

- i. New ordinary shares of RM0.10 each issued pursuant to the exercise of options granted under the Employee Share Option Scheme at the option price of RM0.785 per ordinary share were as follows :-

Quarter ended	Number of ordinary shares	Exercise Price	RM
31 March 2014	172,000	RM0.785	135,020
30 June 2014	5,000	RM0.785	3,925
30 September 2014	Nil	Nil	Nil
31 December 2014	Nil	Nil	Nil

- ii. On 10 April 2014, Perisai completed the listing and quotation of a private placement of 10% of the issued and paid up share capital as follows:-

Number of Ordinary shares	Issue Price	RM
108,419,998	RM1.53	165,882,597

- iii. On 19 August 2013, Perisai Capital (L) Inc. (the Issuer), a wholly owned subsidiary of the Company had established the SGD700 million multicurrency medium term note programme (MTN Programme). This is to be on-lent and/or paid and/or advanced by the Issuer to the Company for the general corporate purposes of the Company and its subsidiaries (the "Group"), including to finance potential acquisitions, strategic expansion, general working capital, capital expenditure and investments of the Group and to refinance existing borrowings of the Group.

As at 31 December 2014, a total of SGD125 million had been drawn down under the MTN Programme.

- iv. As at 31 December 2014, 400,000 shares of RM0.10 each were held as treasury shares in accordance with the requirements of section 67A of the Companies Act, 1965.

7. Dividends Paid

There were no dividends paid during the financial year ended 31 December 2014.

8. Segmental Information

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 December 2014 RM'000	31 December 2013 RM'000 (Restated)	31 December 2014 RM'000	31 December 2013 RM'000 (Restated)
Segment Revenue				
Revenue from continuing operations				
Drilling	43,629	-	77,467	-
Production	-	671	-	48,983
Marine vessels	12,138	12,719	44,666	60,904
Others	-	455	-	1,776
Total revenue	55,767	13,845	122,133	111,663
Segment Results				
Results from continuing operations				
Drilling	5,751	-	10,772	-
Production	(9,479)	(9,464)	(29,897)	28,012
Marine vessels	7,035	9,326	27,932	26,774
Others	632	(8,004)	(27,463)	(24,457)
Share of results in associates	837	1,239	3,938	1,641
Share of results in joint ventures	12,385	6,122	42,583	6,081
Total results	17,161	(781)	27,865	38,051

9. Valuation Of Property, Plant and Equipment

The Group did not revalue any plant and equipment during the financial year ended 31 December 2014.

10. Subsequent Events

There were no material events subsequent to the financial year ended 31 December 2014.

11. Changes In Composition Of The Group

Save as disclosed below, there were no changes to the composition of the Group during the financial year ended 31 December 2014.

- a) On 19 March 2014, the Company incorporated a new associate company, Larizz Energy Services Sdn. Bhd ("Larizz Energy"), in which the Company holds 40% equity interest whilst the remaining 60% is held by Datuk Zainol Izzet bin Mohamed Ishak, the managing director of the Company.

The incorporation of Larizz Energy is in furtherance to the Company's future strategic plans.

- b) On 22 April 2014, Perisai Drilling Holdings Sdn Bhd, a wholly-owned subsidiary of Perisai incorporated two (2) new wholly-owned subsidiary companies in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act 1990, the particulars of which are set out in the table below :-

Name of Company	Issued and Paid-up Share capital
Perisai Pacific 102 (L) Inc	USD1,000 divided into 1,000 ordinary shares of USD1.00 each
Perisai Pacific 103 (L) Inc	USD1,000 divided into 1,000 ordinary shares of USD1.00 each

The incorporation of these two (2) wholly-owned subsidiaries is for the purposes of asset ownership within its drilling division.

- c) On 22 August 2014, the Company obtained approval from the Labuan Financial Services Authority dated 7 August 2014 for the transfer of the Company's 100% equity interest in Garuda Energy (L) Inc ("Garuda") to its wholly-owned subsidiary, Perisai Production Holdings Sdn Bhd ("PPHSB") for a total cash consideration of RM220,076,060 ("Internal Re-organisation").

Following the Internal Re-organisation, Garuda became an indirect wholly-owned subsidiary of the Company.

