
**Fourth Quarter and Full Year Ended 31 Dec 2018 Financial Statements
and Related Announcement**

Content	Page
1. Unaudited Financial Statements	1
1(a)(i) Statement of Comprehensive Income (Group)	1
1(a) (ii) Notes to the Statement of Comprehensive Income	3
1(b)(i) Statement of Financial Position	6
1(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities	8
1(c) Statement of Cash Flows (Group)	9
1(d)(i) Statements of Changes in Equity	12
1(d)(ii) Share Capital	15
1(d)(iii) Number of Issued Shares excluding Treasury Shares	15
1(d)(iv) Sales, Transfers, Disposals, Cancellations and/or use of Treasury Shares	15
2. Audit	15
3. Auditors' Report	15
4. Accounting Policies	15
5. Changes in Accounting Policies	16
6. Earnings Per Ordinary Share	16
7. Net Asset Value Per Ordinary Share	16
8. Review of Group Performance	17
9. Variance From Forecast Statement	20
10. Prospects	20
11. Dividend	21
12. Dividend Declared	21
12. Total Annual Dividend	21
14. General mandate relating to interested person transactions	21
15. Segmental Reporting	22
16. Review of Segment Performance	27
17. Breakdown of Sales	27
18. Report of A Persons Occupying A Managerial Position Who Are Related to A Director, Chief Executive Officer Or Substantial Shareholder	28
19. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual	29

1. Unaudited Financial Statements

1(a)(i) Statement of Comprehensive Income (Group)

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Change %	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000	Change %
Revenue	99,439	71,356	39%	329,862	319,578	3%
Cost of sales	(61,720)	(58,631)	5%	(248,604)	(283,758)	(12%)
Gross profit	<u>37,719</u>	<u>12,725</u>	>100%	<u>81,258</u>	<u>35,820</u>	127%
Other income	47,825	17,023	>100%	992,318	24,194	>100%
Selling and administrative expenses	(8,792)	(9,160)	(4%)	(31,340)	(33,766)	(7%)
Other operating expenses	(55,835)	(843,328)	(93%)	(43,310)	(2,919,899)	(99%)
Operating profit / (loss)	<u>20,917</u>	<u>(822,740)</u>	n.m.	<u>998,926</u>	<u>(2,893,651)</u>	n.m.
Finance costs	(5,792)	(29,876)	(81%)	(25,803)	(73,391)	(65%)
Share of results of equity accounted joint ventures, net of tax	(500)	(1,603)	(69%)	(1,054)	(4,936)	(79%)
Share of results of equity accounted associate, net of tax	(4,716)	(44,234)	(89%)	(8,493)	(46,610)	(82%)
Profit / (Loss) before tax	<u>9,909</u>	<u>(898,453)</u>	n.m.	<u>963,576</u>	<u>(3,018,588)</u>	n.m.
Income tax expense	(231)	964	n.m.	(314)	813	n.m.
Profit / (Loss) for the financial period	<u>9,678</u>	<u>(897,489)</u>	n.m.	<u>963,262</u>	<u>(3,017,775)</u>	n.m.

1. Unaudited Financial Statements (Contd.)

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Change %	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000	Change %
Other comprehensive income						
Exchange differences on translating foreign operations	(26,345)	(26,734)	(1%)	(30,986)	(6,801)	>100%
Fair value loss on available-for-sale	(2)	(1,487)	(100%)	(2,029)	(2,372)	(14%)
Other comprehensive (loss) / income for the financial period, net of tax	<u>(26,347)</u>	<u>(28,221)</u>	(7%)	<u>(33,015)</u>	<u>(9,173)</u>	>100%
Total comprehensive income / (loss) for the financial period	<u>(16,669)</u>	<u>(925,710)</u>	(98%)	<u>930,247</u>	<u>(3,026,948)</u>	n.m.
Profit / (Loss) attributable to :						
Owners of the parent	6,334	(899,483)	n.m.	959,561	(3,020,051)	n.m.
Non-controlling interest	3,344	1,994	68%	3,701	2,276	63%
Profit / (Loss) for the financial period	<u>9,678</u>	<u>(897,489)</u>	n.m.	<u>963,262</u>	<u>(3,017,775)</u>	n.m.
Total comprehensive income / (loss) attributable to:						
Owners of the parent	(20,013)	(927,855)	(98%)	926,546	(3,029,224)	n.m.
Non-controlling interest	3,344	2,145	56%	3,701	2,276	63%
Total comprehensive (loss) / income for the financial period	<u>(16,669)</u>	<u>(925,710)</u>	(98%)	<u>930,247</u>	<u>(3,026,948)</u>	n.m.

