



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the First Quarter ended 31 March 2021**

	Current Quarter Ended 31-Mar-21 (Unaudited) RM'000	Corresponding Quarter Ended 31-Mar-20 (Unaudited) RM'000	Cumulative Period To Date 31-Mar-21 (Unaudited) RM'000	Corresponding Period To Date 31-Mar-20 (Unaudited) RM'000
Revenue	84,060	172,057	84,060	172,057
Cost of services	(84,432)	(112,353)	(84,432)	(112,353)
Gross (loss)/profit	(372)	59,704	(372)	59,704
Other income	746	86	746	86
Administrative expenses	(23,491)	(26,346)	(23,491)	(26,346)
Other operating expenses	(3,156)	(4,379)	(3,156)	(4,379)
Results from operating activities	(26,273)	29,065	(26,273)	29,065
Finance costs	(9,027)	(12,879)	(9,027)	(12,879)
Finance income	1,849	2,834	1,849	2,834
Net finance costs	(7,178)	(10,045)	(7,178)	(10,045)
(Loss)/Profit before tax	(33,451)	19,020	(33,451)	19,020
Income tax expense	(4,059)	(10,772)	(4,059)	(10,772)
(Loss)/Profit for the period	(37,510)	8,248	(37,510)	8,248
Other comprehensive income, net of tax				
Foreign currency translation	35,732	55,227	35,732	55,227
Other comprehensive income for the period, net of tax	35,732	55,227	35,732	55,227
Total comprehensive (loss)/income for the period	(1,778)	63,475	(1,778)	63,475
(Loss)/Profit for the period				
Attributable to:				
Owners of the Company	(27,537)	9,325	(27,537)	9,325
Non-controlling interests	(9,973)	(1,077)	(9,973)	(1,077)
	(37,510)	8,248	(37,510)	8,248
Total comprehensive (loss)/income for the period				
Attributable to:				
Owners of the Company	(4,761)	44,709	(4,761)	44,709
Non-controlling interests	2,983	18,766	2,983	18,766
	(1,778)	63,475	(1,778)	63,475
Weighted average number of ordinary shares in issue ('000)	1,078,443	1,061,291	1,078,443	1,061,291
Basic (loss)/earnings per ordinary share (sen)	(2.55)	0.88	(2.55)	0.88

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report).



Condensed Consolidated Statement of Financial Position
As at 31 March 2021

	(Unaudited) 31-Mar-21 RM'000	(Audited) 31-Dec-20 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,283,643	1,266,273
Right-of-use assets	39,706	40,740
Deposits	12,000	12,000
Goodwill	653,627	653,627
Deferred tax assets	7,080	7,080
TOTAL NON-CURRENT ASSETS	1,996,056	1,979,720
CURRENT ASSETS		
Inventories	6,968	6,586
Contract assets	163,462	197,116
Trade and other receivables	89,546	96,648
Other investments	29,795	28,606
Deposits and prepayments	5,875	9,219
Current tax assets	3,543	3,391
Cash and cash equivalents	542,278	424,217
TOTAL CURRENT ASSETS	841,467	765,783
TOTAL ASSETS	2,837,523	2,745,503
EQUITY AND LIABILITIES		
EQUITY		
Share capital	891,288	761,751
Reserves	725,106	730,216
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,616,394	1,491,967
NON-CONTROLLING INTERESTS	290,355	287,023
TOTAL EQUITY	1,906,749	1,778,990
NON-CURRENT LIABILITIES		
Loans and borrowings	524,780	526,056
Lease liabilities	7,143	8,031
Deferred tax liabilities	76,196	75,612
TOTAL NON-CURRENT LIABILITIES	608,119	609,699
CURRENT LIABILITIES		
Loans and borrowings	165,446	180,251
Lease liabilities	3,653	3,662
Trade and other payables	149,666	164,455
Current tax liabilities	3,890	8,446
TOTAL CURRENT LIABILITIES	322,655	356,814
TOTAL LIABILITIES	930,774	966,513
TOTAL EQUITY AND LIABILITIES	2,837,523	2,745,503
Net assets per share (sen)	150	141