- d) On 28 August 2014, the Company transferred its 100% equity interest in Perisai Drilling Sdn Bhd ("Perisai Drilling") to its wholly-owned subsidiary, Perisai Drilling Holdings Sdn Bhd to its wholly-owned subsidiary, Perisai Drilling Holdings Sdn Bhd for a total cash consideration of RM828,000 ("Internal Re-organisation").

Following the Internal Re-organisation, Perisai Drilling became the indirect wholly-owned subsidiary of the Company.

- e) On 24 September 2014, the Company obtained approval from Labuan Financial Services Authority dated 23 September 2014 for the transfer of the Company's 100% equity interest in Perisai Pacific 101 (L) Inc (formerly known as Perisai (L) Inc)* ("Perisai Pacific 101 (L) Inc") to its wholly-owned subsidiary, Perisai Drilling Holdings Sdn Bhd for a total cash consideration of RM3,800 ("Internal Re-organisation").

Following the Internal Re-organisation, Perisai Pacific 101 (L) Inc. became the indirect wholly-owned subsidiary of the Company.

* Perisai (L) Inc had changed its name to Perisai Pacific 101 (L) Inc. with effect from 17 October 2014 as stipulated in the Certificate of Incorporation on Change of Name of A Labuan Company, issued by the Labuan Financial Services Authority.

12. Changes In Contingent Liabilities

Save as disclosed below, the Directors are not aware of any material contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of the Group during the financial year ended 31 December 2014.

Corporate Guarantee of RM504.3 million issued by the Group for banking facilities granted to its joint ventures.

13. Changes In Contingent Assets

The Directors are not aware of any material contingent assets, which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group during the financial year ended 31 December 2014.

14. Discontinued Operations

On 26 December 2013, the Company completed the disposal of 49% of its equity interest in SJR Marine (L) Ltd ("SJR Marine") as mentioned in Note A15 and B6 of the Bursa quarterly announcement for the financial quarter ended 31 December 2013. The results of this subsidiary prior to the completion date of the disposal are presented separately on the consolidated statement of profit or loss and other comprehensive income as "profit for the financial year from discontinued operations" in accordance with MFRS 5 "Non- Current Assets Held For Sale and Discontinued Operations".

Subsequent to the disposal, the results of the Company's remaining 51% equity interest in SJR Marine was reflected under the caption of share of results of joint ventures.

15. Material Commitments

Save as disclosed below, the Group is not aware of any material commitments incurred or known to be incurred by the Group which upon becoming enforceable may have a material impact on the profit or net asset value of the Group as at 31 December 2014.

	RM'Million
<u>Capital expenditure</u>	
Approved and contracted for:	
Construction of two (2) jack-up drilling rigs	<u>1,173</u>

16. Significant Related Party Transactions

Save as disclosed below, there were no significant related party transactions during the financial year ended 31 December 2014.

The recurrent related party transactions with the Group and the Company are as follows:-

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Revenue		(Restated)		(Restated)
Bareboat charter of vessels to Emas Offshore Pte. Ltd.*	3,414	3,598	14,192	14,928
Bareboat charter of vessels to Emas Offshore (M) Sdn. Bhd.*	8,724	6,554	30,473	27,200
Secondment of personnel to Victoria Production Services Sdn Bhd^	168	283	391	283
Expenses				
Vessel maintenance expenses charged by Emas Offshore Services Pte. Ltd.*	-	2	-	170
Vessel maintenance expenses charged by Emas Offshore Services (M) Sdn Bhd*	2	117	237	856
Agency fee charged by Larizza Petroleum Services Sdn. Bhd.#	45	45	180	180
Agency fee charged by Larizza Energy Services Sdn. Bhd.#	45	-	75	-
Agency fee charged by Perisai Offshore Sdn. Bhd.#	28	-	111	-

*The transactions above involve Emas Offshore Pte Ltd, Emas Offshore (M) Sdn Bhd, Emas Offshore Services (M) Sdn Bhd and Emas Offshore Services Pte Ltd which are indirect wholly owned subsidiaries of EMAS Offshore Limited ("EMAS") (formerly known as EOC Limited) which in turn is a subsidiary of Ezra Holdings Limited ("Ezra"). EMAS is a major shareholder of the Company. Ezra is an indirect major shareholder of Perisai holding its Perisai shares through its wholly owned subsidiary, HCM Logistics Limited and EMAS.

^The transactions above involving Victoria Production Services Sdn Bhd, a Joint Venture between Perisai and EMAS.