1. Unaudited Financial Statements (Contd.)

1(a)(ii) Notes to the Statement of Comprehensive Income

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Change %	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000	Change %
Other income						
Extinguishment of debt	(5,437)	-	n.m.	348,378	-	n.m.
Foreign exchange gain	-	-	n.m.	-	-	n.m.
Forfeiture deposit received	807	5,828	(86%)	807	5,828	(86%)
Gain on disposal of freehold property	-	7,081	n.m.	-	7,081	n.m.
Impairment Of Trade Receivables Written Back	359	2	>100%	359	2	>100%
Interest income	737	5,426	(86%)	1,845	5,444	(66%)
Inventories written back	-	-	n.m.	-	-	n.m.
Miscellaneous	7,580	(2,157)	n.m.	13,790	2,237	>100%
Overprovision for corporate guarantee	-	-	n.m.	32,380	-	n.m.
Rental income	-	843	n.m.	378	3,602	(90%)
Waiver of debts	43,779	-	n.m.	594,381	-	n.m.
	<u>47,825</u>	<u>17,023</u>	>100%	<u>992,318</u>	<u>24,194</u>	>100%

Profit / (Loss) before tax

The following amounts have been included in arriving
at profit / (loss) before tax:

Selling and administrative expenses

Amortisation of prepaid land lease payments	77	21	>100%	271	108	>100%
Depreciation of property, plant and equipment	6,723	4,133	63%	17,370	19,214	(10%)
Depreciation of investment properties	-	(15)	n.m.	-	930	n.m.
Loss on disposal of available-for-sale financial assets	-	1,170	n.m.	-	1,170	n.m.

1. Unaudited Financial Statements (Contd.)

1(a)(ii) Notes to the Statement of Comprehensive Income

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Change %	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000	Change %
Profit / (Loss) before tax (Contd.)						
The following amounts have been included in arriving at profit / (loss) before tax:						
<i>Other operating expenses</i>						
<i>Assets impairment and writing down</i>						
Bad debt written off	-	3,389	n.m.	-	3,389	n.m.
Contract termination expenses relating to prepayments for inventories	4,166	8,363	(50%)	4,166	8,363	(50%)
Dry docking expenses	534	2,719	(80%)	534	2,719	(80%)
Impairment of investment properties	-	(222)	n.m.	-	15,233	n.m.
Impairment of property, plant and equipment	15,287	47,141	(68%)	15,287	346,767	(96%)
Impairment of trade and other receivables	-	1,758	n.m.	-	8,491	n.m.
Impairment on amount due from customers on contracts	-	198,660	n.m.	-	198,660	n.m.
Impairment on amount owing by joint ventures	-	1,429	n.m.	-	63,241	n.m.
Impairment on investment in associate	-	(49,203)	n.m.	-	5,237	n.m.
Inventories written down	403	576,145	n.m.	403	2,085,877	n.m.
Inventories written off	-	639	n.m.	-	639	n.m.
Prepayment for inventories written off	-	58,391	n.m.	-	105,899	n.m.
Property, plant and equipment written off	26	-	n.m.	337	482	(30%)
Provision for corporate guarantee	-	32,380	n.m.	-	32,380	n.m.

1. Unaudited Financial Statements (Contd.)

1(a)(ii) Notes to the Statement of Comprehensive Income

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Change %	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000	
<i>Others</i>						
Foreign exchange loss, net	12,787	(42,123)	n.m.	12,787	33,375	(62%)
Loss on disposal of property, plant and equipment	-	(4)	n.m.	5	-	n.m.
Restructuring expenses	49	4,866	(99%)	8,025	8,708	(8%)
Income tax expense						
Current income tax	231	(964)	n.m.	314	(813)	n.m.

n.m. : Not meaningful

1. Unaudited Financial Statements (Contd.)

1(b)(i) Statement of Financial Position

	Group		Company	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	613,249	268,703	-	-
Prepaid land lease payments	6,862	7,133	-	-
Investment in joint ventures	2,986	4,041	-	-
Investment in an associate	24,000	23,840	-	-
Available-for-sale financial assets	2,707	3,226	-	-
Trade receivables - Long Term	17,082	16,797	-	-
	<u>666,886</u>	<u>323,740</u>	<u>-</u>	<u>-</u>
Current assets				
Inventories	147,284	382,043	-	-
Trade and other receivables	76,876	65,079	-	-
Prepayments	11,459	4,724	53	28
Amount due from subsidiaries	-	-	125,604	-
Current income tax recoverable	1,064	1,526	-	-
Contract assets	-	38,484	-	-
Cash and cash equivalents	109,680	224,417	318	23,227
	<u>346,363</u>	<u>716,273</u>	<u>125,975</u>	<u>23,255</u>
Asset-held-for-sale	-	74,676	-	-
	<u>-</u>	<u>74,676</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,013,249</u>	<u>1,114,689</u>	<u>125,975</u>	<u>23,255</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	3,417	81,192	3,417	81,192
Share premium	297,796	82,347	297,796	82,347
Treasury shares	(4,097)	(4,097)	(4,097)	(4,097)
Other reserves	366,975	318,614	858,988	778,608
Accumulated losses	(1,201,535)	(2,138,467)	(1,773,754)	(2,515,853)
	<u>(537,444)</u>	<u>(1,660,411)</u>	<u>(617,650)</u>	<u>(1,577,803)</u>
Non-controlling interest	<u>5,197</u>	<u>1,496</u>	<u>-</u>	<u>-</u>
Total equity	<u>(532,247)</u>	<u>(1,658,915)</u>	<u>(617,650)</u>	<u>(1,577,803)</u>
Non-current liabilities				
Deferred tax liabilities	220	220	-	-
Trade and other payables	182,254	2,582	-	-
Loans and borrowings	1,065,708	-	715,897	-
	<u>1,248,182</u>	<u>2,802</u>	<u>715,897</u>	<u>-</u>