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Changes in Equity
For the First Quarter ended 31 March 2021**

	Attributable to the Owners of the Company			Total	Non-controlling interests	Total Equity
	Non-Distributable		Distributable			
	Share Capital	Other reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	761,751	50,483	622,300	1,434,534	330,597	1,765,131
Profit for the year	-	-	56,412	56,412	(23,850)	32,562
Foreign currency translation differences for foreign operations	-	(11,927)	-	(11,927)	(6,776)	(18,703)
Total comprehensive income for the year	-	(11,927)	56,412	44,485	(30,626)	13,859
Dilution of NCI interest in a subsidiary	-	-	12,812	12,812	(12,812)	-
Changes in ownership interests in a subsidiary	-	(267)	403	136	(136)	-
At 31 December 2020 (Audited)	761,751	38,289	691,927	1,491,967	287,023	1,778,990



Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the First Quarter ended 31 March 2021

	Attributable to the Owners of the Company			Total	Non-controlling interests	Total Equity
	Non-Distributable		Distributable			
	Share Capital	Other reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	761,751	38,289	691,927	1,491,967	287,023	1,778,990
Loss for the period	-	-	(27,537)	(27,537)	(9,973)	(37,510)
Foreign currency translation differences for foreign operations	-	22,776	-	22,776	12,956	35,732
Total comprehensive income for the period	-	22,776	(27,537)	(4,761)	2,983	(1,778)
Issuance of ordinary shares under private placement	132,343	-	-	132,343	-	132,343
Share issue expense	(2,806)	-	-	(2,806)	-	(2,806)
Dilution of NCI interest in a subsidiary	-	-	(349)	(349)	349	-
At 31 March 2021 (Unaudited)	891,288	61,065	664,041	1,616,394	290,355	1,906,749

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report).



**Condensed Consolidated Statement of Cash Flows
For the First Quarter ended 31 March 2021**

	Current period-to-date (Unaudited) 31-Mar-21 RM'000	Corresponding period- to-date (Unaudited) 31-Mar-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(33,451)	19,020
Adjustments for:		
- Non-cash items	30,135	31,635
- Non-operating items	7,178	10,523
Operating profit before changes in working capital	3,862	61,178
<u>Changes in working capital</u>		
Inventories	(382)	(57)
Contract assets	33,654	23,901
Trade and other payables	(16,550)	(72,605)
Trade and other receivables, deposits and prepayments	4,203	240,358
Cash generated from operations	24,787	252,775
Income tax paid	(8,184)	(19,391)
Interest paid	(140)	-
Interest received	1,849	2,834
Net cash from operating activities	18,312	236,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7,946)	(8,325)
Proceeds from disposal of property, plant and equipment	-	6
Net movement of deposits with original maturity exceeding three months	(1,189)	-
Net cash used in investing activities	(9,135)	(8,319)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(8,217)	(9,312)
Payment of lease liabilities	(897)	-
Proceeds from Private Placement, net of expenses	129,537	-
Term loans interest paid	(3,830)	(1,981)
Net movement in pledged deposits	(137,663)	-
Net cash used in financing activities	(21,070)	(11,293)
Net (decrease)/increase in cash and cash equivalents	(11,893)	216,606
Effect of exchange rate movements	4,826	4,986
Cash and cash equivalents at the beginning of the period	281,861	316,915
Cash and cash equivalents at the end of the period	274,794	538,507

Breakdown of cash and cash equivalents at the end of the period:-

Fixed deposits placed with original maturities not exceeding three months (excluding deposits pledged)	180,722	389,537
Cash on hand and at banks	94,072	148,970
Cash and cash equivalents	274,794	538,507

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying notes attached to this interim financial report).



A. NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of Reporting Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 (MFRS134), *Interim Financial Reporting* and with IAS 34, *Interim Financial Reporting* and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

A2. Changes in Accounting Policies

A2.1 Adoption of Accounting Standards, Amendments and Interpretations

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2020, except for the adoption of the following Accounting Standards, Amendments and Interpretations:

MFRS/ Amendment/ Interpretation

Effective date

Amendment to MFRS 16, *Leases – Covid-19 Related Rent Concessions*

1 June 2020

Amendments to MFRS 9, *Financial Instruments*, MFRS 139 *Financial*

1 January 2021

Instruments: Recognition and Measurement, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- From the annual period beginning on 1 January 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021.