#Agency fees charged by Larizz Petroleum Services Sdn Bhd ("LPSSB"), Larizz Energy Services Sdn Bhd ("LESSB") and Perisai Offshore Sdn Bhd ("POSB") is a recurrent related party transaction as Datuk Zainol Izzet Bin Mohamed Ishak ("Datuk Izzet") is a substantial shareholder of LPSSB, LESSB and POSB. Datuk Izzet holds 60% equity interest in both LPSSB and LESSB and 49% equity interest in POSB. He is also a director of Perisai and holds 5.53% equity interest in Perisai.

17. Fair Value Measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, the lowest level input that is significant to the fair value measurement as a whole.

- (a) Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provided the fair value measurement hierarchy of the Group's assets and liabilities:

Liabilities measured at fair value

	Amount	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
Group				
Derivative financial instruments				
-cross currency interest rate swaps *	4,690	-	4,690	-

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2014 and the Group does not have any financial instruments classified as Level 3 as at 31 December 2014.

* The valuation technique used to derive the Level 2 is as disclosed in Note B15.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MMLR

1. Performance Review

For the financial year ended 31 December 2014, the Group generated total revenue from continuing operations of RM122.13million, an increase of RM10.47million when compared to the amount of RM111.66million in the corresponding financial year ended 31 December 2013.

The increase in revenue was mainly due to the commencement of drilling operations in August 2014 with the new build jack-up drilling rig, Perisai Pacific 101 ("PP 101"). The increase in revenue is despite the absence of charter from the Mobile Offshore Production Unit (MOPU), the Rubicone.

Profit before tax ("PBT") from continuing operations for the financial year ended 31 December 2014 amounted to RM27.87million, a decrease of RM10.18million when compared to the PBT amount of RM38.05million attained in the corresponding financial year ended 31 December 2013.

The decrease in PBT was mainly due to the absence of charters from Rubicone and the Derrick Pipe Lay Barge, the Enterprise 3 as well as higher finance cost (including MTN interest of RM8.37million). The decrease was however mitigated by (i) a higher share of contributions from the results of the joint ventures particularly from the Floating, Production, Storage and Offloading unit (FPSO), Perisai Kamelia; and (ii) a higher share of contributions from the results of associates; and (iii) the gain on disposal of two cold-stacked vessels namely Alpha Shield and Allied Shield and (iv) higher foreign exchange gain as reflected in other income.

Total profit net of tax for the current financial year ended 31 December 2014 amounted to RM27.26 million, a decrease of RM55.18million when compared to the amount of RM82.44 million attained in the corresponding financial year ended 31 December 2013. The decrease is mainly due to the same reasons as mentioned in the immediate paragraph above.

For the current quarter ended 31 December 2014, the Group generated total revenue from continuing operations of RM55.77million, an increase of RM41.92million when compared to the amount of RM13.85million attained in the corresponding quarter ended 31 December 2013.

The increase is mainly due to the revenue generated by the PP101.

PBT from continuing operations for the current quarter ended 31 December 2014 amounted to RM17.16million, an increase of RM17.94million when compared to the loss before tax of RM0.78million attained in the previous corresponding quarter ended 31 December 2013.

The increase is mainly due to the profit generated by PP101, higher exchange gain of RM3.72 million as reflected in other income and the higher share of contributions from the results of the joint ventures from FPSO and associates. This increase was attained despite the higher finance cost (including MTN interest of RM2.78million)

The total profit net of tax for the current quarter ended 31 December 2014 amounted to RM17.12 million which represent an increase of RM13.49million as compared to RM3.63million in the corresponding quarter ended 31 December 2013. The increase was mainly due to the same reasons as mentioned in the immediate paragraph above.

The result from SJR Marine which owns the Enterprise 3 was reflected under profit from discontinued operation prior to its disposal. Subsequent to its 49% equity interest disposal on 26 December 2013, the result of the remaining 51% equity interest was captured under the caption of share of results of joint ventures.

2. Material Change in Profit Before Tax ("PBT") In Comparison to the Preceding Quarter

For the current financial quarter ended 31 December 2014, the Group recorded a PBT of approximately RM17.16million against a PBT of RM6.49 million attained in the preceding quarter.

The increase in PBT arose mainly from drilling operations, lower expenses, higher contributions from joint ventures and foreign exchange gain of approximately RM3.22million.