1. Unaudited Financial Statements (Contd.)

1(b)(i) Statement of Financial Position (contd.)

	Group		Company	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Current liabilities				
Contract liabilities	-	700	-	-
Loans and borrowings	-	1,639,247	-	1,114,322
Trade and other payables	297,314	1,098,475	27,728	2,336
Provisions	-	32,380	-	484,400
	<u>297,314</u>	<u>2,770,802</u>	<u>27,728</u>	<u>1,601,058</u>
Total liabilities	<u>1,545,496</u>	<u>2,773,604</u>	<u>743,625</u>	<u>1,601,058</u>
TOTAL EQUITY AND LIABILITIES	<u>1,013,249</u>	<u>1,114,689</u>	<u>125,975</u>	<u>23,255</u>

1. Unaudited Financial Statements (Contd.)

1(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities

	As at 31.12.2018		As at 31.12.2017	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Amount repayable in one year or less, or on demand	-	-	570,940	1,068,307
Amount repayable after one year	135,058	930,650	-	-

Details of any collaterals

The Group borrowings are primarily secured by fixed deposits, proceeds from sale of vessels, and charges over certain properties and assets.

1. Unaudited Financial Statements (Contd.)

1(c) Statement of Cash Flows (Group)

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000
Operating activities				
Profit / (Loss) before tax	9,909	(898,453)	963,576	(3,018,588)
Adjustments for:				
Amortisation of prepaid land lease payments	77	21	271	108
Allowance for trade receivables written back	-	(2)	-	(2)
Bad debts written off	-	3,389	-	3,389
Contract termination expenses relating to prepayment for inventories	-	8,363	-	8,363
Depreciation of property, plant and equipment	6,723	4,133	17,370	19,214
Depreciation of investment properties	-	(15)	-	930
Extinguishment of debt	5,437	-	(348,378)	-
Loss on disposal of available-for-sale financial assets	-	1,170	-	1,170
Loss/(Gain) on disposal of property, plant and equipment	-	(7,081)	5	(7,081)
Impairment on property, plant and equipment	15,287	47,141	15,287	346,767
Impairment on investment in associate	-	(49,203)	-	5,237
Impairment on amount due from customers on contracts	-	198,660	-	198,660
Impairment on investment properties	-	(222)	-	15,233
(Reversal of) / Impairment on trade and other receivables	(359)	3,187	(359)	71,732
Inventories written off	-	639	-	639
Inventories written down	403	576,145	403	2,085,877
Interest expense	5,792	29,876	25,803	73,391
Interest income	(737)	(5,426)	(1,845)	(5,444)
Overprovision for corporate guarantee	-	-	(32,380)	-
Prepayment written off	-	58,391	-	105,899
Property, plant and equipment written off	26	-	337	482
Project deposit written off	(269)	-	-	-
Share of results of equity accounted joint ventures, net of tax	500	1,603	1,054	4,936
Share of results of equity accounted associate, net of tax	4,716	44,234	8,493	46,610
Unrealised (gain) / loss on foreign exchange	(40,252)	(46,049)	(64,228)	36,766
Waiver of debts	(43,779)	-	(594,381)	-
Total adjustments	(46,435)	868,954	(972,548)	3,012,876
Operating cash flows before working capital changes	(36,526)	(29,499)	(8,972)	(5,712)

1. Unaudited Financial Statements (Contd.)

1(c) Statement of Cash Flows (Group) (Contd.)