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**A2. Changes in Accounting Policies (Cont'd)****A2.2 Accounting Standards, Amendments and Interpretations issued but not yet effective**

MFRS/ Amendment/ Interpretation	Effective date
Amendments to MFRS 16, Leases – <i>Covid-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
Amendments to MFRS 3, <i>Business Combinations – Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 9, <i>Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
Amendments to MFRS 116, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 141, <i>Agriculture (Annual Improvements to MFRS Standards 2018-2020)</i>	1 January 2022
MFRS 17, <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101, <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- From the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for Amendments to MFRS 1 and Amendments to MFRS 141, which are assessed as not applicable to the Group and the Company.
- From the annual period beginning on 1 January 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17, which are assessed as not applicable to the Group and the Company.

The initial application of the above accounting standards, amendments or interpretations are not expected to have any material financial impacts on the financial statements of the Group and the Company for the current and prior periods.

**A3. Auditors' Report**

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

A4. (Loss)/Profit for the period

	Current quarter/period- to-date ended (Unaudited) 31-Mar-21 RM'000	Corresponding quarter/period- to-date ended (Unaudited) 31-Mar-20 RM'000	Preceding quarter ended (Audited) 31-Dec-20 RM'000
(Loss)/Profit for the period is arrived at after (charging)/crediting:			
<u>Other income</u>			
Reversal of impairment loss on receivables	-	-	284
Realised gain on foreign exchange	-	-	309
Unrealised gain on foreign exchange	-	-	2,994
Others	746	86	357
Total other income	746	86	3,944
<u>Other expenses</u>			
Realised loss on foreign exchange	(98)	(76)	-
Impairment loss on property, plant and equipment	-	-	(7,259)
Unrealised loss on foreign exchange	(3,057)	(4,303)	-
Tax penalty	-	-	(1,256)
Others	(1)	-	(525)
Total other expenses	(3,156)	(4,379)	(9,040)
Grand total of other income, net of other expenses	(2,410)	(4,293)	(5,096)
Depreciation of property, plant and equipment & right-of-use assets	(27,078)	(27,333)	(29,872)

Save for the above, there were no allowance for write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties and material exceptional items that are included in the profit of the Group for the current quarter ended 31 March 2021.

A5. Seasonal or Cyclical Factors

Seasonality due to weather is not foreseen to affect the Group's vessel chartering operations. However, the offshore topside maintenance operations are normally affected by bad weather at the beginning and the end of the year and this factor has been taken into consideration in the Group's annual business plan.



A6. Items of Unusual Nature and Amount

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence for the current quarter, except for other income/expenses and other comprehensive income/expenses arising from realised/unrealised foreign exchange gain/loss and foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars.

During the current quarter and financial period-to-date, the other expenses comprise net realised/unrealised foreign exchange loss of RM3.2 million whereas other comprehensive income includes foreign currency translation gain of RM35.7 million.

A7. Material Changes in Estimates

There were no changes in the estimates of amounts reported in the current quarter and financial period to-date.

A8. Issuances, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities

There were no cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter and financial period to-date other than the private placement of up to approximately 10% of the total number of issued shares of the Company [see detail in note B8] and the conversion of 996,562 Redeemable Convertible Preference Shares ("RCPS") into new ordinary shares at a conversion ratio of 1 RCPS : 1 ordinary share of Perdana Petroleum Berhad ("PPB"). The conversion price of RM0.325 per share is the same as the issue price of the RCPS.

The cumulative number of RCPS converted into ordinary shares of PPB since issuance is 1,437,450,699 as at 31 March 2021 and the number of RCPS yet to be converted as at that date is 26,178,500.

A9. Dividend

No dividend has been declared or paid for the financial year ended 31 December 2020 and the current quarter ended 31 March 2021.