3. Future Prospects

The first jack up drilling rig of Perisai, Perisai Pacific 101 commenced its 3-year contractual deployment in early August 2014. It is expected to continue to contribute positively to the profits of Perisai during the term of its contract.

The FPSO Perisai Kamelia, continues to perform its 3-year contract, which commenced in November 2013. All of the nine (9) offshore support vessels of the Intan Group are on long term charter with three (3) of the vessels contracted until August 2015 and five (5) were extended for a further duration of two (2) years until August 2017 and the latest acquired vessel contracted until September 2021.

Perisai is exploring various opportunities for its Rubicone and its Enterprise 3. Perisai Group's results would be improved in the event new charters are secured for these two (2) assets.

The demand for the offshore assets within South East Asia has shown signs of softening due to the recent decline in crude oil prices. Thus any potential charters for the Company's second and third jack-up drilling rigs, expected to be delivered in the 2nd quarter of 2015 and 3rd quarter of 2016 respectively would be dependent on the prevailing market conditions thereat.

4. Profit Forecast and Profit Guarantee

The Group did not announce or disclose any profit forecast or profit guarantee in any public documents for the financial year ended 31 December 2014.

5. Income Tax Expense

	Individual Period		Cumulative Period	
	Current Year Quarter 31 December 2014 RM'000	Preceding Year Corresponding Quarter 31 December 2013 RM'000	Current Year To Date 31 December 2014 RM'000	Preceding Year Corresponding Period 31 December 2013 RM'000
Based on result for the year from continuing operations				
- Current year provision	40	44	761	85
- Overprovision for taxation in prior year	-	-	(154)	-
- Deferred taxation	-	-	-	-
	40	44	607	85

The effective tax rate for the current quarter and financial year ended 31 December 2014 was lower than the statutory tax rate arising mainly from certain subsidiaries being subject to fixed tax rates under the Labuan Business Activity Tax Act, 1990.

6. Corporate Proposal

(a) There were no corporate proposals announced but not completed as at the reporting date.

(b) Status of Utilisation of Proceeds

The proceeds raised during the private placement were approved for the following activities and status on the funds utilised as at 18 February 2015 are summarised below:

Purpose	Approved Utilisation RM' Million	Amount Utilised RM' Million	Amount Unutilised RM' Million	Expected Time Frame For The Full Utilisation
Repayment of bank borrowings and/or capital investment for jack-up drilling rig(s) and/or MOPU	105.0	(105.0)	-	Fully utilised
Working capital:				
- Drilling and/or MOPU operational expenses	45.0	(45.0)	-	Fully utilised
- Management and administrative expenses of the Perisai Group	13.0	(13.0)	-	Fully utilised
Estimated listing expenses	2.9	(2.9)	-	Fully utilised
Total	165.9	(165.9)	-	

7. Borrowings And Debt Securities

The Group's borrowings and debt securities as at 31 December 2014 are as follows:

	Short Term RM'000	Long Term RM'000
Secured		
- Term loan	134,973	697,037
- Hire purchase	115	276
MTN	-	325,676
Total	135,088	1,022,989

The Group borrowings are denominated in the following currencies:

	Short Term RM'000 Equivalent	Long Term RM'000 Equivalent
Ringgit Malaysia	115	276
US Dollar	134,973	697,037
SG Dollar	-	325,676
Total	135,088	1,022,989

8. Prepayment

Prepayment consists of the deposits paid for the design, construction, equipping, commissioning and delivery of the second (2nd) and third (3rd) jack up drilling rigs.

9. Changes In Material Litigation

There was no litigation for the financial year ended 31 December 2014.

10. Dividends Payable

There was no dividend declared for the financial year ended 31 December 2014.