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000
Operating activities (Contd.)				
Cash flows used in operations	(36,526)	(29,499)	(8,972)	(5,712)
Changes in working capital:				
Decrease / (Increase) in inventories	30,086	(566,605)	(73,281)	(433,204)
Decrease / (Increase) in receivables	76,847	(28,201)	63,785	(35,006)
(Increase) / Decrease in prepayments	(4,492)	52,841	(6,701)	30,960
Decrease in contract assets	421	115,950	38,381	202,317
(Decrease) / Increase in payables	(41,237)	413,789	(24,247)	300,176
Increase in provision	-	32,180	-	32,180
(Decrease) / Increase in contract liabilities	(698)	59	(698)	(2,868)
Total changes in working capital	60,927	20,013	(2,761)	94,555
Interest paid	(5,957)	4,032	(17,265)	(39,483)
Taxes paid, net of refund	(161)	(19)	148	(297)
Net cash flows from / (used in) operating activities	18,283	(5,473)	(28,850)	49,063
Investing activities				
Acquisition of property, plant and equipment	(991)	(2,040)	(90,384)	(2,922)
Interest received	737	5,426	1,845	5,444
Proceeds from disposal available-for-sale financial assets	-	5	-	25,760
Proceeds from disposal of property, plant and equipment	-	-	4	7
Repayment from joint ventures	-	(3,685)	-	(3,685)
Sundry receivables relating to sales of leasehold property	-	13,857	-	13,857
Deposit received relating to asset-held-for-sale	-	5,313	-	5,313
Net cash flows (used in) / from investing activities	(254)	18,876	(88,535)	43,774
Financing activities				
Proceeds from revolving credit	-	-	-	42,432
Proceeds from trust receipt	-	8,802	-	8,802
Proceeds from project invoice financing	-	4,462	-	4,462
Repayments of revolving credit	-	(38,475)	-	(137,355)
Repayments of term loans	(867)	(41,732)	(10,816)	(41,732)
Repayments of medium term notes	-	1,374	(9,825)	(5,818)
Proceeds from issuance of shares	-	-	66,005	-
Increase in fixed deposits pledged	(2,971)	101,187	(2,971)	101,187
Interest paid	-	(31,627)	-	(31,627)
Net cash flows (used in) / from financing activities	(3,838)	3,991	42,393	(59,649)

1. Unaudited Financial Statements (Contd.)

1(c) Statement of Cash Flows (Group) (Contd.)

	4th Quarter ended 31.12.2018 RM'000	4th Quarter ended 31.12.2017 RM'000	Full year ended 31.12.2018 RM'000	Full year ended 31.12.2017 RM'000
Net increase / (decrease) in cash and cash equivalents	14,191	17,394	(74,992)	33,188
Effects of foreign exchange rate changes	6,593	(1,040)	(1,322)	(12,783)
Cash and cash equivalents at 1 October / 1 January	85,925	166,669	183,023	162,618
Cash and cash equivalents at 31 December	106,709	183,023	106,709	183,023

Cash and cash equivalents comprise the following as at the statements of financial position date:

Fixed deposits with licensed banks	40,872	28,677	40,872	28,677
Cash and bank balances	68,808	195,740	68,808	195,740
Bank overdrafts	-	(18,217)	-	(18,217)
	109,680	206,200	109,680	206,200
Less: Restricted fixed deposits with licensed banks	(2,971)	(23,177)	(2,971)	(23,177)
Total cash and cash equivalents	106,709	183,023	106,709	183,023

1. Unaudited Financial Statements (Contd.)

1(d)(i) Statements of Changes in Equity

Group	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Available- for-sale reserve RM'000	Retained earnings / (Accumulated loss) RM'000	Equity attributable to owners of the parent RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2017	405,962	82,347	(4,097)	327,787	-	556,814	1,368,813	(780)	1,368,033
Loss for the period	-	-	-	-	-	(2,120,568)	(2,120,568)	282	(2,120,286)
Other comprehensive income	-	-	-	19,933	-	-	19,933	-	19,933
Fair value loss on available- for-sale	-	-	-	-	(885)	-	(885)	-	(885)
Capital reorganisation	(324,770)	-	-	-	-	324,770	-	-	-
At 30 September 2017	81,192	82,347	(4,097)	347,720	(885)	(1,238,984)	(732,707)	(498)	(733,205)
Loss for the period	-	-	-	-	-	(899,483)	(899,483)	1,994	(897,489)
Other comprehensive income	-	-	-	(26,734)	(1,487)	-	(28,221)	-	(28,221)
At 31 December 2017	81,192	82,347	(4,097)	320,986	(2,372)	(2,138,467)	(1,660,411)	1,496	(1,658,915)