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**A10. Segmental Information**

The Group is organized into the following operating segments:-

1. Investment holding
2. Offshore Topside Maintenance Services (“Offshore TMS”)
3. Charter of Marine Vessels (“Marine Charter”)
4. Rental of offshore equipment (“Equipment Rental”)

A10.1 Business Segment

Current quarter/period-to-date ended 31 March 2021 (Unaudited)	Investment Holding	Offshore TMS	Marine Charter	Equipment Rental	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	-	68,425	13,855	-	82,280	1,780	84,060
Inter-segment revenue	1,050	-	5,713	4,601	11,364	(11,364)	-
Total revenue	1,050	68,425	19,568	4,601	93,644	(9,584)	84,060
Results							
Segment results	191	10,128	(34,049)	1,859	(21,871)	(4,402)	(26,273)
Finance costs							
Finance costs	(8,245)	(107)	(669)	(6)	(9,027)	-	(9,027)
Inter-segment finance costs	(5,297)	-	(1,561)	-	(6,858)	6,858	-
Total finance costs	(13,542)	(107)	(2,230)	(6)	(15,885)	6,858	(9,027)
Finance income							
Finance income	450	1,199	127	73	1,849	-	1,849
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	450	1,199	127	73	1,849	-	1,849
(Loss)/Profit before tax	(12,901)	11,220	(36,152)	1,926	(35,907)	2,456	(33,451)
Taxation							(4,059)
Loss after tax							(37,510)

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**A10. Segmental Information (Cont'd)****A10.1 Business Segment (Cont'd)**

Corresponding quarter/period-to-date ended 31 March 2020 (Unaudited)	Investment Holding	Offshore TMS	Marine Charter	Equipment Rental	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	-	133,507	38,550	-	172,057	-	172,057
Inter-segment revenue	1,262	-	32,521	4,506	38,289	(38,289)	-
Total revenue	1,262	133,507	71,071	4,506	210,346	(38,289)	172,057
Results							
Segment results	335	38,536	(15,477)	2,102	25,496	3,569	29,065
Finance costs	(11,490)	-	(1,389)	-	(12,879)	-	(12,879)
Inter-segment finance costs	(4,748)	-	(2,611)	-	(7,359)	7,359	-
Total finance costs	(16,238)	-	(4,000)	-	(20,238)	7,359	(12,879)
Finance income	1,445	959	414	16	2,834	-	2,834
Inter-segment finance income	-	-	-	-	-	-	-
Total finance income	1,445	959	414	16	2,834	-	2,834
(Loss)/Profit before tax	(14,458)	39,495	(19,063)	2,118	8,092	10,928	19,020
Taxation							(10,772)
Profit after tax							8,248

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**A10. Segmental Information (Cont'd)****A10.2 Segment Assets and Liabilities**

As at 31 March 2021 (Unaudited)	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	1,581,864	1,220,836	1,460,832	66,693	4,330,225	(1,503,325)	2,826,900
Deferred tax assets	-	-	7,080	-	7,080	-	7,080
Current tax assets	-	-	3,543	-	3,543	-	3,543
Total assets	1,581,864	1,220,836	1,471,455	66,693	4,340,848	(1,503,325)	2,837,523
Segment liabilities	1,064,563	179,138	343,225	3,544	1,590,470	(739,782)	850,688
Deferred tax liabilities	-	3,866	57,051	2,302	63,219	12,977	76,196
Current tax liabilities	62	3,088	72	668	3,890	-	3,890
Total liabilities	1,064,625	186,092	400,348	6,514	1,657,579	(726,805)	930,774

As at 31 March 2020 (Unaudited)	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Segment assets	1,725,040	1,205,776	1,656,699	59,442	4,646,957	(1,733,662)	2,913,295
Deferred tax assets	-	-	17,833	-	17,833	-	17,833
Current tax assets	-	-	3,442	672	4,114	-	4,114
Total assets	1,725,040	1,205,776	1,677,974	60,114	4,668,904	(1,733,662)	2,935,242
Segment liabilities	1,098,891	218,079	428,708	3,976	1,749,654	(755,507)	994,147
Deferred tax liabilities	-	3,689	59,618	2,459	65,766	10,029	75,795
Current tax liabilities	303	35,198	1,193	-	36,694	-	36,694
Total liabilities	1,099,194	256,966	489,519	6,435	1,852,114	(745,478)	1,106,636

**A11. Revenue****A11.1 Disaggregation of Revenue**

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers and vessel charter income.