11. Earnings Per Share ("EPS")

Basic earnings per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

(a) Basic Earnings Per Share

	Individual Period		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Profit from continuing operations	13,522	(3,849)	13,726	27,308
Profit from discontinued operation	-	4,452	-	44,477
Profit attributable to owners of the Company net of tax	13,522	603	13,726	71,785
Weighted average number of ordinary shares in issue ('000)	1,193,125	1,084,128	1,163,891	983,814
Basic earnings per share (sen):				
- from continuing operations	1.13	(0.36)	1.18	2.77
- from discontinued operation	-	0.41	-	4.52
Total (sen)	1.13	0.05	1.18	7.29

(b) Diluted Earnings Per Share

	Individual Period		Cumulative Period	
	Current Year Quarter 31 December 2014 RM'000	Preceding Year Corresponding Quarter 31 December 2013 RM'000	Current Year To Date 31 December 2014 RM'000	Preceding Year Corresponding Period 31 December 2013 RM'000
Profit from continuing operations	13,522	(Restated) (3,849)	13,726	27,308
Profit from discontinued operation	-	4,452	-	44,477
Profit attributable to owners of the company net of tax	13,522	603	13,726	71,785
Weighted average number of ordinary shares in issue ('000)	1,193,125	1,084,102	1,163,891	983,814
Effect of dilution ('000)				
- Share options	9,453	12,528	9,453	12,478
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,202,578	1,096,630	1,173,344	996,292
Diluted earnings per share (sen):				
- from continuing operations	1.12	(0.36)	1.17	2.74
- from discontinued operation	-	0.41	-	4.46
Total (sen)	1.12	0.05	1.17	7.20

12. Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the latest audited financial statements was not qualified.

13. Realised and Unrealised Retained Earnings

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Total retained earnings		
- realised profit	306,296	299,198
- unrealised profit	2,886	334
	309,182	299,532
Associates		
- realised profit	832	711
- unrealised profit	227	167
	1,059	878
Joint ventures		
- realised profit	48,374	6,079
- unrealised profit	290	2
	48,664	6,081
Less: Group consolidated adjustments	(59,207)	(20,519)
Total Group retained earnings as per unaudited consolidated financial statements	299,698	285,972

14. Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 3 months 31 December 2014 RM'000	Current Year Todate 12 months 31 December 2014 RM'000
Profit before tax is arriving at after charging/(crediting):		
Interest income	40	420
Other income	241	1,280
Interest expenses	(9,020)	(24,254)
Depreciation and amortisation	(15,827)	(47,034)
Realised foreign exchange gain	1,822	2,332
Gain on disposal of plant and equipment	-	1,442
Unrealised foreign exchange gain	1,921	2,886
Impairment of trade receivables	(1,803)	(1,803)
Fixed asset written off	(2)	(2)

15. Financial Instruments

- (a) Details of derivative financial instruments outstanding as at 31 December 2014 are set out below:-

Type of derivative	Contract/Notional Amount RM'000	Fair value liabilities RM'000
Cross Currency Interest Rate Swaps ("CCIRS")		
-less than 1 year	Nil	Nil
-1 year to 3 years	60,883	4,690
-More than 3 years	Nil	Nil

There have been no changes since the end of the previous financial year ended 31 December 2013 in respect of the following:-

- i. the credit risk and market risks associated with the derivatives;
 - ii. the cash requirements of the derivatives
 - iii. the policies in place for mitigating or controlling the risk associated with the derivatives; and
 - iv. the related accounting policies.
- (b) Disclosure of gains and/losses arising from fair value changes of financial liabilities

The Group determines the fair value of the derivative financial liabilities relating to the CCIRS using valuation technique which utilises data from recognised financial information sources. Assumptions are based on market conditions existing at each reporting date. The fair value is calculated as the present value of the estimated future cash flow using an appropriate market based yield curve.

As at 31 December 2014, the Group has on re-measuring the fair value of the derivative financial instrument, recognized derivative financial liabilities of RM4.690million, an increase of RM3.247million from the previous financial year ended 31 December 2013,. The corresponding decrease has been included in equity in the cashflow hedging reserve of which RM2.5million for the financial year was transferred to the income statement to offset the unrealized gain of RM2.5million which arose from the strengthening of the SGD against the USD. This has resulted in an increase in the cash flow hedging reserve as at 31 December 2014 by the amount of RM0.747million to RM1.378million as compared to the preceding financial year ended 31 December 2013.

The cashflow hedging reserve represents the deferred fair value losses relating to the CCIRS. As the Group intends to hold the MTN and associated derivative instrument to maturity, any changes to the fair value of the derivative instrument will not impact the income statement.

16. Authorised For Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board of Directors dated 25 February 2015.

By Order of the Board
Perisai Petroleum Teknologi Bhd

Finton Tuan Kit Ming (LS 0008941)
Hooi Sook Han (MAICSA No: 7026472)
Company Secretaries