1. Unaudited Financial Statements (Contd.)

1(d)(i) Statements of Changes in Equity

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Available- for-sale reserve RM'000	Contributed surplus RM'000	(Accumulated loss) RM'000	Equity attributable to owners of the parent RM'000	Non- controlling interest RM'000	Total equity RM'000
Group										
At 1 January 2018, previously reported	81,192	82,347	(4,097)	320,986	(2,372)	-	(2,138,467)	(1,660,411)	1,496	(1,658,915)
Adoption of IFRS 15	-	-	-	996	-	-	(19,370)	(18,374)	-	(18,374)
At 1 January 2018, restated	81,192	82,347	(4,097)	321,982	(2,372)	-	(2,157,837)	(1,678,785)	1,496	(1,677,289)
Profit for the period	-	-	-	-	-	-	953,227	953,227	357	953,584
Other comprehensive income	-	-	-	(4,641)	-	-	-	(4,641)	-	(4,641)
Fair value loss on available- for-sale	-	-	-	-	(2,027)	-	-	(2,027)	-	(2,027)
Arising from dilution of equity interests in subsidiary	-	-	-	-	-	-	(3,259)	(3,259)	-	(3,259)
Allotment and Issuance of Non-Sustainable Debt shares	1,772	150,280	-	-	-	-	-	152,052	-	152,052
Allotment and Issuance of Rights shares	833	65,172	-	-	-	-	-	66,005	-	66,005
Capital reorganisation (Note)	(80,380)	-	-	-	-	80,380	-	-	-	-
At 30 September 2018	3,417	297,799	(4,097)	317,341	(4,399)	80,380	(1,207,869)	(517,428)	1,853	(515,575)
Profit for the period	-	-	-	-	-	-	6,334	6,334	3,344	9,678
Other comprehensive income	-	-	-	(26,345)	-	-	-	(26,345)	-	(26,345)
Fair value loss on available-for-sale	-	-	-	-	(2)	-	-	(2)	-	(2)
Allotment and Issuance of Non-Sustainable Debt shares	-	(3)	-	-	-	-	-	(3)	-	(3)
At 31 December 2018	3,417	297,796	(4,097)	290,996	(4,401)	80,380	(1,201,535)	(537,444)	5,197	(532,247)

1. Unaudited Financial Statements (Contd.)

1(d)(i) Statements of Changes in Equity (Contd.)

Company	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Contributed surplus RM'000	Retained earnings / (Accumulated loss) RM'000	Equity attributable to owners of the parent RM'000
At 1 January 2017	405,962	82,347	(4,097)	778,608	58,413	1,321,233
Loss for the period	-	-	-	-	(1,342,109)	(1,342,109)
Capital reorganisation	(324,770)	-	-	-	324,770	-
At 30 September 2017	81,192	82,347	(4,097)	778,608	(958,926)	(20,876)
Loss for the period	-	-	-	-	(1,556,927)	(1,556,927)
At 31 December 2017	81,192	82,347	(4,097)	778,608	(2,515,853)	(1,577,803)
At 1 January 2018	81,192	82,347	(4,097)	778,608	(2,515,853)	(1,577,803)
Profit for the period	-	-	-	-	698,321	698,321
Allotment and Issuance of Non-Sustainable Debt shares	1,772	150,280	-	-	-	152,052
Allotment and Issuance of Rights shares	833	65,172	-	-	-	66,005
Capital reorganisation (Note)	(80,380)	-	-	80,380	-	-
At 30 September 2018	3,417	297,799	(4,097)	858,988	(1,817,532)	(661,425)
Profit for the period	-	-	-	-	43,778	43,778
Allotment and Issuance of Non-Sustainable Debt shares	-	(3)	-	-	-	(3)
At 31 December 2018	3,417	297,796	(4,097)	858,988	(1,773,754)	(617,650)

Note:

On 31 August 2018, the issued and paid-up share capital of the Company was reduced (the "Capital Reduction") from HK\$210,314,448.20 divided into 2,103,144,482 ordinary shares (including 6,678,597 treasury shares) of HK\$0.10 each to HK\$2,103,144.482 divided into 2,103,144,482 ordinary shares of par value HK\$0.001 each. The credit arising from the Capital Reduction in the sum of HK\$208,211,3034 (equivalent to approximately RM80,380,000) was credited to the contributed surplus of the Company.

1. Unaudited Financial Statements (Contd.)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital during the financial period under review.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and corresponding period of immediately preceding year.

As at 31 December 2018 and 31 December 2017, the total number of issued shares excluding treasury shares was 7,017,940,767 and 2,096,465,885 respectively.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on preceding year.

There were no movement in the treasury shares during 4Q 2018.

As at 31 December 2018, 6,678,597 treasury shares were held as treasury shares by the Company.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Other than the changes mentioned in item no. 5 below, the accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group have adopted the IFRS 15 - Revenue from Contracts with Customers in the financial period beginning on 1 January 2018 with cumulative retrospective effect in accordance with the transitional provisions.