In the following table, revenue is disaggregated by type of services and timing of revenue recognition within the Group's operating segments.

	Current quarter ended (Unaudited)	Corresponding quarter ended (Unaudited)
	31-Mar-21	31-Mar-20
	RM'000	RM'000
Type of contacts		
Revenue from contracts with customers		
Topside maintenance services		
Unit rate	34,453	53,703
Lump sum	29,288	80,163
Reimbursable	6,464	(359)
	70,205	133,507
Other revenue		
Marine offshore support services		
Chartering of vessels	13,855	38,550
	84,060	172,057
Timing and recognition		
Services transferred over time		
Unit rate	34,453	53,703
Lump sum	29,288	80,163
Services transferred at a point in time		
Reimbursable	6,464	(359)
	70,205	133,507

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**A11. Revenue (Cont'd)****A11.2 Nature of Services**

Type of contracts	Timing of recognition or method used to recognise revenue	Significant payment terms
Lump sum	Revenue is recognised over time using the cost incurred method.	Credit periods of 30 days from invoice date.
Unit rate	Revenue is recognised over time using the cost incurred method.	Credit periods of 30 days from invoice date.
Reimbursable	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit periods of 30 days from invoice date.
Catering services	Revenue is recognised at a point in time when the services are performed and accepted by the customers.	Credit period of 30 days from invoice date.

A12. Valuation of Goodwill

Under MFRS 136, *Impairment of Assets* the Group is required to annually carry out impairment test on the cash generated units (“CGUs”), of which goodwill is allocated. For the purpose of impairment testing, goodwill is allocated to the Group’s operating activities (i.e. marine charter) which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

MFRS 136 states that the annual impairment test for the following items may be performed at any time within an annual reporting period, provided that the test is performed at the same time every year. The Group reassessed the valuation of its CGUs as at 31 December 2020 to determine whether there is any indication that its CGUs may be impaired.

The Group has adopted value-in-use (“VIU”) estimations which entail discounting the estimated future cash flows from the continuing use of the CGUs. The recoverable amounts were compared against the carrying amounts of the CGUs.

During the current quarter ended 31 March 2021 there was no impairment provided.

A13. Valuation of Property, Plant and Equipment (“PPE”)

The Group reassessed its assets (except for inventories, deferred tax assets and financial assets) as at 31 March 2021 to determine whether there is any indication that its assets may be further impaired or recovered.

The Group has adopted value-in-use (“VIU”) estimations which entail discounting the estimated future cash flows from the continuing use of PPE. The recoverable amounts were compared against the carrying amounts of the PPE.



A13. Valuation of Property, Plant and Equipment (“PPE”) (Cont’d)

For the current financial quarter ended 31 March 2021, there were no further allowance for impairment loss or reversal of impairment loss on PPE provided.

The Group’s accumulated impairment loss remained at RM16.6 million as at 31 March 2021 and 31 December 2020.

A14. Capital Commitments

As at 31 March 2021, the Group has the following capital commitment:

	RM’000
Property, plant and equipment	
Approved and contracted for	27,800
	27,800

A15. Material Events Subsequent to the Reporting Period

There were no material events subsequent to the current financial quarter ended 31 March 2021 up to the date of this report which is likely to substantially affect the financial results of the Group.

A16. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 March 2021.

A17. Contingent Liabilities

The following are the contingent liabilities outstanding as at 31 March 2021:

	31-Mar-21	
	Group	Company
	RM’000	RM’000
Corporate guarantee given to a licensed bank for credit facilities granted to a subsidiary	-	10,022
	-	10,022

The Directors are of the opinion that provision is not required in respect of the following contingent liabilities as it is not probable as at the end of the reporting period that a future sacrifice of economic benefits will be required.