The effect of the changes was reflected in the Statements of Changes in Equity.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	4rd Quarter ended	4rd Quarter ended	Full year ended	Full year ended
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Earnings / (loss) per ordinary shares of the Group for the financial period based on net profit / (loss) attributable to shareholders:				
(i) Based on weighted average number of ordinary shares in issue (Sen)	0.09	(42.90)	28.19	(144.05)
Weighted average number of shares	7,017,940,767	2,096,465,885	3,404,364,689	2,096,465,885
(ii) On a fully diluted basis (Sen)	0.09	(42.90)	28.19	(144.05)
Adjusted weighted average number of shares	7,017,940,767	2,096,465,885	3,404,364,689	2,096,465,885

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at	As at	As at	As at
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net asset value per ordinary share (Sen)	(7.6)	(79.1)	(8.8)	(75.3)
Ordinary shares in issue	7,017,940,767	2,096,465,885	7,017,940,767	2,096,465,885

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Group Performance

(a) Statements of comprehensive income (Group)

FY2018 vs FY2017

	FY2018				FY2017				Variance			
	Revenue		Gross Profit		Revenue		Gross Profit		Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	195,340	59%	51,288	26%	254,408	80%	26,590	10%	(59,068)	(23%)	24,698	93%
Vessel Chartering	134,522	41%	29,970	22%	65,170	20%	9,230	14%	69,352	106%	20,740	225%
Total	329,862	100%	81,258	25%	319,578	100%	35,820	11%	10,284	3%	45,438	127%

Revenue for year ended 31 December 2018 ("FY 2018") of RM329.9 million is RM10.3 million, or 3%, higher as compared to RM319.6 million achieved during the previous year corresponding year ended 31 December 2017 ("FY 2017"). The shipbuilding segment achieved 4 units of sales and delivery of vessel in FY 2018 as compared to 3 units in FY 2017 respectively, albeit a lower revenue of RM195.3 million in FY 2018 as compared to RM254.4 million in FY 2017 due to sales of different vessel type.

On the other hand, the vessel chartering segment registered an increase in revenue of RM69.4 million, or 106%, from RM65.2 million for FY 2017 to RM134.5 million for FY 2018, mainly attributed to the addition of seven vessels to the chartering fleet during the financial year.

8. (contd.)

Review of Group Performance (Contd.)

(a) Statements of comprehensive income (Group) (Contd.)

FY 2018 vs FY 2017

Gross profit increased by RM45.4 million or 127%, from RM35.8 million in FY 2017 to RM81.3 million recorded in FY 2018 mainly attributed to the increase in shipbuilding sales margin from 10% in FY 2017 to 26% in FY 2018 and increase in vessel chartering revenue as well as the improvement in gross profit margin for the vessel chartering segment to 22% in FY 2018 from 14% in FY 2017.

Other income increased to RM992.3 million in FY 2018 as compared to RM24.2 million recorded in FY 2017 mainly due to the extinguishment of debt of RM348.4 million and waiver of debt of RM594.4 million.

Selling and administrative expenses decreased by RM2.4 million or 7% to RM31.3 million during FY 2018, primarily due to the continuous effort in cost rationalisation.

Finance costs decreased by RM47.6 million in FY 2018, and as a result of the adjustment of interest expense in accordance with the Scheme of Arrangements as compared to RM73.4 million recorded in FY 2017.

Share of result in joint ventures and associate recorded net losses of RM1.1 million and RM8.5 million respectively in FY 2018 due to low vessel utilisation rate.

Mainly as a result of the waiver of debts and extinguishment of debt, the Group registered a net profit after tax of RM963.3 million in FY 2018 as compared to a net loss after tax of RM3.0 billion in FY 2017.

4Q 2018 vs 4Q 2017

	4Q 2018				4Q 2017				Variance			
	Revenue		Gross Profit		Revenue		Gross Profit		Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	50,635	51%	36,592	72%	51,625	72%	4,647	9%	(990)	(2%)	31,945	687%
Vessel Chartering	48,804	49%	1,127	2%	19,731	28%	8,078	41%	29,073	147%	(6,951)	(86%)
Total	99,439	100%	37,719	38%	71,356	100%	12,725	18%	28,083	39%	24,994	196%

8. (contd.)

Review of Group Performance (contd.)

(a) Statements of comprehensive income (Group) (contd.)

4Q 2018 vs 4Q 2017 (contd.)

Revenue for the three months ended 31 December 2018 ("4Q 2018") of RM99.4 million was RM28.1 million or 39% higher as compared to RM71.4 million registered during the previous year corresponding three months ended 31 December 2017 ("4Q 2017"). The shipbuilding segment registered a consistent revenue of RM50.6 million in 4Q 2018 as compared to RM51.6 million in 4Q 2017.

On the other hand, the vessel chartering revenue recorded an increase of 147% from RM19.7 million for 4Q 2017 to RM48.8 million for 4Q 2018, mainly attributed to the addition of seven vessels to the chartering fleet during 2018.

Gross profit in 4Q 2018 of RM37.7 million was RM25.0 million or 196%, higher as compared to RM12.7 million in 4Q 2017 mainly as a result of higher shipbuilding segment margin in 4Q 2018. Conversely, a lower margin in vessel chartering segment was mainly due to more vessels from the expanding chartering fleet, undergoing repairs and maintenance during the period.

Other income increased to RM47.8 million in 4Q 2018 as compared to RM17.0 million recorded in 4Q 2017 mainly due to the waiver of debts of RM43.8 million.

Selling and administrative expenses decreased by RM0.4 million or 4% to RM8.8 million during 4Q 2018 primarily due to the continuous effort in cost rationalisation.

Finance costs decreased by RM24.1 million in 4Q 2018, and as a result of the adjustment of interest expense in accordance with the Scheme of Arrangements.

Share of results of equity accounted joint ventures and associate recorded losses of RM0.5 and RM 4.7 million respectively on 4Q 2018 due to the protracted low vessel utilisation rate.

Mainly as a result of the waiver of debts, the Group recorded profit after tax of RM9.7 million in 4Q 2018 as compared to a net loss after taxation of RM897.5 million in 4Q 2017.

(b) Statements of financial position (Group)

Total Assets

Total assets of the Group decreased by RM101.4 million from RM1.11 billion as of 31 December 2017 ("FY2017") to RM1.01 billion as of 31 December 2018 ("FY2018") mainly due to decrease in cash and cash equivalents of RM114.7 million.

Total Liabilities

Total liabilities of the Group decreased by RM1.2 billion from RM2.8 billion in FY2017 to RM1.5 billion in FY2018, mainly due to the decrease in the trade and other payables of RM621.5 million and loan and borrowings of RM 573.5 million.

8. (contd.)

Review of Group Performance (contd.)

(c) Statement of Cash Flows (Group)

FY 2018 vs FY 2017

Net cash flows used in operating activities of RM28.9 million in FY 2018 was mainly due to decrease in payables of RM 24.2 million and interest paid of 17.3 million.

Net cash flows used in investing activities of RM88.5 million in FY 2018 was due to the acquisition of property, plant and equipment of RM90.4 million which was partially offset with interest received of RM1.8 million.

Net cash flows from financing activities of RM42.4 million in FY 2018 was mainly due to issuance of new shares of RM66.0 million which was offset with repayment of bank borrowings of RM10.8 million and medium term notes of RM 9.8 million.

4Q 2018 vs 4Q 2017

Net cash flows from operating activities of RM18.3 million in 4Q 2018 was mainly due to decrease in receivables of RM76.8million which was partially offset with payables of RM 41.2 million and loan interest repayment of RM 6.0 million.

Net cash flows used in investing activities of RM0.3 million in 4Q 2018 was due to the acquisition of property, plant and equipment of RM 1.0 million which was offset with interest received of RM0.7 million.

Net cash flows used in financing activities of RM3.8 million in 4Q 2018 was mainly due to increase in fixed deposits pledged of RM 3.0 million and repayment of bank borrowings of RM 0.9 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material change from the previous prospect statement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

According to the Petronas Activity Outlook 2019-2021, a positive outlook is expected for AHTS, PSV, as well as accommodation and maintenance vessels. Demand for AHTS and PSV are expected to increase due to a pickup in drilling and development activities. Meanwhile, a positive outlook for the Maintenance, Construction, and Modification (MCM) segment, and an expected increase in man hours required in the Brownfield Hook-up & Commissioning (HUC) segment, further strengthens the expected demand for accommodation and maintenance vessels.

In response to the uptick in the O&M activities in Malaysia, the Group has been deploying its vessels for charter in Malaysia, thus the vessel chartering segment is expected to continue its growth momentum. On the other hand, the Group will continue to monitor and review the shipbuilding schedule, together with deferment and cancellation plans, for its remaining vessels which have yet to be delivered, through ongoing communication and consultation with its stakeholders.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared in the period under review.

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows :-

Not applicable.

14. General mandate relating to interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

15. Segmental Reporting

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Financial year ended 31 December 2018					
Revenue					
External revenue	195,340	134,522	-	-	329,862
Inter segment	61,430	154,491	-	(215,921)	-
Results					
Interest income	5,164	1,423	29,235	(33,977)	1,845
Depreciation of property, plant and equipment	(11,331)	(6,027)	(760)	748	(17,370)
Amortisation of prepaid land lease payments	(162)	(109)	-	-	(271)
Inventories written back	(403)	-	-	-	(403)
Impairment on property, plant and equipment	(12,905)	(2,382)	-	-	(15,287)
Contract termination expense relating to prepayments for inventories	(4,166)	-	-	-	(4,166)
Finance costs	(36,074)	(3,434)	(20,859)	34,564	(25,803)
Share of results of jointly controlled entities	(1,054)	-	-	-	(1,054)
Share of loss on investment in associate	-	-	(8,493)	-	(8,493)
Profit / (Loss) before tax	703,649	(56,239)	316,166	-	963,576