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A17. Contingent Liabilities (Cont'd)

Further to the conclusion of a tax audit conducted for year of assessment (“YA”) 2007 to YA2010, the Inland Revenue Board (IRB) has requested the subsidiary of the Group to revise its tax computations for YA2011 and subsequent years. The subsidiary of the Group engaged a tax consultant to assist in the matter and assess the tax impacts thereof. In February 2017, the subsidiary of the Group responded to the IRB that it disagrees with applying the same computation method used for the earlier tax audit exercise based on reasonable technical grounds. The subsidiary of the Group may need to provide for additional tax payable, if any, arising from any revision of the tax computations for YA2011 and subsequent years, the outcome of which cannot be ascertained at this present stage. As at the latest practicable date of 18 May 2021, the subsidiary of the Group has not received any response from the IRB to its reply of February 2017.

In addition to the above, the IRB is also conducting tax audits of some of the subsidiaries of the Group for years of assessment varying from YA2011 to YA2018. The subsidiary of the Group has engaged a tax consultant to assist in the matter and has responded to the IRB on its enquiries. The subsidiary of the Group is currently awaiting further response from the IRB. The financial impact, if any, from the relevant tax audits by the IRB is not determinable at this juncture.

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**A18. Significant Related Party Transactions**

The Group entered into the following transactions with related parties, in addition to compensations to Directors and other key management personnel, during the current quarter: -

Transactions with Directors and a company in which certain Directors have substantial financial interests:-	Nature	Amount for 3 months ended 31 March 2021 RM'000	Unsettled balance as at 31 March 2021 RM'000
Ling Suk Kiong and Joe Ling Siew Loung @ Lin Shou Long	Rental of open yard fabrication facilities with workshop, warehouse and office in Labuan	153	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office in Miri	9	-
Kunci Prima Sdn Bhd (Directors and shareholders are Joe Ling Siew Loung @ Lin Shou Long, Ling Suk Kiong and his spouse Wong Siew Hong)	Rental of office in Miri	186	-
Tengku Dato' Yusof Bin Tengku Ahmad Shahrudin	Rental of office in Petaling Jaya	199	-
Kunci Prima Sdn Bhd	Rental of office in Kuala Baram	68	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of condominium located at unit B-36-01, Verticas Residensi, No. 10, Jalan Ceylon, 55100 Kuala Lumpur	24	-
Clear Water Services Sdn Bhd	General trading specialising in oil and gas sector	3,505	3,505
		<u>4,144</u>	<u>3,505</u>

In the opinion of the Directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favorable than those transacted with unrelated parties.

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**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS****B1. Review of Financial Performance**

The Group's Performance for the Current Quarter under review versus the Corresponding Quarter of the Previous Financial Year is tabled below:

	Current quarter ended (Unaudited) 31-Mar-21 RM'000	Corresponding quarter ended (Unaudited) 31-Mar-20 RM'000	Variance	
			RM'000	%
Revenue	84,060	172,057	(87,997)	(51)
Gross (loss)/profit	(372)	59,704	(60,076)	(101)
(Loss)/Profit before interest and tax	(26,273)	29,065	(55,338)	(190)
(Loss)/Profit before tax	(33,451)	19,020	(52,471)	(276)
(Loss)/Profit after tax	(37,510)	8,248	(45,758)	(555)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(27,537)	9,325	(36,862)	(395)

Comparatively, the Group recorded revenue of RM84.1 million for the current quarter ended 31 March 2021, which was 51% lower than the revenue of RM172.1 million in the previous corresponding quarter. In current quarter, the Group also recorded a loss before tax of RM33.5 million as compared to a profit before tax of RM19.0 million in the corresponding quarter ended 31 March 2020.

The decrease in revenue in the current quarter is mainly due to the recent reinstatement of the Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") imposed by the Government, as a result, work orders/contracts being awarded from oil majors in the first quarter of 2021 have been slowed down. Vessel utilisation during the current quarter has been reduced from 55% to 20%, as compared to first quarter of 2020. In addition, the revenue in first quarter of 2020 is mainly attributable from the carry workorder balances from year 2019 to year 2020.

In addition, the Group recorded a loss before tax during current quarter as a result of higher operating costs incurred to adhere to the standard operating procedures to combat Covid-19 as well as net realised/unrealised loss in foreign exchange of RM3.2 million.