15. Segmental Reporting (Contd.)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
As at 31 December 2018					
Additions to non-current assets	1,445	78	1,055	-	2,578
Investment in jointly controlled entities	-	-	3,418	(432)	2,986
Investment in associate	-	-	24,000	-	24,000
Available-for-sale financial assets	-	-	2,707	-	2,707
Segment assets	1,902,135	573,146	1,681,648	(3,144,744)	1,012,185
Segment liabilities	2,719,519	892,922	1,044,574	(3,111,739)	1,545,276
Financial year ended 31 December 2017					
Revenue					
External revenue	254,408	65,170	-	-	319,578
Inter segment	-	82,862	-	(82,862)	-
Results					
Operating loss	(2,504,534)	(278,357)	(110,760)	-	(2,893,651)
Interest income	996	708	3,740	-	5,444
Depreciation of property, plant and equipment	(2,021)	(16,281)	(912)	-	(19,214)
Depreciation of investment property	-	-	(930)	-	(930)
Amortisation of prepaid land lease payments	-	(108)	-	-	(108)
Allowance for trade and other receivables	(4,279)	(19,759)	(47,694)	-	(71,732)
Inventories written down	(2,085,877)	-	-	-	(2,085,877)
Prepayments for inventories written off	(105,899)	-	-	-	(105,899)
Impairment on investment in an associate	(5,237)	-	-	-	(5,237)
Impairment on property, plant and equipment	(107,303)	(239,464)	-	-	(346,767)

15. Segmental Reporting (Contd.)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Financial year ended 31 December 2017 (Contd.)					
Contract termination expense relating to					
prepayments for inventories	(8,363)	-	-	-	(8,363)
Impairment on amount due from customers on					
contracts	(198,660)	-	-	-	(198,660)
Inventories written off	(639)	-	-	-	(639)
Finance costs	(60,440)	(7,868)	(5,083)	-	(73,391)
Share of results of jointly controlled entities	-	-	(4,936)	-	(4,936)
Share of loss on investment in associate	-	-	(46,610)	-	(46,610)
Loss before income tax	(2,622,989)	(285,240)	(110,359)	-	(3,018,588)
As at 31 December 2017					
Additions to non-current assets	741	2,181	-	-	2,922
Investment in jointly controlled entities	-	-	4,041	-	4,041
Available-for-sale financial assets	-	-	3,226	-	3,226
Segment assets	3,608,125	423,666	1,285,022	(4,203,650)	1,113,163
Segment liabilities	5,024,956	720,316	1,450,045	(4,421,933)	2,773,384

15. Segmental Reporting (Contd.)

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows

	2018	2017
	RM'000	RM'000
Revenue		
Malaysia	132,678	67,502
China	-	70,035
Marshall Islands	96,487	6,385
Nigeria	-	59,757
Thailand	-	115,899
United Kingdom	100,697	-
	<u>329,862</u>	<u>319,578</u>
	2018	2017
	RM'000	RM'000
Non-current assets		
Malaysia	663,094	248,673
Singapore	1,085	71,841
	<u>664,179</u>	<u>320,514</u>

15. Segmental Reporting (Contd.)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2018	2017
	RM'000	RM'000
Property, plant and equipment	613,249	268,703
Prepaid land lease payments	6,862	7,133
Investment in jointly controlled entities	2,986	4,041
Investment in associate	24,000	23,840
Trade and other receivables	17,082	16,797
	<u>664,179</u>	<u>320,514</u>

16. Review of segment performance

Please refer to paragraph 8

17. A breakdown of Sales

	GROUP		% of increase
	FY2018 RM'000	FY2017 RM'000	
a) Sales reported for first half year	135,718	169,133	(20%)
b) Operating profit after tax before deducting minority interests reported for first half year	559,604	(2,071,733)	(127%)
c) Sales reported for second half year	194,144	150,445	29%
d) Operating profit after tax before deducting minority interests reported for second half year	403,658	(946,042)	(143%)

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tiong Chiong Soon	49 years	<ol style="list-style-type: none"> 1. Son of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Brother of Executive Vice Chairman, Tiong Chiong Hiiung 3. Brother-in-law of Chief Executive Officer, Leong Seng Keat 	Director of Nam Cheong Dockyard Sdn Bhd since 01.11.2009. Tiong Chiong Soon is responsible for the shipyard in Miri, Sarawak, Malaysia	Not Applicable
Leong Juin Zer Jonathan	29 years	<ol style="list-style-type: none"> 1. Grandson of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Nephew of Executive Vice Chairman, Tiong Chiong Hiiung 3. Son of Chief Executive Officer, Leong Seng Keat 	Business Development Manager. He leads the commercial team of the Group's Vessel Chartering division and helps to expand market shares through new clientele and new regions.	Director of SKOSV Sdn Bhd since 16.07.2018.

19. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Board of Directors of Nam Cheong Limited hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

BY ORDER OF THE BOARD

Tan Sri Datuk Tiong Su Kouk

Executive Chairman

27 February 2019