In the opinion of the Directors, the results for the current quarter have not been affected by any transactions or events of a material nature which have arisen between 31 March 2021 and the date of this report.

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**B2. Financial Review for Current Quarter Results compared to the Results of the Immediate Preceding Quarter**

	Current quarter ended (Unaudited) 31-Mar-21 RM'000	Preceding quarter ended (Audited) 31-Dec-2020 # RM'000	Variance	
			RM'000	%
Revenue	84,060	158,226	(74,166)	(47)
Gross (loss)/profit	(372)	41,031	(41,403)	(101)
(Loss)/Profit before interest and tax	(26,273)	6,150	(32,423)	(527)
(Loss)/Profit before tax	(33,451)	2,047	(35,498)	(1,734)
Loss after tax	(37,510)	(7,185)	(30,325)	(422)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(27,537)	11,992	(39,529)	(330)

The comparative figures have been adjusted and reclassified to conform with the audited financial statement's presentation.

The Group recorded revenue of RM84.1 million during the current quarter, which was 47% lower as compared to the preceding quarter's revenue of RM158.2 million, as the current quarter is typically the weakest quarter. In the current quarter, the Group made a loss before tax of RM33.5 million as compared to profit before tax of RM2.0 million in the preceding quarter ended 31 December 2020.

The decrease in revenue in the current quarter is mainly due to lower vessel utilisation and lower work orders received from the topside maintenance services, which are typically affected by the monsoon weather. Vessel utilisation rate in the current quarter is 20% as compared to 44% in the fourth quarter of 2020.

In addition, the loss before tax recorded in the current quarter has taken into account a net realised/unrealised foreign exchange loss of RM3.2 million, as compared to an allowance for impairment loss on PPE of RM7.3 million as well as net realised/unrealised foreign exchange gain of RM3.3 million recognised in the preceding quarter.

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B3. Prospects

Our financial performance in the first quarter of 2021 was weaker as expected, due to the seasonal monsoon weather and the recent reinstatement of the Movement Control Order (“MCO”) and Conditional Movement Control Order (“CMCO”) in various states. These have resulted in lesser activities for the Maintenance, Construction and Modifications Contract (MCM) and Topping Maintenance Services works under the Pan Hook-up and Commissioning Contract (Pan HUC). Concurrently, strict adherence to the standard operating procedures of COVID-19 has also resulted in higher operating costs.

In tandem with lower work orders, vessel utilisation was recorded at lower rate of 20% during the period under review compared to 55% in the first quarter of 2020. The relatively low vessel utilisation is partly due to lagged effects of oil majors’ capex reduction in addition to the adverse monsoon weather.

For topside maintenance and offshore activities, we expected to pick up gradually, due to the current improvement in crude oil prices which are estimated at level of USD60-65 per barrel barring unforeseen circumstances. Furthermore, we still have call-out contracts estimated at RM2.5 billion which we project that our vessel utilisation rate to improve, as more vessels are earmarked for our offshore maintenance and hook-up commissioning contracts with various oil majors where activities are predicted to be ramping higher.

The Group has recently successfully completed a private placement in raising RM129.5 million, of which RM75.5 million has been utilised for mandatory redemption of outstanding Sukuk and coupon payments and the remaining RM54 million will be utilised for the working capital of the Group.

Amidst all the challenges in oil and gas industry, the Group remains vigilant and will continue to exercise due care and prudence in the running and administration of the Group’s business.

B4. Profit Forecast and Profit Guarantee

There was no profit guarantee issued by the Group.

B5. Income Tax Expense

	Current quarter/period-to-date ended (Unaudited) 31-Mar-21 RM'000	Corresponding quarter/period-to-date ended (Unaudited) 31-Mar-20 RM'000
Malaysian income tax		
Current year	4,059	10,772

For the current quarter, the Group still incurs a tax charge of RM4.1 million as the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities.

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**B6. Profit from Sale of Unquoted Investments and/or Properties**

There were no disposals of unquoted investments and properties for the current quarter.

B7. Quoted Securities

There were no movement of quoted securities for the current quarter.

B8. Status of Corporate Proposal**Private Placement of up to approximately 10% of the total number of shares of Dayang Enterprise Holdings Bhd (“Dayang”)**

Pursuant to the Sukuk Murabahah and Al-Kafalah facility arrangement, it is a condition subsequent that, inter alia, Dayang has to undertake a Private Placement of ordinary share to be completed no later than 30 June 2020.

A formal resolution has been approved by the Sukuk Trustees on 15 June 2020 to defer the implementation of the proposed Private Placement for a period of 12 months from 30 June 2020. Bursa Securities has also granted Dayang’s application on 17 February 2021 to complete the implementation of the Private Placement up to 25 August 2021.

On 15 March 2021, The Private Placement has been completed following the listing and quotation for 96,480,900 placement shares, representing approximately 10% of the total number of issued shares of Dayang, on the Main Market of Bursa Securities. Total gross proceeds of RM132,342,850.53 were raised from placing out 96,480,900 shares at placement price of RM1.3717 per share.

Dayang intends to utilise the placement proceeds for early redemption of part of the Sukuk Marabahah and coupon payments, to defray the expenses relating to the placement exercise and to fund the operating, maintenance and administration expenses of Dayang as follows:

	RM'000	Intended time frame for utilisation	Remark
Early redemption of part of the Sukuk Murabahah and coupon payments	75,537	Within 3 months upon completion of the placement	Fully utilised
Working capital of the Group	54,000	Within 1 year upon receipt of funds	
Estimated expenses for placement share issue	2,806	Upon completion of the private placement	Fully utilised
Total	132,343		

Save for the above, there were no other corporate proposals announced but not completed as at 18 May 2021, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

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**B9. Group Borrowings**

Total Group's borrowings as at 31 March 2021 were as follows:

	As at 31-Mar-21 (Unaudited)		As at 31-Dec-20 (Audited)	
	USD'000	RM'000	USD'000	RM'000
Current				
Secured				
Sukuk	-	81,900	-	81,900
Term loans	-	8,132	-	9,571
Term loans	17,557	73,057	18,399	73,888
Islamic facility	-	2,357	-	2,357
Overdrafts	-	-	-	12,535
	17,557	165,446	18,399	180,251
Non-current				
Secured				
Sukuk	-	498,464	-	496,991
Term loans	-	1,890	-	3,330
Term loans	3,345	13,919	3,645	14,638
Islamic facility	-	10,507	-	11,097
	3,345	524,780	3,645	526,056
Total	20,902	690,226	22,044	706,307

Exchange rate (USD: MYR):

USD1: MYR4.161

USD1: MYR4.016

Source of reference: Bank Negara Malaysia Website

As at 31 March 2021, the total outstanding borrowings have reduced to RM690.2 million as compared to RM706.3 million as at 31 December 2020 mainly due to repayment of overdraft of RM12.5 million.

The Group's borrowings are interest-bearing and denominated in both Ringgit Malaysia ("MYR") and United States Dollar ("USD"), as set out in the tables above. The Sukuk, MYR denominated term loans, USD denominated term loans are based on floating interest rate whereas Islamic facility term loan are based on fixed interest rate.

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**B10. Material Litigations**

There were no material litigations involving the Group since the last financial year ended 31 December 2020 up to 18 May 2021, being the latest practicable date not earlier than 7 days from the date of issue of this interim report.

B11. Dividend

No dividend was proposed or declared during the quarter under review.

B12. (Loss)/Earnings Per Share

Basic (loss)/earnings per share	Current Quarter Ended 31-Mar-21	Corresponding Quarter Ended 31-Mar-20	Cumulative Period Ended 31-Mar-21	Corresponding Period Ended 31-Mar-20
(Loss)/Profit for the period attributable to Owners of the Company (RM'000)	(27,537)	9,325	(27,537)	9,325
Weighted average number of ordinary shares in issue ('000)	1,078,443	1,061,291	1,078,443	1,061,291
Basic (loss)/earnings per share (sen)	(2.55)	0.88	(2.55)	0.88

B13. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 May 2021.